

RESOLUTION NO. 74716

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A FIFTH AMENDMENT TO EXTEND THE 1732 NORTH FIRST STREET OFFICE LEASE WITH RNM FIRST STREET CENTER, L.P. AND TO EXERCISE AN OPTION TO EXTEND THE TERM FOR AN ADDITIONAL FIVE YEARS

WHEREAS, on June 23, 1998, the San Jose City Council (“Council”) authorized the City Manager to negotiate and execute the Lease of 57,328 square feet of office space and 211 parking spaces at 1732 North First Street in San Jose with RNM First Street Center, L.P. (“RNM”); and

WHEREAS, this space provided for the consolidation of Airport administrative offices, future growth in Airport staff and vacation by Airport staff of limited terminal space for tenant use; and

WHEREAS, the Lease was amended four times to increase the leased premises and parking spaces, reduce the rental rate, approve a sublease with Infineon Technologies North America Corporation and to increase the maximum cost of improvement for which RNM would be responsible for office space added in the Second Amendment to the Lease; and

WHEREAS, with the majority of the Terminal Area Improvement Program (“TAIP”) design work complete and completion of the major structures planned for mid-2010, the number of employees in the Airport administrative offices will drop significantly in 2010; and

WHEREAS, City staff has negotiated with RNM to extend the Lease for five years, with an option at City's sole discretion to extend the term for an addition 5 years, reduce the leased square footage, and reduce the rental rate;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to:

- a. Negotiate and execute the Fifth Amendment to the 1732 North First Street Office Lease with RNM First Street Center, L.P., to reduce the leased square footage from 95,406 to 57,328, to reduce the monthly per square foot rental rate from \$2.85 to \$2.63 for the first year, subject to increases of 3% per year thereafter, and to extend the term for five years from January 1, 2010 through December 31, 2014;
- b. Exercise an option to extend the term for an additional 5 years from January 1, 2015 through December 31, 2019, at a monthly per square foot rental rate of \$3.05 for the first year, subject to increases of 3% per year thereafter, subject to appropriation of funds by the City Council.

ADOPTED this 16th day of December, 2008, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE,
LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS,
REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk