



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 PGH Wong Engineering, Inc. for Office Space at the Santa Ana Regional Transportation Center

RECOMMENDED ACTION

Authorize the City Manager to execute a lease agreement with PGH Wong Engineering, Inc. to compensate the City \$8,621 per month, with any partial month prorated at \$287 per day, for the lease of approximately 3,284 square feet of office space located at the Santa Ana Regional Transportation Center for a twelve-month term beginning on July 17, 2024, and ending July 16, 2025, with the option of 12 one-month extensions, for a total of \$207,456 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 PGH Wong Engineering, Inc. as the Construction Management Consultant for this project. In December 2018, PGH Wong Engineering, Inc. approached the City to lease office space at the SARTC. The City Council proceeded to approve a three-year lease agreement with PGH Wong Engineering, Inc. to lease Suite 220 at SARTC. With the OC Streetcar still underway, the City entered into a new lease agreement with PGH

Wong Engineering, Inc. in June 2022. PGH Wong Engineering, Inc. 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 220 consisting of approximately 3,284 square feet of office space at SARTC for a one-year term, with the option of 12 one-month extensions to PGH Wong Engineering, Inc. By leasing available office space to PGH Wong Engineering, Inc., 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 lease agreement obligates PGH Wong Engineering, Inc., to compensate the City \$207,456 for the term of the lease agreement, including the option for twelve one-month extension 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-PGH revenue account (06717002-53824).

Fiscal Year	Accounting Unit - Account #	Fund Description	Accounting Unit, Account Description	Amount
2024-25 (July 17-June 30)	06717002-53824	Regional Transp Center	PWA-SARTC Operations, Rental-PGH	\$99,136
2025-26 (July 1- 16)	06717002-53824	Regional Transp Center	PWA-SARTC Operations, Rental-PGH	\$4,592
Optional Extensions:				
2025-26 (July 17-June 30)	06717002-53824	Regional Transp Center	PWA-SARTC Operations, Rental-PGH	\$99,136
2026-27 (July 1- 16)	06717002-53824	Regional Transp Center	PWA-SARTC Operations, Rental-PGH	\$4,592
Total:				\$207,456

EXHIBIT(S)

1. Lease Agreement with PGH Wong Engineering, Inc.

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

Approved By: Alvaro Nuñez, Acting City Manager