



Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Agreement No.: A-12539

Upon motion of Supervisor Potter, seconded by Supervisor Phillips and carried by those members present, the Board of Supervisors hereby:

Approved and authorized the Contracts/Purchasing Officer to execute the First Amendment to Lease Agreement A-12539, effective July 1, 2015, with the Low Income Family Enrichment Foundation, a California limited liability company, at 1000 South Main Street in Salinas, California, to fix the annual cost of living adjustment at 2.75%; include one (1) option 8 year extended term and two (2) optional ten year extended terms with free base rent at the end of the initial term; and extend the initial term an additional five (5) five months from July 31, 2023 to December 31, 2023.

PASSED AND ADOPTED on this 9th day of June 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 78 for the meeting on June 9, 2015.

Dated: June 17, 2015
File ID: 15-0620

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By 
Deputy



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: 15-0620

Consent

June 09, 2015

Introduced: 6/2/2015

Version: 1

Current Status: Agenda Ready

Matter Type: General Agenda Item

Approve and authorize the Contracts/Purchasing Officer to execute the First Amendment to Lease Agreement A-12539, effective July 1, 2015, with the Low Income Family Enrichment Foundation, a California limited liability company, at 1000 South Main Street in Salinas, California, to fix the annual cost of living adjustment at 2.75%; include one (1) option 8 year extended term and two (2) optional ten year extended terms with free base rent at the end of the initial term; and extend the initial term an additional five (5) five months from July 31, 2023 to December 31, 2023.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Contracts/Purchasing Officer to execute the First Amendment to Lease Agreement A-12539, effective July 1, 2015, with the Low Income Family Enrichment Foundation, a California limited liability company, at 1000 South Main Street in Salinas, California, to fix the annual cost of living adjustment at 2.75%; include one (1) option 8 year extended term and two (2) optional ten year extended terms with free base rent at the end of the initial term; and extend the initial term an additional five (5) five months from July 31, 2023 to December 31, 2023.

SUMMARY/DISCUSSION:

In July 2012, the County entered into a lease with the Low Income Family Enrichment (LIFE) Foundation to expand occupancy by 9,490 square feet of space in the 1000 S. Main Street, Salinas building to be used by the Health Department's Behavioral Health Bureau. Approval of this Amendment will extend the initial term by five (5) months from July 31, 2023 to December 31, 2023. Additionally, the amendment will fix the annual cost-of-living increase at 2.75%. The current agreement includes an annual increase of 1.5% to 5.0% based on the Consumer Price Index.

At the end of the initial term (January 1, 2024), the Lease Agreement provides for one 8 year extension and two 10 year extension options of free base rent for the entire 9,490 rentable square feet. The Health Department will continue to pay the expense stop portion of the monthly rent to cover maintenance and repair costs. The initial expense stop will be \$9,873.26 per month and will increase annually by the 2.75% for the duration of the extension periods.

The office space covered by this lease agreement is used by the Children's Behavioral Health staff to provide mental health services to abused and neglected children and their families who are in the foster care system. Behavioral Health has created a collaborative, integrated mental health service approach with the Department of Social Services co-located in the LIFE

Foundation building.

OTHER AGENCY INVOLVEMENT:

The Health Department concurs with this Amendment to the Lease Agreement. County Counsel, Auditor-Controller and Contracts/Purchasing have reviewed and approved the Amendment to Lease Agreement as to form and fiscal provisions, respectively.

FINANCING:

There is no impact to the General Fund. The five month extension of the initial term of the agreement will result in approximately \$103,164 in additional rent payment. However, if the Health Department opts to extend the agreement after this initial term, the 9,490 square feet of space will receive free base rent up to 2052.

Prepared by: John Guertin, Acting RMA Deputy Director

Approved by: Carl P. Holm, AICP, Acting RMA Director

Attachments: First Amendment to Lease Agreement; Lease Agreement A-12539 (On file with the Clerk of the Board)

FIRST AMENDMENT TO COUNTY OF MONTEREY STANDARD LEASE AGREEMENT

1000 SOUTH MAIN STREET, SALINAS, CA

THIS FIRST AMENDMENT TO COUNTY OF MONTEREY STANDARD LEASE AGREEMENT (the "Amendment") is made by and between the County of Monterey ("LESSEE") and the Life Foundation Monterey, LLC ("LESSOR"), with reference to the following facts:

- A. LESSOR and LESSEE have previously entered into that certain County of Monterey Standard Lease Agreement dated on or about August 1, 2013 (the "Lease"), for the lease of real property, located in the City of Salinas, County of Monterey, State of California, commonly known as 1000 South Main Street, Suites 105, 210, and 311; and
- B. LESSOR and LESSEE now desire to amend the Lease, as more particularly set forth hereinafter.
- C. Unless otherwise defined herein, all capitalized terms used in the Amendment shall bear the same meanings as ascribed to them in the Lease.

NOW THEREFOR, in consideration of the foregoing premises and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LESSOR and LESSEE hereby agree as follows:

1. Lease Term: The Lease term set forth in Article 2 shall be extended from on or about July 31, 2023 to December 31, 2023 upon the same terms and conditions. This Amendment shall be subject to and contingent upon LESSOR placing \$1,500,000 into the Article 34 General Building Maintenance Fund Account under that certain Master Lease between LESSEE and LESSEE currently covering 81,877 square feet at 1000 S. Main Street (the "Master Lease") by August 1, 2015.
2. Extended Terms: Suites 105, 210, and 311 shall become base rent-free and only billed for the Expense Stop payments at the same per square foot rate and under the same terms as the Expense Stop payments for other space under the Master Lease effective as of January 1, 2024 and continuing through June 20, 2032 and any extended terms exercised by LESSEE under the Master Lease (through June 2052 if LESSEE exercises both 10 year extensions under the Master Lease). The initial expense stop shall be \$9,873.26 per month starting in January 2024 and increasing by 2.75% in June 2024 and each June thereafter. In the event that the expenses are greater than the expense stop for Behavioral Health's percentage of occupancy the shortfall shall be billed to and paid by Behavioral Health each month. In the event that the expenses are less than the expense stop the surplus shall be placed in a separate reserve account by the property manager for use solely by Behavioral Health for tenant improvements in its sole discretion. This account shall be

- managed by the property manager and statements provided to Behavioral Health by such manager on a monthly basis.
3. Reaffirmation. Except as amended by this Amendment all of the terms and conditions of the Agreement shall remain in full force and effect and are hereby reaffirmed and ratified.
 4. Counterparts. This Amendment may be executed in counterparts, each of which when taken together shall be deemed one in the same instrument. An executed facsimile of the Amendment shall have the same force and effect as an original executed copy thereof.

IN WITNESS WHEREOF, LESSOR and LESSEE have executed this agreement as of the date set forth below.

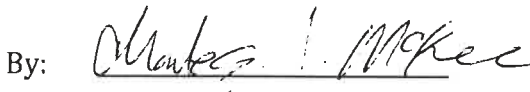
LESSEE (The County of Monterey)

By: 

Title: Contracts/Purchasing Officer

Date: 6.24.15

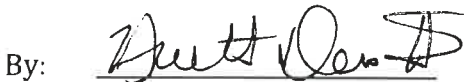
Approved as to Form (Monterey County Counsel)

By: 

Title: Assistant County Counsel

Date: 6-3-15

LESSOR (Life Foundation Monterey, LLC)

By: 

Title: Barnett Davis II, Executive Director

Date: 5/22/2015