

COUNTY OF SAN MATEO

County Manager's Office

DATE: February 22, 2001

Agenda Date: February 27, 2001

TO: Honorable Board of Supervisors

FROM: Paul T. Scannell, Assistant County Manager



SUBJECT: Fifth Amendment to Lease Agreement with Ferrando and Franceschini for the Fair Oaks Clinic and Warehouse on Middlefield Road in the Unincorporated North Fair Oaks Area (Lease No 1173)

Recommendation

Adopt a Resolution authorizing the President of the Board of Supervisors to execute a Fifth Amendment to the Lease Agreement with Ferrando and Franceschini for the Fair Oaks Clinic/Warehouse complex.

Background and Discussion

Since 1989, the County has leased approximately 8,484 square feet of clinic space and 21,451 square feet of warehouse space on Middlefield Road in the unincorporated North Fair Oaks area. The Health Services Department operates various clinics at this site. The warehouse space is occupied by the Public Administrator Division of the District Attorney's Office, the Aging and Adult Services Division of Health Services, and the Surplus Property Division of Employee and Public Services. The lease expires on August 14, 2001.

The lease contains two (2) options to extend the term for five (5) years each. The amendment presented for your approval is for exercise of the first option to extend the term and to set the rent for the five-year period. The rent has been negotiated based on current market rents. The rent for the clinic space is approximately \$2.48 per square foot per month (the current rent is approximately \$1.29 per square foot) and the rent for the warehouse space is approximately \$.96 per square foot per month (current rent is approximately \$.69 per square foot). This is an overall rate of \$1.49 per square foot for the entire facility and will increase annually in accordance with the CPI. The County will continue to be responsible for utilities, maintenance and janitorial services under the terms of the lease.

County Counsel has reviewed and approved the Fifth Amendment to the Lease Agreement

Honorable Board of Supervisors
February 22, 2001
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The District Attorney and the Directors of Health Services and Employee and Public Services concur with this recommendation.

Fiscal Impact

The estimated monthly rent for the facility is \$45,315 for the first year beginning in August 15, 2001. The departments will continue to be responsible for utilities, maintenance and janitorial costs. Funds for rent for the extended term of the lease will be included in the department budgets for Fiscal Year 2001/2002.

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cc/enc: D. Penny Bennett, Deputy County Counsel
cc James P. Fox, District Attorney
Margaret Taylor, Director, Health Services
Mary Welch, Director, Employee and Public Services
Lynda Green, Manager, Real Property Services

RECOMMENDED

ASSISTANT COUNTY MANAGER

RESOLUTION NO _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO STATE OF CALIFORNIA

* * * * *

RESOLUTION AUTHORIZING EXECUTION OF A FIFTH AMENDMENT
TO LEASE AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
FERRANDO AND FRANCESCHINI FOR THE BUILDING AT
2700 MIDDLEFIELD ROAD, REDWOOD CITY
(LEASE NO 1173)

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of
California, that

WHEREAS, there has been presented to this Board of Supervisors for its consideration and
acceptance a Fifth Amendment to Lease Agreement, reference to which is hereby made for further
particulars, whereby the County of San Mateo and Ferrando and Franceschini, agree to an extension
of the term of the lease and an increase in the rent for the extended term in accordance with the terms
and conditions contained in said Fifth Amendment to Lease Agreement; and

WHEREAS, this Board has been presented with a form of such Fifth Amendment and said
Board has examined and approved same as to both form and content and desires to enter into same

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED:

1 That the President of this Board of Supervisors be, and is hereby, authorized and directed
to execute said Fifth Amendment to Lease Agreement for and on behalf of the County of San Mateo,
and the Clerk of this Board shall attest to the signature thereto

2 That the Assistant County Manager is hereby authorized to accept or execute on behalf
of the County, any and all notices and documents in connection with this Fifth Amendment to Lease
Agreement

* * * * *

**FIFTH AMENDMENT TO LEASE AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
FERRANDO AND FRANCESCHINI
(LEASE No. 1173)**

THIS FIFTH AMENDMENT TO LEASE AGREEMENT, dated for reference purposes only, this _____ day of _____, 2001, between COUNTY OF SAN MATEO, a political subdivision of the State of California (Tenant) and FERRANDO and FRANCESCHINI (Landlord), mutually agree as follows

A RECITALS This Agreement is made with reference to the following facts and objectives:

- (1) Landlord and Tenant entered into a written lease dated December 22, 1989 (the 'Lease), in which Landlord leased to Tenant, and Tenant leased from Landlord, premises in the unincorporated area near Redwood City, County of San Mateo, State of California, containing approximately 8,484 square feet of clinic space and 21,451 square feet of warehouse space in that certain building commonly known as 2700 Middlefield Road.

B LEASE AMENDMENT. The parties desire to execute a Fifth Amendment to Lease Agreement and hereby agree as follows

Preparation of Premises Section 4 of the Lease is hereby deleted

- (1) Exercise of Option Section 9 of the Lease provides for Tenant to exercise two (2) options to extend the term of the Lease by five (5) years for each option. The option is to be exercised by Tenant by written notice to Landlord not more than one hundred eighty (180) days prior to expiration of the term. Tenant hereby exercises the first option term. The parties hereby waive the notice provision for the first five (5) year option period and agree to extend the term of the lease for a period of five (5) years from August 15, 2001, through August 14, 2006. Waiver of the notice period for exercise of this first option does not constitute a waiver of the notice period for the second five (5) year option.
- (2) Rent for Five (5) Year Option Period Section shall be modified as follows. Effective August 15, 2001, rent for the five-year option period shall be Forty Five Thousand Three Fifteen Dollars (\$45,315) per month. The monthly rent shall be subject to adjustment beginning the second year of the term in accordance with Section 15 of the Lease as said Section 15 was amended by the First Amendment to the Lease dated April 9, 1991. The new monthly rent (\$45,315) shall be the base monthly rent for purposes of adjustment. The Beginning Index for the purposes of adjustment during the five-year option term shall be the Consumer Price Index (All Urban Consumers, 1982-84=100) for the San Francisco-Oakland-San Jose Metropolitan Area, published by the United States Department of Labor, Bureau of Labor Statistics, which is published for July 2001. Limitations on any such adjustment shall remain at a minimum of 3 percent and a maximum of 6 percent as set forth in said Section 15.

Rent for any partial month shall be prorated using the number of days in the month that any proration is made

- (3) Option to Expand Warehouse Space Section 10 of the Lease is no longer applicable and that Section is hereby deleted.
- (4) Option to Terminate Section 11 of the Lease is no longer applicable and that Section is hereby deleted.
- (5) Lump Sum Payment. Section 35 (Lump Sum Payment) is no longer applicable and that Section is hereby deleted
- (6) General Provisions Section 35 from the original lease was inadvertently deleted by the Second Amendment to the Lease The original Section 35, General Provisions of the Lease, is hereby reinstated and added by this Fifth Amendment

C EFFECTIVENESS OF LEASE AND AMENDMENTS Except as set forth in this Fifth Amendment, all other provisions of the Lease and previous Amendments shall remain unchanged and in full force and effect.

Dated February 8, 200~~0~~¹

FERRANDO and FRANCESCHINI

By Joseph B. Ferrando
Joseph B. Ferrando

By Robert T. Franceschini, Sr
Robert T. Franceschini, Sr

Dated _____, 2001

COUNTY OF SAN MATEO

By _____
President, Board of Supervisors
County of San Mateo

Resolution No. _____

ATTEST

Clerk of Said Board