



**DATE:**

April 22, 2021

**TO:**

Transportation Authority of Marin Board of Commissioners

**FROM:**

Anne Richman, Executive Director *Anne Richman*  
Li Zhang, Chief Financial Officer/Deputy Executive Director

**SUBJECT:**

Authorize Execution of Sublease and Service Agreements with Marin General Services Authority (Action), Agenda Item No. 6e

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#### **RECOMMENDATION:**

The Board authorizes the Executive Director to execute the following documents related to the sublease and service agreements with the Marin General Services Authority (MGSA) and Mr. Manfred Angstenberger and Mrs. Sheila Angstenberger, landlords of TAM's current office location on 900 Fifth Ave:

- Sublease between TAM and MGSA
- MGSA and TAM Space and Services Agreement

#### **BACKGROUND:**

After an extensive search effort guided by principles approved by the TAM Board and support from an Office Relocation Ad-Hoc Sub-Committee in 2015, TAM entered into a 5-year lease agreement with the landlords of 900 Fifth Ave. Suite 100 as of November 1, 2015. In June 2020, 5 months prior to the expiration of the original 5-year lease agreement, after exploring other office locations and taking consideration of the time and cost required for an office move along with the challenges associated with COVID-19, the TAM Board authorized the Executive Director to enter a 5-year lease amendment (extension) with the current landlords. With extensive market research, staff was also able to negotiate a significant reduction to the rent at the time and estimated savings over the 5-year lease term is \$214,000, compared to the renewal terms offered in the original lease.

#### **DISCUSSION/ANALYSIS:**

The space at 900 Fifth Ave offers a total of 7,621 square feet, with a large conference room which was designed and built with the option to rent for a fee, along with a couple extra offices that could be subleased to help reduce the rent cost if necessary and/or with the right sub-tenant. Over the years, TAM offered the large conference for use, free of charge, to Marin Transit, MGSA and other partner agencies.

Early this year, Michael Frank, Executive Director of MGSA, approached TAM staff with a proposal to rent one office for MGSA's limited office space needs. Mr. Frank also inquired about the possibility of contracting

with TAM to provide limited clerical support for MGSA, including mail receipt, scanning, and handling, and board meeting agenda posting.

Staff has been in discussion with Mr. Frank and reached mutual agreement for the use of one dedicated office at 900 Fifth Ave, limited access to some storage space, as well as access to the big conference room when not in conflict with TAM's meeting needs for a fixed fee of \$400 per month. MGSA also agreed to pay \$600 per month for the limited clerical support needed.

Staff has also reached out to the landlord and received consent on the sublease agreement. The landlord's attorney has drafted the sublease between TAM and MGSA and the Master Landlord's Consent to Sublease for all parties' review and execution.

TAM and MGSA staff have also completed a draft MGSA and TAM Space and Services Agreement to formalize the space and clerical support offered by TAM to MGSA and the agreed fee schedule. MGSA has requested the clerical support to start on May 1, 2021, and access to the office space on June 1, 2021.

#### **FISCAL CONSIDERATION:**

TAM will collect a monthly fee of \$1,000 from MGSA for the space and clerical support offered. The rent cost will be indexed to the rent increase schedule in the master lease and the clerical support cost will be tied to actual salary and benefit increases approved by the Board. The clerical support offered is expected to be absorbed within the current staff cost. All fee collected from MGSA will be used to offset TAM's costs under the Office Lease and Salary and Benefits budget lines.

#### **NEXT STEPS:**

After the approval of the Board, staff will work the landlord and MGSA to finalize and execute the Sublease between TAM and MGSA, including the Master Landlord's Consent to Sublease, and the MGSA and TAM Space and Services Agreement.

#### **ATTACHMENTS:**

None