



FIRST AMENDMENT TO COMMERCIAL LEASE AGREEMENT WITH WATTEV SB1, 1388 SOUTH E. STREET, SAN BERNARDINO

Public Utilities Department

City Council
June 20, 2023

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BACKGROUND

1. On October 12, 2021, the City Council approved (Board of Public Utilities approved on September 13, 2021) a Commercial Lease Agreement with WatteV, SB1, Inc., for an initial 15-year term plus three optional five-year extensions for the City owned property located at 1388 South E. Street, San Bernardino, California.
2. On February 15, 2023, staff received notification from WatteV SB1, Inc., requesting to amend their Rent Commencement Date due to delays directly related to obtaining entitlements from the City of San Bernardino and relinquishing easements with San Bernardino Municipal Water Department. Therefore, staff is proposing a First Amendment to the Commercial Lease Agreement.



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PROPOSED AMENDED LEASE TERMS

Staff has reviewed the proposed First Amendment to the Commercial Lease Agreement and recommends the Rent Commencement Date be amended under the terms summarized below:

1. Rent Commencement Date: Amended from February 12, 2023 to October 1, 2023.
2. Expiration Date: Amended from February 11, 2038 to September 30, 2038.
3. Other: All other terms of the original lease shall remain unmodified and in full force.



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STRATEGIC PLAN ALIGNMENT

Priority 5: High Performing Government

Goal 5.4 - Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Priority 6: Infrastructure, Mobility & Connectivity

Goal 6.2 - Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. Approve a First Amendment to the Commercial Lease Agreement with WattEV, SB1, Inc., to amend the Rent Commencement Date to October 1, 2023 and Lease Expiration date to September 30, 2038 for City-owned Property located at 1388 South E. Street, San Bernardino, California;
2. Authorize the City Manager, or designee, to execute the First Amendment, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction; and
3. Authorize the City Manager, or designee, to execute a Second Amendment to extend the Rent Commencement Date to no later than December 31, 2023 and the Expiration Date to no later than December 30, 2038, if necessary.



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