



Meeting Date: 7/10/07

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Cynthia Daniels, AIGP Agenda Item No. I-6
 Reviewed By: City Manager [Signature] City Attorney [Signature] Finance SW Other NA

DATE: June 25, 2007
TO: City Council
FROM: [Signature] Lou Balderrama, City Engineer
 Public Works Department

SUBJECT: Agreement with The Verne C. Sandwall Trust and The Kenneth E. Sandwall Trust for Loss of Rent at 3170 Santa Clara Avenue

RECOMMENDATION

That City Council approve and authorize the Mayor to execute the agreement with The Verne C. Sandwall Trust and The Kenneth E. Sandwall Trust (Agreement No. A-6899) in the amount of \$54,558 for loss of rent from Quinn Company for the Rice Avenue/Santa Clara Avenue interchange improvements on U.S. Highway 101.

DISCUSSION

The Quinn Equipment Rental business at 3170 Santa Clara Avenue vacated the property because the City purchased an easement from the property owners (the two trusts) for the Rice Avenue/Santa Clara Avenue interchange improvements on Highway 101. Although the City did not purchase the entire property, the easement caused the tenant to vacate one of the metal buildings on the site. The tenant decided to relocate before the lease expired in December 2007. The City is obligated to pay for the partial loss of rent to the property owners.

FINANCIAL IMPACT

The cost of the recommended action is \$54,558, which represents the partial rental of the property for six and a half months. There are sufficient funds in Account No. 308-9718-871-8605 Project No. 873114 to fund this request.

LB:CD

Attachment #1 - Agreement No. A-6899

000037

LOSS OF RENT AGREEMENT

THIS AGREEMENT, made this ___ day of _____, 2007, between the City of Oxnard, hereinafter called "City", and The Verne C. Sandwall Trust and The Kenneth E. Sandwall Trust, hereinafter collectively called "Owner", is made with reference to the following facts: · ·

A. Owner owns that certain real property within the City of Oxnard, County of Ventura, California described as follows:

Quinn Rental Equipment Yard
Assessor Parcel Number: 149-0-100-155
3170 Santa Clara Avenue, Oxnard, CA 93030

and;

B. Owner's property is leased to Quinn Company by lease dated May 24, 1999 and amended by "First Extension of Existing Lease" and "Second Extension of Existing Lease" which extended the final lease term to December 31, 2007 and fixed the rental rate for the remaining lease term – including a provision for reduced rent caused by the City of Oxnard's purchase of a portion of the property (and metal shop building); and

C. City is in the process of acquiring a portion of Owner's property and improvements thereon, by way of a public agency acquisition and has issued the Owner's tenant a "Notice to Vacate" instructing tenant to vacate portions of the property including the metal shop building; and

D. Such acquisition and "Notice to Vacate" was deemed to have caused the relocation of Owner's tenant from the property in question AND from the balance of the leased premises, and

E. Owner desires to be protected against loss of rental income from the time of relocation of tenants to the end of the lease term and City is desirous of paying to owner the amount of such rents.

NOW, THEREFORE, the parties hereto agree as follows:

1. The lease dated May 24, 1999 as amended will be considered terminated as of the date on which the tenant vacates the Owner's property. Owner shall inform City in writing of the date on which the tenant vacates the Owner's property. Owner will return to tenant any pro-rated or prepaid rentals or security deposits due at the date of vacation.

2. The former rent obligation of Quinn Company shall be transferred to City as of the date of vacation of the premises by tenants to the end of the lease term (December 31, 2007). The sum representing the "Adjusted Rent for Partial Take" (\$8,393.49 monthly) shall be paid by City to Owner monthly when due, until the first to occur of:

- a. the end of the lease term (December 31, 2007), or
- b. the owner leases the balance of the site to another tenant in which case, the City's obligation to pay the monthly rent will be abated by the amount of monthly rent collected.

000038

Checks or warrants for the Adjusted Rent for Partial Take shall be payable to HARBOR COMPANY and delivered by first class mail to: P.O. Box 6396, Oxnard, CA 93031-6396.

3. Owner will diligently attempt to re-let the balance of the property to another lessee.
4. The City will not be required to maintain or secure the property.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first written above.

CITY: City of Oxnard

ATTEST:

Dr. Thomas E. Holden, Mayor

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Gary L. Gillig 07-02-07
Gary L. Gillig, City Attorney

Joe Belter
Joe Belter, Director of Public Works

OWNER:

The Verne C. Sandwall Trust

By: Verne C. Sandwall
Verne C. Sandwall, Trustee

The Kenneth E. Sandwall Trust

By: Kenneth E. Sandwall
Kenneth E. Sandwall, Trustee

000039