STAFF REPORT

MEETING DATE:	**December 12, 2017**
SUBJECT:	**Approve Agreement for SRTA as Lessor, to Lease 1255 East Street, Suite 100**
AGENDA ITEM:	**11**
STAFF CONTACT:	**Daniel Little, Executive Director**

STAFF RECOMMENDATION:

It is recommended that the board of directors authorize the executive director to enter into a tenant agreement to lease approximately 4,273 square feet of SRTA office space to Stifel, Nicolaus & Company (Stifel) for a one-year term at a base rate of $4,915 monthly.

DISCUSSION:

Stifel currently leases Suite 100 on a lease that expires December 31, 2017. The base rent has been $4,273 for the past five years. Stifel requested a one-year agreement as they may look to lease a larger office in the future. The base rent reflects the market rate for office space configured like Suite 100.

Absent a lease, SRTA would need to find a new occupant or occupy the space to recover costs through an Indirect Cost Allocation Plan rate charged to grants and other revenue sources.

The lease was reviewed by the Finance Committee who recommend approval.

ALTERNATIVES:

The board of directors may decline to lease the space or instruct staff to renegotiate the lease terms.

FINANCING:

Lease of the space would generate $4,915 monthly for SRTA. The rent revenue is used to service the debt on the downstairs portion of the building and cover the tenant's portion of common costs. Net income from the lease can be used for planning activities.

Daniel S. Little, AICP, Executive Director