



NEWPORT BEACH

City Council Staff Report

April 14, 2026
Agenda Item No. 7

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Fifth Amendment to Lease with Minuteman Press International, Inc. for Use of Suite 490 at 1201 Dove Street

ABSTRACT:

The City of Newport Beach acquired the office building located at 1201 Dove Street (Property), Newport Beach in May 2023. The building currently has 16 tenants and is being marketed for lease. For the City Council's consideration is a Fifth Amendment to Lease (Attachment A) with Minuteman Press International, Inc., for use of Suite 490 for a term of five years at market rate rents.

RECOMMENDATIONS:

- a) Find this matter is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) and Section 15302 (Replacement or Reconstruction) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential to have a significant effect on the environment; and
- b) Authorize the City Manager and City Clerk to execute the Fifth Amendment to Lease between the City of Newport Beach and Minuteman Press International, Inc. for use of City Property, office space Suite 490 located at 1201 Dove Street, in a form substantially similar to the amendment attached to this staff report.

DISCUSSION:

The City of Newport Beach purchased the office building Property in anticipation of possibly developing a new headquarters for the Newport Beach Police Department (NBPD). The early acquisition of the Property, in advance of starting the NBPD facility replacement, will allow the City to continue leasing the office spaces at the Property and recoup a portion of the purchase price with the existing net income stream.

Lease History

Minuteman Press International, Inc. (Tenant) is a New York-based company with over 500 franchises located in cities nationwide that provide design, print and marketing centers to serve local businesses and the community. The Tenant currently occupies a

regional corporate office in a portion of the Property, Suite 490, which contains 952 rentable square feet, or 1.15% of the building (Premises), under an office lease agreement dated June 21, 2005 (Lease) (Attachment B). The Lease has been amended four times to extend the term. The current term expired in March 2026 and is in holdover.

The proposed Fifth Amendment to Lease (Amendment) would allow the Tenant to continue to operate its business at the Property. City staff and the Tenant have negotiated the terms of the Amendment, which reflects current market conditions with a slight reduction in the rental rate on a per square foot basis, and submit it for City Council's consideration. Rent abatement and minor repair and improvements to the Premises are included as a concession and are consistent with market rate deal terms offered by competitive office properties in the area, and are consistent with recent leases approved by City Council for this Property.

Proposed Fifth Amendment to Lease

While not an exhaustive list, key terms of the proposed Amendment are summarized below:

1. The extension of the term shall commence on March 1, 2026, and will terminate on May 31, 2031 (Extended Term).
2. Monthly base rent during the Extended Term shall be set as follows:

<u>Months of Term</u>	<u>Monthly Base Rent</u>	<u>Monthly Base Rent Per Rentable Square Foot</u>
3/1/2026-2/28/2027	\$3,046.40**	\$3.20
3/1/2027-2/29/2028	\$3,141.60	\$3.30
3/1/2028-2/28/2029	\$3,227.28	\$3.39
3/1/2029-2/28/2030	\$3,332.00	\$3.50
3/1/2030-2/28/2031	\$3,427.20	\$3.60
3/1/2031-5/31/2031	\$3,531.92	\$3.71

**Subject to abatement as set forth in item 3.

3. Base rent shall be abated in its entirety for three months, from the first through the third months of the Extended Term.
4. The landlord will perform minor repair and maintenance work to the Premises, replace the carpet and repaint the interior walls of the tenant space.

5. Possessory Interest language related to the Tenant's taxable leasehold possession of the Property has been included in the Amendment, with reimbursement of the taxes owed included in the base year calculation of their pro rata share of common area maintenance expenses.
6. A rider waiving the Tenant's right to relocation benefits after expiration of the Term was included in the Amendment.
7. Brokers from CBRE, Inc. represented the property manager and the City, and Lee & Associates represented the Tenant in negotiating the transaction and will be paid a commission for this Amendment.
8. The Tenant shall continue to provide certificates of insurance to the satisfaction of the City's property manager, naming the City as additional insured.

The Amendment has been reviewed by the City Attorney's Office and has been approved as to form, and the Tenant has reviewed and approved the terms of the Amendment.

FISCAL IMPACT:

Revenues currently collected under the Lease and pursuant to the proposed Amendment, estimated to be \$39,698.40 in Fiscal Year 2025-26 (FY25-26), increasing annually as prescribed, will continue be posted to the General Fund Real Property accounts in the Community Development Department, 010-01050505-551305. The revenues net of any tenant improvement allowance, rent abatement or broker fees are included in the budget for FY25-26.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this matter exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing facilities) and Section 15302 (Replacement or Reconstruction) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because this project has no potential to have a significant effect on the environment. The City Council's action authorizes execution of the Fifth Amendment for the Tenant's use of an existing commercial office space and the Tenant may pursue tenant improvements (i.e., remodeling) pursuant to the Fifth Amendment.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

- Attachment A – Fifth Amendment to Lease
- Attachment B – Office Lease Agreement, as amended