



NEWS RELEASE

FOR IMMEDIATE RELEASE:
Wednesday, October 10, 2018

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PROPOSAL TO REDUCE SPACE AND PRE-PAY LEASE AT 400 E. MAIN *Saves City Nearly \$1 Million*

STOCKTON, Calif. – On October 16, 2018, the Stockton City Council will consider a proposal that will save the City of Stockton nearly \$1 million over the next 4.5 years, through an amended lease agreement for 400 E. Main St.

The Council is scheduled to consider an amended lease with Assured Guaranty, the creditor that took control of the building as part of the City’s Chapter 9 bankruptcy exit agreement. If approved by Council, the City will reduce the amount of leased space by 19,491 square feet – space that is not currently being used on the first floor, allowing Assured Guaranty to lease the space to another interested tenant. The updated lease will include spaces currently occupied and in use by the city on the third, fourth and seventh floors, a total of 60,829 square feet.

“This new agreement makes sense for everyone involved,” shared Economic Development Director Micah Runner. “Assured gets more tenants in an otherwise vacant space, and we save \$990,215. The length of the lease will remain the same, through March 31, 2023, and we have the same option to extend, one year at a time, for up to four additional years. By prepaying the lease, the city receives a significant discount and is

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relieved of the monthly obligation, which has already been planned into our Long-Range Financial Plan.”

In January 2018, the City of Stockton paid cash for two buildings, the Waterfront Office Towers, located at 501 and 509 W. Weber Ave. These 1980’s era buildings will be renovated over the next few years to relocate employees from various locations, including the current (historic) City Hall and 400 E. Main Street. Departments currently located at 400 E. Main include: Administrative Services, Economic Development, Human Resources, Information Technology and Stockton Fire Department Administration. Savings generated by the amended lease agreement would be used to pay for renovations at the new City Hall.

For additional details or questions, please see the October 16, 2018, City Council Meeting Agenda at www.stocktonca.gov/councilmeetings or call 209-937-8827.

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