



Alameda County
**Social Services
Agency**

AGENDA No. _____ September 9, 2008

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2000 San Pablo Avenue, Oakland, CA 94612
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ybaldovi2@acgov.org
www.co.alameda.ca.us/assistance

Yolanda Baldovinos
Interim Agency Director

August 20, 2008

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

Dear Board Members:

SUBJECT: THIRD LEASE MODIFICATION FOR THE SOCIAL SERVICES AGENCY'S CHILDREN AND FAMILY SERVICES ASSESSMENT CENTER AT 22225 FOOTHILL BLVD., HAYWARD, CALIFORNIA; PROCUREMENT CONTRACT NO. 3333; AMOUNT: \$396,694

RECOMMENDATION:

Approve the Third Lease Modification exercising a five-year renewal option with Wolf Investment Company, a California Corporation, incorporated in Alameda County (Principal: Leo J. Parry, President, 9967 Mangos Drive, San Ramon, CA) for 16,500 square feet of office space at 22225 Foothill Blvd., Hayward, California, for the Social Services Agency's (SSA's) Children and Family Services Assessment Center. The renewal is effective as of June 4, 2008 at a total FY 2008-09 monthly cost of \$33,058. The total lease cost for FY 2008-09 will be \$396,694. Master Contract No. for 22225 Foothill Blvd. is 900520. Procurement Contract No. for this Third Modification is 3333.

DISCUSSION/SUMMARY:

The original five-year lease for the Department of Children and Family Services Assessment Center located at 22225 Foothill Boulevard was signed February 4, 1997, and contained two additional five-year renewal options. A First Modification to the original lease was signed on March 30, 1999, to accommodate an SSA request to have the landlord fund improvements and amortize the cost over the remaining lease term (1999-2002). The Board of Supervisors approved a Second Modification when it exercised the first of two five-year renewal options December 17, 2002. That renewal term expired June 3, 2008. This Third Modification will exercise the second five-year renewal option with a commencement date of June 4, 2008, and an end date of June 3, 2013.

The lease terms and conditions include the following:

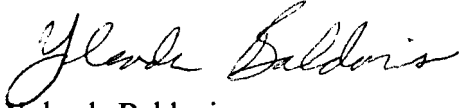
1. Lease rate: Full-service combined rate for 16,500 square feet of office space; June 4, 2008 to June 3, 2009 \$2.00 - per square foot;
2. Term: June 4, 2008 to June 3, 2013; and

3. Option: Two five-year renewal options at the then-fair market rate; notice from County required before December 3, 2012.

FINANCING:

Funds have been budgeted for FY 2008-2009 and will be requested for subsequent years. There will be no increase in net County cost.

Respectfully submitted,



Yolanda Baldovinos
Interim Director, Social Services Agency



Aki Nakao
Director, General Services Agency

I:\BOARD LETTERS\REAL PROPERTY\LETTERS\3RD MODIFICATION SSA-22225 FoothillLL.DOC

cc: Susan S. Muranishi, County Administrator
Patrick J. O'Connell, Auditor-Controller
Richard E. Winnie, County Counsel

THIRD MODIFICATION TO LEASE

This THIRD MODIFICATION TO LEASE (the "Modification") is made and entered into as of _____, 2008 by and between the County of Alameda, a body corporate and politic and a political subdivision of the State of California ("Tenant"), and Wolf Investment Company, a California Corporation ("Landlord"), with respect to that certain lease dated February 4, 1997, as amended by First Modification to Lease dated March 30, 1999 and Second Modification to Lease dated December 17, 2002 (the "Lease"), for that certain building located at 22225 Foothill Blvd, Hayward, California, consisting of 16,500 square feet (the "Premises").

WHEREAS, Landlord acknowledges Tenant has exercised the Second of two, five (5) year renewal options, as provided under the Second Modification to Lease dated December 17, 2002. Landlord and Tenant agree to the following:

1. Landlord and Tenant agree that the extension period shall commence on June 1, 2008 and end on May 31, 2013;
2. Landlord acknowledges that under the provision of the Second Modification to Lease Tenant's obligation to pay \$965.19 per month for the amortization of Tenant improvements has been satisfied.
3. Under this the 3rd Modification, Landlord hereby grants Tenant 2 additional 5 year option to extend.

In consideration of the renewal, the Landlord agrees to provide the following tenant improvements at the Landlord's sole expense:

- Install new carpet squares throughout the building excepting the blue carpeted area located in the open area on the children's side of the building;
- Install a new carpet cut-out in the heavily used atrium entry way area;
- Install new Armstrong (or comparable grade) VCT in the boys & girls bathrooms/shower and staff kitchen areas. Tenant to confirm the VCT installation requirements for the copier room;
- Remove existing cook top unit in staff kitchen and replace the existing mill work with approximately approx 8' ft of lower base cabinets, with a stainless steel sink and, install approximately 8' of upper cabinet inclusive of 2 microwave cabinets;
- Install 3 duplex electrical outlets; two (2) dedicated outlets to support the microwave units and 1 to support additional equipment i.e. a coffee maker;
- Install new ceiling tiles throughout the staff kitchen area;
- Entirely paint the boy/girls bathroom and the staff kitchen area. Throughout the term of this renewal, touch up paint all other walls through out the facility as needed and/or determined by the tenant.;
- Repair shower stall in the boy's bathroom. Repairs to include new tile grouting, new shower pan, adjustment or replacement of the exhaust fan timer to allow for longer run time to remove objectionable odors;
- Wrap or cover all exposed pipes in all areas with plumbing foam;
- Securely bolt partition to the rear wall in room #11;

- Restripe the front parking lot. During the re-stripping repaint 2 blue “handicap” stalls, 3 “Alameda County Manager” stall in the right front of the building and 4 “County Vehicles Only” on the left hand side of the building. Landlord to work directly with tenant on the specific stalls to be stenciled.

Landlord agrees to perform most work after hours, unless other arrangements are negotiated with the Tenant. Further, the Landlord agrees to provide the Tenant with all required MSDS sheets prior to the start of the project.

MODIFICATIONS TO THE LEASE

EXHIBIT “E” of that certain lease dated February 4, 1997 shall be modified as follows:

Term: The term of the Second Modification to lease is extended from June 1, 2008 through May 31, 2013; Option to Extend: Two (2), Five (5) year options commencing June 1, 2013 and June 1, 2018;

Option Notice Period: Six (6) months prior to expiration of the renewal term (December 1, 2012 & December 1, 2017);

Monthly Basic Rent: As outlined below. The then monthly basic rent shall be increased by 2.50% annually during the term of the options; (See Attached Exhibits A, B, and C the rent calculations)

Landlord and Tenant agree that the basic rent during the renewal option shall be as follows:

Basic Monthly Rent Including ~~With~~ Annual Increases of 2.5%

Year 1, June 2008	\$29,199.69
Year 2, June 2009	\$29,929.68
Year 3, June 2010	\$30,677.92
Year 4, June 2011	\$31,444.87
Year 5, June 2012	\$32,230.99

Monthly Operating Costs: Lease Section 1. DEFINITIONS, Subsection B. Operating Costs & Capital Expenditures, Sub-Subsection 1. The term Operating Costs; Landlord and Tenant specifically agree that Operating Costs shall not include the costs of water, sewer, electricity and gas, which shall be the Tenant’s sole responsibility to purchase services direct from EBMUD and PG&E. Tenant shall pay Landlord its share of the Operating Cost which is calculated at \$3,745.75858.13, per month through May 31, 089. Landlord and Tenant agree that the monthly Operating Cost payment to landlord shall be increased by 3.00% annually, commencing June 1, 2009 and annually thereafter as follows below, and during the term of the options:

Operating Costs (Annual 3.0% Incr)

Year 1, June 2008
Year 2, June 2009
Year 3, June 2010
Year 4, June 2011
Year 5, June 2012

Operating Costs

\$3,858.13
\$3,973.87
\$4,093.09
\$4,215.88
\$4,342.36

INCORPORATION

Except as otherwise expressly set forth herein, and to the extent necessary to give effect to the provisions hereof, all terms and conditions of the lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have entered into this modification Lease as of the date first set forth above.

LANDLORD

Wolf Investment Company,
A California Corporation
Leo J. Parry, President

TENANT

COUNTY OF ALAMEDA,
a body corporate and politic and
A political subdivision of the State of
California, acting by and through
It's Board of Supervisors

By: Leo J. Parry
Title: President
Date: 8/12/08

By: _____
Title: _____
Date: _____

PLEASE SEE
ATTACHED NOTARY

COUNTY COUNSEL

By: [Signature]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Contra Costa }

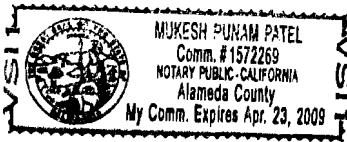
On Aug 12th 2008 before me, MUKESH PUNAM PATEL, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared LEO J. PARRY
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Mukesh P. Patel
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Third modification of lease

Document Date: Aug 12th 2008 Number of Pages: TWO

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Leo J. Parry

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: President

Signer Is Representing: self



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

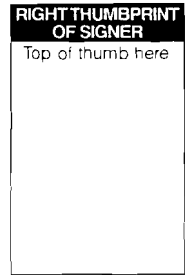


EXHIBIT A
22225 Foothill Blvd., Hayward

**Building # 13010; SSA,
 Children/Family Services Assessment
 Revised June 17, 2008**

Bld. \$ 16,500

Initial Rent For 1st Five Years

	Thru 5/31/08	Cost PSF/PM	Cost PSF/PA
Current Monthly Rent:	28,487.50	1.73	20.72
Current Estimated Op Exps	3,745.75	0.23	2.72
Amoritzation of TI's:	965.19	0.06	0.70
Current Monthly Rent:	\$33,198.44	\$2.01	\$24.14

	06/01/08	Cost PSF/PM	Cost PSF/PA
New Monthly Rent:	29,199.69	1.77	21.24
New Estimated Op Exps	3,858.13	0.23	2.81
Amoritzation of TI's:	0.00	0.00	0.00
New Total Monthly Rent	\$33,057.82	\$2.00	\$24.04

Base Rent Annual Increases of 2.5%

		Cost	Cost
	Op Exps	PSF/PM	PSF/PA
Year 1, June 2008	\$29,199.69	\$1.77	\$21.24
Year 2, June 2009	\$29,929.68	\$1.81	\$21.77
Year 3, June 2010	\$30,677.92	\$1.86	\$22.31
Year 4, June 2011	\$31,444.87	\$1.91	\$22.87
Year 5, June 2012	\$32,230.99	\$1.95	\$23.44

Op Exps Annual Incr. of 3.0%

	Op Exps	Cost	Cost
		PSF/PM	PSF/PA
Year 1, June 2008	\$3,858.13	\$0.23	\$2.81
Year 2, June 2009	\$3,973.87	\$0.24	\$2.89
Year 3, June 2010	\$4,093.09	\$0.25	\$2.98
Year 4, June 2011	\$4,215.88	\$0.26	\$3.07
Year 5, June 2012	\$4,342.36	\$0.26	\$3.16

<u>Base Rent and Op. Exps</u>	Monthly Rent	Monthly Op Exps	Total Monthly	Cost PSF/PM	Cost PSF/PA
Year 1, June 2008	\$29,199.69	\$3,858.13	\$33,057.82	\$2.00	\$24.04
Year 2, June 2009	\$29,929.68	\$3,973.87	\$33,903.55	\$2.05	\$24.66
Year 3, June 2010	\$30,677.92	\$4,093.09	\$34,771.01	\$2.11	\$25.29
Year 4, June 2011	\$31,444.87	\$4,215.88	\$35,660.75	\$2.16	\$25.94
Year 5, June 2012	\$32,230.99	\$4,342.36	\$36,573.35	\$2.22	\$26.60

NOTE: All utilities (PG&E and EBMUD) are now being paid by the County in the above calculations.

EXHIBIT B

22225 Foothill Blvd., Hayward

**Building # 13010; SSA,
Children/Family Services Assessment
Revised June 17, 2008**

Bld. § 16,500

	1st Renewal Option Period				
	Thru 5/31/13	Cost PSF/PM	Cost PSF/PA		
Current Monthly Rent:	32,230.99	1.95	23.44		
Current Estimated Op Exps	4,342.36	0.26	3.16		
Amoritization of TI's:	0.00	0.00	0.00		
Current Monthly Rent:	\$36,573.35	\$2.22	\$26.60		
	06/01/13	Cost PSF/PM	Cost PSF/PA		
New Monthly Rent:	33,036.76	2.00	24.03		
New Estimated Op Exps	4,472.63	0.27	3.25		
Amoritization of TI's:	0.00	0.00	0.00		
New Total Monthly Rent	\$37,509.40	\$2.27	\$27.28		
Base Rent Annual Increases of 2.5%					
Year 1, June 2013	\$33,036.76	\$2.00	\$24.03		
Year 2, June 2014	\$33,862.68	\$2.05	\$24.63		
Year 3, June 2015	\$34,709.25	\$2.10	\$25.24		
Year 4, June 2016	\$35,576.98	\$2.16	\$25.87		
Year 5, June 2017	\$36,466.41	\$2.21	\$26.52		
Op Exps Annual Incr. of 3.0%	Op Exps	Cost PSF/PM	Cost PSF/PA		
Year 2, June 2013	\$4,472.63	\$0.27	\$3.25		
Year 3, June 2014	\$4,606.81	\$0.28	\$3.35		
Year 4, June 2015	\$4,745.01	\$0.29	\$3.45		
Year 5, June 2016	\$4,887.36	\$0.30	\$3.55		
Year 5, June 2017	\$5,033.99	\$0.31	\$3.66		
Base Rent and Op. Exps	Monthly Rent	Monthly Op Exps	Total Monthly	Cost PSF/PM	Cost PSF/PA
Year 2, June 2013	\$33,036.76	\$4,472.63	\$37,509.40	\$2.27	\$27.28
Year 3, June 2014	\$33,862.68	\$4,606.81	\$38,469.49	\$2.33	\$27.98
Year 4, June 2015	\$34,709.25	\$4,745.01	\$39,454.26	\$2.39	\$28.69
Year 5, June 2016	\$35,576.98	\$4,887.36	\$40,464.35	\$2.45	\$29.43
Year 5, June 2017	\$36,466.41	\$5,033.99	\$41,500.40	\$2.52	\$30.18

NOTE: All utilities (PG&E and EBMUD) are now being paid by the County in the above calculations.

EXHIBIT C
22225 Foothill Blvd., Hayward

**Building # 13010; SSA,
 Children/Family Services Assessment
 Revised June 17, 2008**

Bld. \$ 16,500

2nd Renewal Option Period

	<u>Thru 5/31/18</u>	<u>Cost PSF/PM</u>	<u>Cost PSF/PA</u>
Current Monthly Rent:	36,466.41	2.21	26.52
Current Estimated Op Exps	5,033.99	0.31	3.66
	0.00	0.00	0.00
Current Monthly Rent:	\$41,500.40	\$2.52	\$30.18

	<u>06/01/18</u>	<u>Cost PSF/PM</u>	<u>Cost PSF/PA</u>
New Monthly Rent:	37,378.07	2.27	27.18
New Estimated Op Exps	5,185.01	0.31	3.77
	0.00	0.00	0.00
New Total Monthly Rent	\$42,563.08	\$2.58	\$30.95

Base Rent Annual Increases of 2.5%

		<u>Cost PSF/PM</u>	<u>Cost PSF/PA</u>
Year 1, June 2018	\$37,378.07	\$2.27	\$27.18
Year 2, June 2019	\$38,312.52	\$2.32	\$27.86
Year 3, June 2020	\$39,270.34	\$2.38	\$28.56
Year 4, June 2021	\$40,252.09	\$2.44	\$29.27
Year 5, June 2022	\$41,258.40	\$2.50	\$30.01

Op Exps Annual Incr. of 3.0%

	<u>Op Exps</u>	<u>Cost PSF/PM</u>	<u>Cost PSF/PA</u>
Year 1, June 2018	\$5,185.01	\$0.31	\$3.77
Year 2, June 2019	\$5,340.56	\$0.32	\$3.88
Year 3, June 2020	\$5,500.78	\$0.33	\$4.00
Year 4, June 2021	\$5,665.80	\$0.34	\$4.12
Year 5, June 2022	\$5,835.77	\$0.35	\$4.24

<u>Base Rent and Op. Exps</u>	<u>Monthly Rent</u>	<u>Monthly Op Exps</u>	<u>Total Monthly</u>	<u>Cost PSF/PM</u>	<u>Cost PSF/PA</u>
Year 1, June 2018	\$37,378.07	\$5,185.01	\$42,563.08	\$2.58	\$30.95
Year 2, June 2019	\$38,312.52	\$5,340.56	\$43,653.08	\$2.65	\$31.75
Year 3, June 2020	\$39,270.34	\$5,500.78	\$44,771.11	\$2.71	\$32.56
Year 4, June 2021	\$40,252.09	\$5,665.80	\$45,917.89	\$2.78	\$33.39
Year 5, June 2022	\$41,258.40	\$5,835.77	\$47,094.17	\$2.85	\$34.25

NOTE: All utilities (PG&E and EBMUD) are now being paid by the County in the above calculations.