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File #: 21-0408, Version: 1

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Extension of Lease Agreement with Sunnyvale Community Services at 725 Kifer Road

#### **BACKGROUND**

On November 5, 2019 Council approved RTC No. 19-0881 for the acquisition of 725 Kifer Road from Sunnyvale Community Services (SCS). The transaction included a lease back of the property for one year with the option to extend for 6 months. This was to allow SCS to continue serving the community while completing tenant improvements at the new facility. SCS exercised their renewal option which expires on May 26, 2021.

#### **EXISTING POLICY**

##### **Council Policy 5.1.1**

**Goal 5.1G:** Enhance the provision of health and social services to Sunnyvale residents by providing opportunities for the private marketplace to meet the health and social service needs of City residents.

**Policy 5.1G.1:** Encourage the co-location of health and social service providers in Sunnyvale to facilitate the availability of such services.

**Policy 5.1G.2:** Provide incentives, such as co-location privileges or rent subsidies, to attract private agencies to provide needed health and social services.

#### **ENVIRONMENTAL REVIEW**

Approving the extension of a Lease Agreement does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a), as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Any future development shall be subject to CEQA requirements.

#### **DISCUSSION**

The COVID-19 Pandemic and the Shelter in Place orders issued by the County of Santa Clara resulted in the delay of completion of tenant improvement at the new location. To ensure continuous service to the community, SCS approached the City requesting an extension of their Lease until the end of December 2021. The Lease will be extended on a month to month basis to allow the flexibility of terminating sooner, should the new facility become ready before December 31, 2021. The extension will be at the same terms and conditions of the original Lease with rent at a nominal rate of \$1.00.

### **FISCAL IMPACT**

The original lease was for one dollar for the entire term. This extension would continue under those same terms, therefore there is no fiscal impact from this action.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Authorize City Manager or his designee to execute a First Amendment to Lease of Real Property in substantially the same form as Attachment 1 of the staff report for 725 Kifer Road with Sunnyvale Community Services.

Prepared by: Sherine Nafie, City Property Administrator

Reviewed by: Chip Taylor, Director, Public Works

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. First Amendment to Lease of Real Property at 725 Kifer Road in Sunnyvale, California Between City of Sunnyvale and Sunnyvale Community Services