



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
July 16, 2024

TOPIC: Lease Agreement for Office Space at SARTC

AGENDA TITLE

Approve a Lease Agreement with Walsh Construction Company II, LLC for Office Space at the Santa Ana Regional Transportation Center

RECOMMENDED ACTION

Authorize the City Manager to execute a lease agreement with Walsh Construction Company II, LLC to compensate the City \$11,627 per month, with any partial month prorated at \$388 per day, for the lease of approximately 4,429 square feet of office space located at the Santa Ana Regional Transportation Center for a 12-month term beginning on July 16, 2024 and ending July 15, 2025, with the option of 12 one-month extensions, for a total of \$279,850 in lease revenue for the entire term of the agreement, including optional extensions (Agreement No. A-2024-XXX).

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

The Santa Ana Regional Transportation Center (SARTC) is a regional transportation hub that brings together Amtrak, Metrolink, Orange County Transportation Authority (OCTA), interstate bus services, and in the future, the OC Streetcar. The facility is open to the public seven days a week from 5:00 a.m. to midnight and contains approximately 35,000 square feet of rental space, including ten bus bays.

The OC Streetcar is the first modern streetcar project to be built in Orange County. It will service Santa Ana's historic downtown which includes federal, state, and local courthouses, government offices, colleges, an artists' village, and a thriving restaurant scene. The OC Streetcar will operate along a 4.15-mile route that connects SARTC and a new transit hub at Harbor Boulevard and Westminster Avenue in Garden Grove.

As the lead agency for the OC Streetcar Project, OCTA selected Walsh Construction as the Contractor for this project. In December 2018, Walsh Construction Company II, LLC approached the City to lease office space at the SARTC. The City Council proceeded to approve a three-year site lease agreement with Walsh Construction to lease Suite 200 at SARTC. With the OC Streetcar still underway, the City entered into a new lease agreement with Walsh Construction Company II, LLC in June 2022. Walsh Construction

Company II, LLC is now requesting to continue leasing the same space at SARTC for the duration of the OC Streetcar Project.

Staff recommends continuing to lease Suite 200, consisting of approximately 4,429 square feet of office space at SARTC for a one-year term, with the option of 12 one-month extensions to Walsh Construction Company II, LLC. By leasing available office space to Walsh Construction Company II, LLC, lease revenue will be generated for the SARTC day-to-day operations (Exhibit 1).

ENVIRONMENTAL IMPACT

There is no environmental impact associated with the action.

FISCAL IMPACT

Approval of the site lease agreement obligates Walsh Construction Company II, LLC, to compensate the City \$279,850 for the term of the lease agreement, including the option for twelve one-month renewal options, for lease of interior office space at the SARTC. Revenue from this lease agreement has been budgeted in the Public Works Agency-SARTC Operations, Rental-Walsh Construction revenue account (06717002-53823).

Fiscal Year	Accounting Unit - Account #	Fund Description	Accounting Unit, Account Description	Amount
2024-25 (July 16-June 30)	06717002-53823	Regional Transp Center	PWA-SARTC Operations, Rental-Walsh Construction	\$134,105
2025-26 (July 1-15)	06717002-53823	Regional Transp Center	PWA-SARTC Operations, Rental-Walsh Construction	\$5,820
Optional Extensions				
2025-26 (July 16 – June 30)	06717002-53823	Regional Transp Center	PWA-SARTC Operations, Rental-Walsh Construction	\$134,105
2026-27 (July 1-15)	06717002-53823	Regional Transp Center	PWA-SARTC Operations, Rental-Walsh Construction	\$5,820
Total:				\$279,850

EXHIBIT(S)

1. Lease Agreement with Walsh Construction Company II, LLC

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Alvaro Nuñez, Acting City Manager