

ALAMEDA COUNTY
HEALTH CARE SERVICES

AGENCY
COLLEEN CHAWLA, Director



OFFICE OF THE AGENCY DIRECTOR

1000 San Leandro Boulevard, Suite 300
San Leandro, CA 94577
TEL (510) 618-3452
FAX (510) 351-1367

AGENDA # _____ November 3, 2020

October 6, 2020

Honorable Board of Supervisors
County of Alameda
1221 Oak Street, Suite 536
Oakland, California 94612-4305

SUBJECT: APPROVE AMENDMENT NO. 4 TO LEASE AGREEMENT FOR SPACE AT THE FREMONT FAMILY RESOURCE CENTER AT 39155 LIBERTY STREET, FREMONT FOR THE HEALTH CARE SERVICES AGENCY'S BEHAVIORAL HEALTH CARE AND PUBLIC HEALTH DEPARTMENTS AND THE SOCIAL SERVICES AGENCY'S ADULT AND AGING SERVICES DEPARTMENT; MASTER CONTRACT NO. 900881; PROCUREMENT CONTRACT NO. 20658; AMOUNT: \$5,487,404.

Dear Board Members:

RECOMMENDATION:

Retroactively approve Amendment No. 4 (Master Contract No. 900881; Procurement Contract No. 26058) to the Lease Agreement between the City of Fremont, Lessor (Principal: Brian Stott, Assistant City Manager; Location: Fremont) and the County of Alameda, Lessee, for the Health Care Services Agency's Behavioral Health Care and Public Health Departments and the Social Services Agency's Adult and Aging Services Department at the Fremont Family Resource Center, 39155 Liberty Street, Fremont, extending the term from 7/1/2010 – 6/30/2020 by ten years to 6/30/2030, and increasing the total lease amount from \$4,257,555 to \$9,744,959 (\$5,487,404 increase).

DISCUSSION/SUMMARY:

The Health Care Services Agency (HCSA) and Social Services Agency (SSA) have occupied the leased space serving the needs of the local community at the Fremont Family Resources Center (FFRC) since July 1, 2010 as approved by your Board approved on July 13, 2010 (Item #15). HCSA Behavioral Health Care Services (ACBH) operates a vocational program, the Tri-City

Children and Youth Services, and the Tri-City Community Center in Suites D470, G700, G710, and H820. HCSA Public Health (PHD) operates a Women, Infants, and Children (WIC) program in Suite D430. SSA manages a Veterans Services Office in Suite F620. The original leased space was for 9,277 square feet of office space and 2,133 square feet of common area, for a total of 11,410 square feet.

On March 3, 2012, your Board approved (Item #9) Amendment No. 1 to the lease to relocate the PHD's WIC unit from Suite H840 to Suite D430 at FFRC, increasing the leased office space and common area by 383 square feet, for an overall total of 11,793 square feet. On August 2, 2016, your Board approved (Item #28) Amendment No. 2 to the lease to consolidate the five one-year optional extension lease periods into one five-year lease extension, and extend the term for five years from July 1, 2015 to June 30 2020.

On September 12, 2017, your Board approved (Item #12) Amendment No. 3 to the lease to add an additional 1,061 square feet to Suite G700 for BHCS's Tri-City Community Center unit, for a new overall total of 12,854 square feet of office space and common area. BHCS, PHD and SSA desire to continue operating the programs at the current spaces.

Because of the need to prioritize the acquisition of emergency COVID-19 housing, the lease for this property expired.

The following is a summary of the terms of Amendment No. 4 to the lease:

1. Square footage: 12,854 RSF, office space, and common area
2. Term: 10 years – 7/1/2020 to 6/30/2030
3. Rent: \$38,459.17 per month
4. Security charges: \$1,429.92 per month
5. Rent and security charges are adjusted annually based on the Consumer Price Index (CPI), but limited to 5% maximum and 1% minimum.
6. Tenant Improvements at Lessor's Cost include: Carpet replaced with sheet vinyl in the two waiting rooms and the interior hallway of suite G710, and paint certain areas of G710 and H829.
7. Lessor and Lessee agree to review the need for additional floor replacement and new paint every five years of the lease.
8. All other terms remain unchanged.


FINANCING:

The lease payments for the extension are estimated at \$5,487,404 for the ten-year term. Appropriations for the first year are included in the GSA Building Maintenance Internal Service Fund (ISF) Fiscal Year 2020-21 Approved budget and will be requested in subsequent budget years for the remaining term of the lease. The ongoing rental costs will be charged to HCSA and SSA through Building Maintenance ISF space charges and are included in the HCSA and SSA Fiscal Year 2020-21 Approved budget. There will be no increase in net County cost.

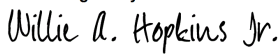
VISION 2026 GOAL:

The extension of the County's tenancy in this community-based location allows for our continued HCSA/SSA collaboration in our efforts to meet the 10X goal pathway of **Healthcare for All** in support of our shared vision of a **Thriving and Resilient Population**.


Respectfully submitted,

DocuSigned by:

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Colleen Chawla
Director, Health Care Services Agency

DocuSigned by:

3978B4A6A69D4BB...

Willie A. Hopkins, Jr.
Director, General Services Agency

DocuSigned by:

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Lori A. Cox
Director, Social Services Agency

I:\BOARD LETTERS\RPM\LETTERS\BOS.11.03.20.RPM.4TH AMENDMENT TO LEASE AT 39155 LIBERTY AVE FREMONT FOR HCSA & SSA

Attachments

cc: County Administrator
Auditor-Controller
County Counsel

**AMENDMENT NO. 4 TO LEASE (CAO#10-0328)
FROM THE CITY OF FREMONT TO ALAMEDA COUNTY
FOR SPACE AT THE FREMONT FAMILY RESOURCE CENTER**

This Amendment No. 4 to Lease #10-0328 (hereinafter "Amendment No. 4") is made and entered into by and between the City of Fremont, a municipal corporation (hereinafter "Landlord"), and the County of Alameda, a political subdivision of the State of California (hereinafter "Tenant"). Landlord and Tenant may be collectively referred to herein as the "parties."

RECITALS

A. On July 20, 2010, Landlord and Tenant entered into an agreement entitled Lease from the City of Fremont to the County of Alameda for Space at the Fremont Family Resource Center (hereinafter "Lease") for various suites at the Fremont Family Resource Center (FRC) in the original amount of \$25,673 per month for 9,277 square feet of office space and 2,133 square feet of common area, and \$955.83 per month for a prorated share of security guard services used for the entire FRC.

B. On April 23, 2012, Landlord and Tenant entered into Lease Amendment No. 1 to allow Tenant's division, Women Infants and Children, to relocate to FRC Suite D430 from FRC Suite H840. This relocation resulted in a net increase in leased space under the Lease of 383 square feet of office space and common area, for a new total leased space of 11,793, in exchange for additional rent.

C. On August 2, 2016, Landlord and Tenant entered into Lease Amendment No. 2 to consolidate the five one-year optional extension lease periods into one five-year lease extension. Amendment No. 2 extended the term for a period of five (5) years to June 30, 2020 and provided for increased rent during the extension term.

D. On August 24, 2017, Landlord and Tenant entered into Lease Amendment No. 3 to allow Tenant's division, Alameda County Behavioral Health, Tri-City Community Support, to expand its leased space into FRC Suite G700. This expansion resulted in a net increase in leased space under the Lease of 1,061 square feet, for a total leased space of 12,854 square feet, in exchange for additional rent.

E. The Lease had an initial term of five years from July 1, 2010 through June 30, 2015, and it has been extended to expire on June 30, 2020. Landlord and Tenant now wish to further amend the Lease, to extend the term for a period of ten (10) years with an option to extend for a five (5) year period and to provide for increased rent during the extension term on the same terms, covenants and conditions as set forth in the Lease as amended by Amendments No. 1, No. 2, and No. 3, except as set forth in this Amendment No. 4.

NOW, THEREFORE, THE PARTIES HEREBY AGREE THE LEASE IS AMENDED AS FOLLOWS:

1. INCORPORATION BY REFERENCE. This Amendment No. 4 hereby incorporates by

reference all terms and conditions set forth in the Lease as amended by Amendments No. 1, No. 2, and No. 3, unless specifically modified by this Amendment No. 4. All terms and conditions set forth in the Lease as amended by Amendments No. 1, No. 2, and No. 3, which are not specifically modified by this Amendment No. 4 shall remain in full force and effect.

2. **SECTION 2, AMENDED.** Section 2, entitled “**USE OF THE PREMISES**” is amended to prohibit Tenant from conducting any business activity that violates any Federal or State law.

“2. **USE OF THE PREMISES.** The Premises are to be used for Tenant's public purpose only. Tenant shall not do or permit any act to be done that will increase the existing rate or cause cancellation of insurance on the Premises or will cause a substantial increase in utility services normally supplied to the Premises. Use of the Premises prohibits any business activity that violates any Federal or State law. Tenant shall comply with all statutes, ordinances, regulations, and other requirements of all governmental entities that pertain to the occupancy or use of the Premises, and with all rules and regulations that are adopted by Landlord for the safety, care, and cleanliness of the Premises and the preservation of good order on the Premises, including the Family Resource Center Facility Use Policy, attached as Exhibit B, and incorporated herein by reference. These rules and regulations are expressly made a part of this Lease. Tenant and Landlord acknowledge that all uses and adjacent uses in the FRC have been planned with consideration for all parties and clients. Therefore, any change in the use of the Premises shall be subject to Landlord's review and written approval to make sure it is compatible with the mission of the FRC. Said approval shall not be unreasonably withheld by Landlord. Further, Tenant agrees to participate in a cooperative board to address collective and individual needs of the tenants in the FRC. Tenant shall not be required to have more than one participant for all of its leases at the FRC.”

3. **SECTION 3, AMENDED.** **Subsection 3.4** of Section 3, entitled “**TERM**” is amended to extend the term for a ten (10) year period from July 1, 2020 to June 30, 2030 with an option to extend for a five (5) year period and shall read in its entirety as follows:

“3.4 Extension Term. The term of this Lease shall be continued and extend for an additional ten (10) year period from July 1, 2020 through June 30, 2030 with an option to extend for a five (5) year period. The holding over provision set forth section 3.2 shall apply to the Extension Term.”

4. **SECTION 6, AMENDED.** **Subsection 6.2** of Section 6, entitled “**CONSIDERATION /RENT**”, is amended to reflect the increase in rent associated with the extended term of this Lease to read as set forth below and Subsections 6.1, 6.3 and 6.4 shall remain in their current form:

“6.2. During the Extension Term as consideration for Tenant's use of the Premises in accordance with the terms of conditions of this Lease, Tenant agrees to pay to Landlord Thirty-Eight Thousand Four Hundred and Fifty-Nine Dollars and Seventeen Cents (\$38,459.17) per month, due and payable in advance, on or before the first of the month. This includes 10,439 square feet of office space at a rate of \$2.992 per square foot, and

2,415 square feet of common area, (for non-exclusive access) at a rate of \$2.992 per square foot. Rent for both office and common space will be increased in each of the nine subsequent years of this Lease Amendment No. 4 based on the change in the San Francisco/Oakland/Hayward Consumer Price Index, which shall be no less than one percent (1%) and no greater than five percent (5%). All operating costs, including utilities (except for cable drop charges) are deemed included in the rent. In addition to the rent payment, Tenant shall pay on a monthly basis, its prorated share of security guard services in the amount of One Thousand Four Hundred Twenty-Nine Dollars and Ninety-Two Cents (\$1,429.92). The payment for security guard services will be increased annually, based upon Tenant's prorated share of increases in security guard costs, if any, not to exceed five percent (5%) per year. Landlord shall provide Tenant with proof of any increase in charges for security guards upon request by Tenant."

5. **SECTION 9, AMENDED.** Section 9, entitled "MAINTENANCE, REPAIR AND ALTERATIONS", is amended to add Subsection 9.6 as follows, leaving Subsections 9.1, 9.2, 9.3, 9.4 and 9.5 in their current form:

"9.6 Landlord at its sole expense shall replace the carpet with sheet vinyl in the two waiting rooms and the interior hallway of G710 (Alameda County Behavioral Health). In addition, Landlord at its sole expense shall paint in certain areas of D430 (Women Infant Children), G710 (Alameda County Behavioral Health), H829 (Tri City Children and Youth Services), more particularly described on Exhibit "C" Page 1 and Page 2, attached hereto, and incorporated herein by reference. Per Labor Code Section 1720, Landlord shall pay its contractors at the prevailing wage rates set by the California Department of Industrial Relations. Furthermore, Landlord and Tenant agree to review the need of additional floor replacement and new paint in five year intervals from the Effective Date of Amendment No. 4.

6. **SIGNATURES.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the Tenant and the Landlord. This Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
7. **EFFECTIVE DATE.** This Amendment No. 4 shall be effective upon the date that it is fully executed by both parties.

IN WITNESS WHEREOF, the Landlord and Tenant do hereby agree to the full performance of the terms set forth herein.

LANDLORD: CITY OF FREMONT

TENANT: COUNTY OF ALAMEDA

Name: *Benny*
Title: Assistant City Manager

Name: Richard Valle
Title: President,
Alameda County Board of Supervisors

Date: 9/28/2020

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

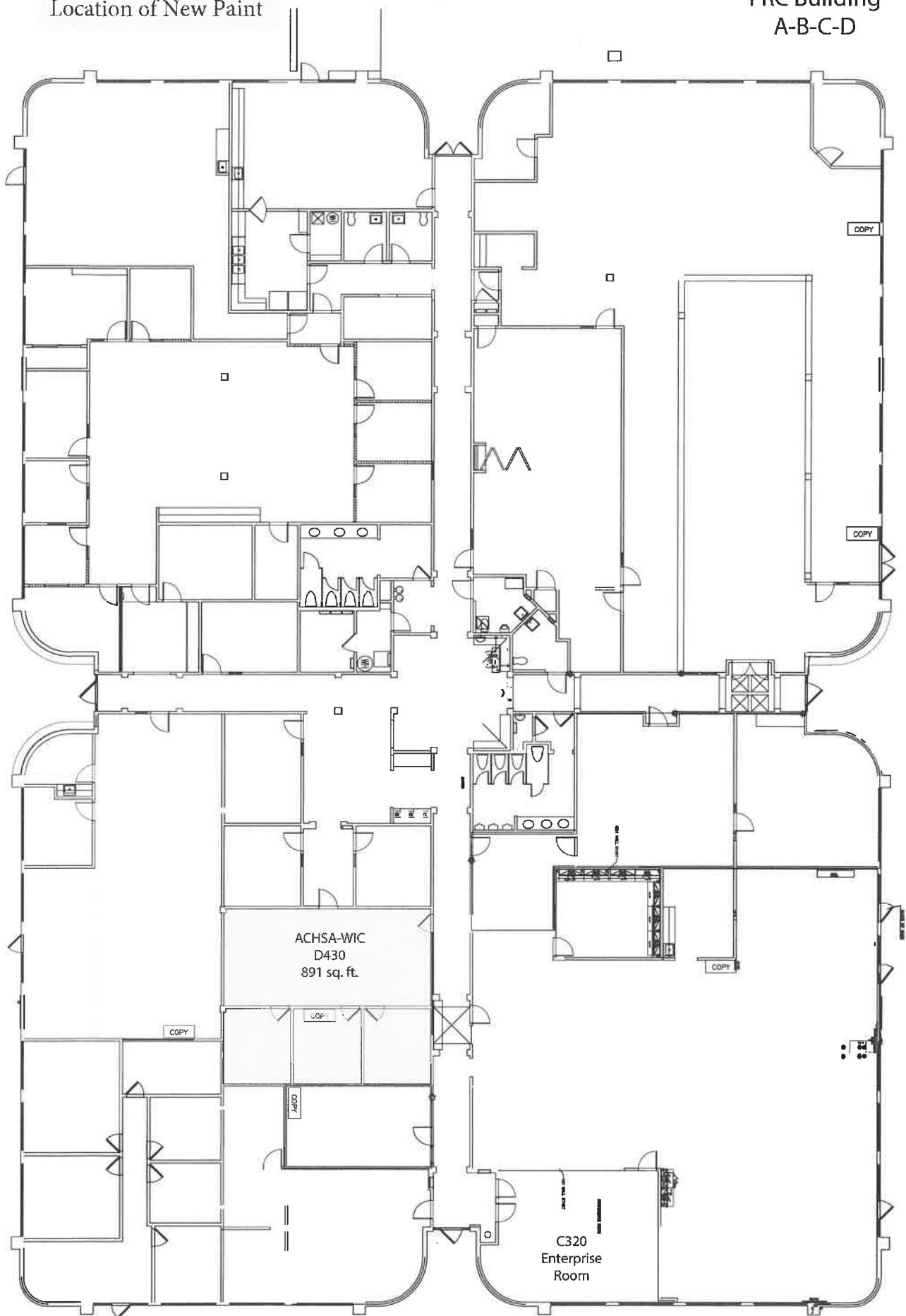
Cheryl Fox on behalf of
Sandra J. Fox
Special Counsel
City of Fremont

DONNA R. ZIEGLER
County Counsel
By: *[Signature]*
Deputy County Counsel

Exhibit “C”
Location of New Flooring and Paint

Location of New Paint

FRC Building
A-B-C-D



Location of New Flooring and Paint

FRC Building
E-F-G-H

