



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jose Obregon

**SUBJECT:** APPROVAL OF A CONTINUATION  
AGREEMENT FOR OFFICE SPACE  
LOCATED AT 1821 ZANKER ROAD

**DATE:** June 2, 2004

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Approved

Date

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**COUNCIL DISTRICT:** Citywide  
**SNI AREA:** NA

## **RECOMMENDATION**

Approval of a continuation agreement between the City of San Jose and Watchguard Technologies, Inc. extending the existing sublease of 6,500 square feet of space located at 1821 Zanker Road on a month to month basis for a rental rate of \$6,000 per month plus prorated utilities.

## **BACKGROUND**

On September 16, 2002, the City Manager approved an 11 month sublease with Watchguard Technologies, Inc. for the use of 6,500 square feet of office space located in the building that they lease from San Jose Technology Properties, LLC, located at 1821 Zanker Road. This sublease requires the City to pay rent in the amount of \$6,000 per month and contains provisions that allowed the City to continue in possession for an additional five month period at the same rental rate expiring on January 31, 2004. On January 20, 2004 the City Council authorized a month to month extension of this sublease until July 31, 2004.

## **ANALYSIS**

Due to delays in the completion of the new animal services facility, General Services staff negotiated a second continuation of the sublease with representatives of Watchguard Technologies for an additional four month period. The rental rate in the continuation period remains unchanged. The City is to provide their own janitorial service and reimburse Watchguard for its prorata share of building utilities. The continuation agreement will expire on November 30, 2004, unless sooner terminated.

**PUBLIC OUTREACH**

Not applicable.

**COORDINATION**

This item has been coordinated with the Office of the City Manager and the Department of Parks Recreation and Neighborhood Services. The Office of the City Attorney has reviewed the agreement and approved it as to form.

**COST IMPLICATION**

Rent for this agreement is \$6,000 per month for up to 4 months for a total of \$24,000. In addition to the rent, the lease calls for the City to provide janitorial services and reimburse the landlord for the cost of utilities to the leased premises. This action is consistent with the Council approved Budget Strategy recommendation under General Principal #2, "We must focus on protecting our vital core city services."

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC#	Total Appn.	Amt. For Contract	Proposed Budget 2004-2005 Page	Last Budget Action (Date, Ord. No.)
001	3066	Animal Care and Services Program	013790	\$4,970,933	\$24,000	IX-10	N/A

**CEQA**

Not a Project

JOSE OBREGON  
Director of General Service