

Legislation Text

File #: #17-0357, Version: 1

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DATE OF MEETING: 08/07/17

SUBJECT:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING AND AUTHORIZING EXECUTION OF A FIRST AMENDMENT TO OFFICE BUILDING LEASE BETWEEN THE CITY OF SAN PABLO AND LIFELONG MEDICAL CARE FOR ITS LEASE OF SPACE AT 2023 VALE ROAD FOR ADDITIONAL SPACE AND INCREASED RENT

CITY MANAGER RECOMMENDATION

Adopt Resolution

COMPLIANCE STATEMENTS

Adopted Policy Item Health Care Readily Available (Circle S) and ECONOMIC DEVELOPMENT, job creation and business opportunities, are adopted policy item(s) under the FY 2015-17 Council Priority Workplan Update, effective October 1, 2016.

CEQA Compliance Statement

Pursuant to the California Environmental Quality Act (CEQA), the project has been determined to be categorically exempt from the provisions of CEQA, in accordance with CEQA Guidelines 15301, Existing Facilities, leasing.

BACKGROUND

On April 3, 2015, the City purchased a group of properties from the West Contra Costa Healthcare District including a Medical Office Building on 2023 Vale Road (the "MOB"). The principal commercial tenant in the MOB is LifeLong Medical Care (LifeLong), a federally qualified health center.

The City's purchase of the MOB ensured that LifeLong remained operationally viable to provide critical care services to the indigent population of San Pablo as Doctor's Medical Center (DMC) closed down. LifeLong is now designated as the "safety net" facility that possesses a federal qualified medical center certification to handle the underinsured and uninsured.

On July 6, 2015, the City and LifeLong entered into an Office Building Lease (Lease) for 19,170 square feet of the MOB which allowed for Lifelong's continued use of the building. Under the terms of the Lease, LifeLong pays the City \$38,452.07 per month or \$2.01 per foot (Base Rent).

LifeLong has recently approached the City and expressed their desire to expand their services and lease an additional 1,420 square feet (Expanded Space) of space at the current Base Rent. The proposed First Amendment to Office Building Lease includes the lease of the Expanded Space at the current Base Rent. This increases the amount of rent the City collects from LifeLong by \$2,854.20 per month to \$41,306.27 per month.

FISCAL IMPACT

This increases the amount of rent the City collects from LifeLong by \$2,854.20 per month to \$41,306.27 per month, an additional \$34,250.40 annually.