



Contra
Costa
County

To: Board of Supervisors
From: Brian M. Balbas, Public Works Director/Chief Engineer
Date: November 13, 2018

Subject: Execute a Lease for Health Services Department – Wraparound Program, 395 Taylor Blvd., Ste. 200 & 230, Pleasant Hill.

RECOMMENDATION(S):

APPROVE the Public Works Director, or designee, to execute a lease with the Pleasant Hill Executive Park Association, for 3,546 square feet of office space for the Health Services Department – Wraparound Program. The term of this lease is 10 years with one five-year renewal term. The annual rental payment for the first year is \$84,679, with annual increases thereafter, under the terms and conditions set forth in the lease.

AUTHORIZE the Public Works Director, or designee, to execute the lease on behalf of Contra Costa County, and any renewal options under the terms and conditions set forth in the lease.

FISCAL IMPACT:

100% Mental Health Services Act Funds.

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: 11/13/2018 APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor

ABSENT: Federal D. Glover, District V Supervisor

Contact: Julin Perez, 925. 957-2460

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: November 13, 2018

David J. Fwa, County Administrator and Clerk of the Board of Supervisors

By: Jane McHuen, Deputy



BACKGROUND:

The Health Services Department - Wraparound program is currently in different locations throughout Central County, this new location will centralize services and allow for anticipated and approved program growth.

CONSEQUENCE OF NEGATIVE ACTION:

If this Lease is not approved, the Health Services Department - Wraparound Program will not be able to hire staff to support the growth of the program and the County will incur additional expenses in finding a new location.

CHILDREN'S IMPACT STATEMENT:

The Wraparound program serves the most vulnerable parents of children and adults facing serious mental health challenges. The growth of the program will significantly increase capacity to meet the mental health specialty needs.

ATTACHMENTS

Lease (Draft)

LEASE

Health Services Department
395 Taylor Blvd., Suites 200 & 230,
Pleasant Hill, CA

This lease is dated Nov. 13, 2018, and is between Pleasant Hill Executive Park Association, a California general partnership (“**Lessor**”) and the County of Contra Costa, a political subdivision of the State of California (“**County**”).

Recitals

- A. Lessor is the owner of that certain premises located at 395 Taylor Blvd., Pleasant Hill, CA (the “**Building**”).
- B. Lessor desires to lease to County and County desires to lease from Lessor a portion of the Building consisting of approximately 3,546 square feet of floor space known as Suites 200 and 230 (the “**Premises**”), as more particularly described in Exhibit A – Floor Plan, along with non-exclusive use of 13 parking stalls.

The parties therefore agree as follows:

Agreement

- 1. Lease of Premises. In consideration of the rents and subject to the terms herein set forth, Lessor hereby leases to County and County hereby leases from Lessor, the Premises.
- 2. Term. The “**Term**” of this lease is comprised of an Initial Term and, at County’s election, a Renewal Term, each as defined below.
 - a. Initial Term. The “**Initial Term**” is ten years, commencing on February 1, 2019 (the “**Commencement Date**”) and ending January 31, 2029.
 - b. Renewal Terms. County has one option to renew this lease for a term of five years (the “**Renewal Term**”) upon all the terms and conditions set forth herein.
 - i. County will provide Lessor with written notice of its election to renew this lease nine months prior to the end of the Term. However, if County fails to provide such notice, its right to renew the Lease will not expire until fifteen working days after County’s receipt of Lessor’s written demand that County exercise or forfeit the option to renew.
 - ii. Upon the commencement of the Renewal Term, all references to the Term of this lease will be deemed to mean the Term as extended pursuant to this Section.

3. Rent. County shall pay rent (“**Rent**”) to Lessor monthly in advance beginning on the Commencement Date. Rent is payable on the tenth day of each month during the Initial Term and, if applicable, the Renewal Term, in the amounts set forth below:

a. Initial Term.

<u>Months</u>	<u>Monthly Rent</u>
1 - 12	\$7,163
13 - 24	\$7,376
25 - 36	\$7,553
37 - 48	\$7,766
49 - 60	\$7,979
61 - 72	\$8,227
73 - 84	\$8,439
85 - 96	\$8,688
97 - 108	\$8,936
109 - 120	\$9,184

b. Renewal Term. During the Renewal Term, County shall pay rent in an amount equal to the then-current fair market rental value of the property (the “**FMV**”). As soon as practicable following delivery of the County’s renewal notice, County and Lessor shall meet and endeavor in good faith to agree on the FMV. If County and Lessor fail to agree within thirty (30) days of delivery of the renewal notice, then Lessor and County shall each appoint an appraiser with at least five (5) years’ full-time commercial real estate appraisal experience in the area to opine as to the FMV of the Premises. Lessor and County shall each bear the cost of their own appraiser. Lessor and County shall request that the appraisers provide written reports setting forth their opinions within fifteen (15) days after being given the assignment. As soon as practicable after receipt of the appraisals, Lessor and County shall meet and, again, endeavor in good faith to agree on the FMV.

If Lessor and County are unable to agree on the FMV within thirty (30) days after receipt of the appraisals, (i) County may rescind the renewal notice, or (ii) with Lessor’s concurrence, County may extend the Initial Term for three (3) months (such extension, the “**Extended Initial Term**”). County will pay Rent during the Extended Initial Term at the same rate that applied immediately prior to the Extended Initial Term. If at the end of the Extended Initial Term, Lessor and County have failed to agree on the FMV, County may rescind the renewal notice and the lease will expire at the end of the Extended Initial Term.

c. Fractional Month. Rent for any fractional month will be prorated and computed on a daily basis with each day’s rent equal to one-thirtieth (1/30) of the monthly Rent.

4. Tenant Improvements.

a. Improvements by Lessor. Lessor, at its sole cost and expense, shall cause the following improvements to be made to the Premises prior to the Commencement Date:

i. The installation of ADA compliant break-room millwork. The millwork must comply with local and state accessibility requirements and must conform to the final plans approved by the County.

ii. Repainting of the entire interior of the Premises, in colors selected by the County.

iii. The installation of new carpet and linoleum, in colors and patterns selected by the County, which installation is to conform to the final plans approved by the County.

b. Improvements by County. The County, at its sole cost and expense, shall cause the data and telecommunication cabling and signage to be installed in the Premises. Any other improvements required by the County and not described in Section 4. a. must be at the County's sole cost and expense, and with prior Lessor's written approval.

5. Use. County may use the Premises for the purpose of providing behavioral health services to young people and their families and related activities. Any other use will require the prior written approval of Lessor, which approval may not be unreasonably withheld or delayed.

6. Obligation to Pay Utilities. Lessor shall pay for all water, sewer, gas, electricity, janitorial and refuse collection services provided to the Premises.

7. Janitorial Services. Lessor, at its sole cost and expense, shall provide janitorial services to the Premises five days per week after normal business hours. Lessor shall provide day porter services at the County's expense if requested by the County. The cost of day porter services must be approved in advance, in writing, by the Director of Public Works or his designee.

8. Maintenance and Repairs.

a. Roof and Exterior of Premises. Lessor shall keep the roof and exterior of the Premises in good order, condition, and repair, and shall maintain the structural integrity of the Building, including the exterior doors and their fixtures, closers and hinges, exterior windows, glass and glazing, used in the Premises.

b. Interior of Premises. County shall keep and maintain the interior of the Premises in good order, condition and repair, but Lessor shall repair damage to the interior caused by its failure to maintain the exterior in good repair, including damage to the interior

caused by roof leaks and/or interior and exterior wall leaks. The County may install and maintain an alarm system, if deemed necessary by County.

- c. Utilities. Lessor shall repair and maintain the electrical, lighting, water and plumbing systems in good order, condition and repair.
 - d. HVAC. Lessor shall maintain and repair the heating, ventilating, and air-conditioning (HVAC) systems.
 - e. Parking; Exterior Lighting; Landscaping. Lessor shall maintain the parking lot, exterior lighting system, and landscaping in good order, condition and repair.
 - f. Services by Lessor. If County determines that the Premises are in need of maintenance, construction, remodeling or similar service that is beyond Lessor's responsibilities under this lease, at County's request, Lessor shall perform such service at County's expense. In performing the service, Lessor shall consult with County and use either licensed insured contractors or employees of Lessor. Lessor shall obtain County's prior written approval of the scope, terms, and cost of any contracts. County may, by giving Lessor thirty (30) days prior written notice, change the level of service, terminate any or all service, or require that a service be performed by a different contractor.
9. Quiet Enjoyment. Provided County is in compliance with the material terms of this lease, Lessor shall warrant and defend County in the quiet enjoyment and possession of the Premises during the Term.
10. Assignment and Sublease. County has the right to assign this lease or sublease the Premises or any part thereof at any time during the Term with the written approval of Lessor, which approval will not be unreasonably withheld or delayed. Upon the assignment of the lease by County, the County will have no further obligation under the lease.
11. Alterations; Fixtures and Signs. County may (i) make any lawful and proper minor alterations to the Premises and (ii) attach fixtures and signs ("**County Fixtures**") in or upon the Premises. Any County Fixtures will remain the property of County and may be removed from the Premises by County at any time during the Term. County is responsible for the cost of all alterations and County Fixtures. All alterations and County Fixtures are subject to Lessor's approval and must comply with existing code requirements.
12. Prior Possession. Prior to Commencement Date, County has the right to install fixtures, telephones, alarm systems, and other items required to prepare the Premises for County's occupancy and to store furniture, supplies and equipment, provided such work and storage and can be effected without unduly interfering with Lessor's completion of any tenant improvements.

13. Insurance.

- a. Liability Insurance. Throughout the Term, County shall maintain in full force and effect, at its sole expense, a general self-insurance program covering bodily injury (including death), personal injury, and property damage, including loss of use. County shall provide Lessor with a letter of self-insurance affirming the existence of the aforementioned self-insurance program.
- b. Self-Insurance Exclusion. County's self-insurance does not provide coverage for (i) areas to be maintained by Lessor under this lease, or (ii) negligence, willful misconduct, or other intentional act, error or omission of Lessor, its officers, agents, or employees.

14. Surrender of Premises. On the last day of the Term, or sooner termination of this lease, County shall peaceably and quietly leave and surrender to Lessor the Premises, along with appurtenances and fixtures at the Premises (except County Fixtures), all in good condition, ordinary wear and tear, damage by casualty, condemnation, acts of God and Lessor's failure to make repairs required of Lessor excepted. County is not responsible for painting or for repairing or replacing any floor coverings in the Premises upon the expiration or earlier termination of this lease.

15. Waste, Nuisance. County may not commit, or suffer to be committed, any waste upon the Premises, or any nuisance or other act or thing that may disturb the quiet enjoyment of any other occupant of the Building.

16. Inspection. Lessor, or its proper representative or contractor, may enter the Premises by prior appointment between the hours of 9:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted, to determine that (i) the Premises is being reasonably cared for, (ii) no waste is being made and that all actions affecting the Premises are done in the manner best calculated to preserve the Premises, and (iii) County is in compliance with the terms and conditions of this lease.

17. Perilous Conditions. If the County's Director of Public Works becomes aware of a perilous condition on the Premises that, in his or her opinion, substantially and significantly threatens the health and safety of County employees and/or invitees (a "**Perilous Condition**"), the Director of Public Works, or his or her designee, will immediately notify Lessor of the Perilous Condition and Lessor shall use best efforts to immediately eliminate the Perilous Condition.

Lessor shall immediately address any condition reasonably constituting an emergency, whether Lessor learns of the condition through County or otherwise.

If Lessor fails to address a Perilous Condition within twenty-four (24) hours after County's notice or to immediately address an emergency situation, County may attempt to resolve the Perilous Condition or emergency situation. Lessor shall reimburse County

for any costs incurred by County in addressing the Perilous Condition or emergency situation promptly upon receipt of County's invoice.

18. Destruction. If damage occurs that causes a partial destruction of the Premises during the Term from any cause and repairs can be made within sixty days from the date of the damage under the applicable laws and regulations of governmental authorities, Lessor shall repair the damage promptly. Such partial destruction will not void this lease, except that County will be entitled to a proportionate reduction in Rent while such repairs are being made. The proportionate reduction in Rent will be calculated by multiplying Rent by a fraction, the numerator of which is the number of square feet that are unusable by County and the denominator of which is the total number of square feet in the Premises.

If repairs cannot be made in sixty days, County will have the option to terminate the lease or request that Lessor make the repairs within a reasonable time, in which case, Lessor will make the repairs and Rent will be proportionately reduced as provided in the previous paragraph.

This lease will terminate in the event of a total destruction of the Building or the Premises.

19. Hazardous Material. Lessor warrants to County that Lessor does not have any knowledge of the presence of Hazardous Material (as defined below) or contamination of the Building or Premises in violation of environmental laws. Lessor shall defend, save, protect and hold County harmless from any loss arising out of the presence of any Hazardous Material on the Premises that was not brought to the Premises by or at the request of County, its agents, contractors, invitees or employees. Lessor acknowledges and agrees that County has no obligation to clean up or remediate, or contribute to the cost of clean up or remediation, of any Hazardous Material unless such Hazardous Material is released, discharged or spilled on or about the Premises by County or any of its agents, employees, contractors, invitees or other representatives. The obligations of this Section shall survive the expiration or earlier termination of this lease.

"Hazardous Material" means any substance, material or waste, including lead based paint, asbestos and petroleum (including crude oil or any fraction thereof), that is or becomes designated as a hazardous substance, hazardous waste, hazardous material, toxic substance, or toxic material under any federal, state or local law, regulation, or ordinance.

20. Indemnification.
- a. County. County shall defend, indemnify and hold Lessor harmless from County's share of any and all claims, costs and liability for any damage, injury or death of or to any person or the property of any person, including attorneys' fees, caused by the willful misconduct or the negligent acts, errors, or omissions of County, its officers, agents or employees in using the Premises pursuant to this lease, or the County's performance under this lease, except to the extent caused or contributed to by (i) the structural, mechanical, or other failure of buildings owned or maintained by Lessor,

and/or (ii) the negligent acts, errors, or omissions of Lessor, its officers, agents, or employees.

- b. Lessor. Lessor shall defend, indemnify and hold County harmless from Lessor's share of any and all claims, costs and liability for any damage, injury or death of or to any person or the property of any person, including attorneys' fees, caused by the willful misconduct or the negligent acts, errors or omissions of Lessor, its officers, agents, employees, with respect to the Premises, or Lessor's performance under this lease, or the Lessor's performance, delivery or supervision of services at the Premises, or by the structural, mechanical or other failure of buildings owned or maintained by Lessor, except to the extent caused or contributed to by the negligent acts, errors, or omissions of County, its officers, agents, or employees.

21. Default.

The occurrence of any of the following events is a default under this lease:

- a. County.
 - i. County's failure to pay Rent within ten business days after receipt of a written notice of failure (a "Notice") from Lessor to County; provided, however, that County will have additional time if its failure to pay Rent is due to circumstances beyond its reasonable control, including, without limitation, failure of the County's Board of Supervisors to adopt a budget. In no event may such additional time exceed seventy-five days from receipt of a Notice.
 - ii. County's failure to comply with any other material term or provision of this lease if such failure is not remedied within thirty days after receipt of a Notice from Lessor to County specifying the nature of the breach in reasonably sufficient detail; provided, however, if such default cannot reasonably be remedied within such thirty day period, then a default will not be deemed to occur until the occurrence of County's failure to comply within the period of time that may be reasonably required to remedy the default, up to an aggregate of ninety days, provided County commences curing such default within thirty days and thereafter diligently proceeds to cure such default.
- b. Lessor. Lessor's failure to perform any obligation under this lease if such failure is not remedied within thirty days after receipt of a Notice from County to Lessor specifying the nature of the breach in reasonably sufficient detail; provided, however, if such breach cannot reasonably be remedied within such thirty day period, then a default will not be deemed to occur until the occurrence of Lessor's failure to perform within the period of time that may be reasonably required to remedy the breach, up to an aggregate of ninety days, provided Lessor commences curing such breach within thirty days and thereafter diligently proceeds to cure such breach.

29. Real Estate Commission. In negotiating this lease, Lessor is represented by Colliers International and the County represents itself. Lessor shall pay a real estate commission to Colliers International pursuant to a separate written agreement. Lessor recognizes and acknowledges that the County is entitled to a real estate commission when it represents itself. The County warrants to Lessor that County's contact with Lessor in connection with this Lease has been directly with Colliers International.

Lessor shall pay to County a real estate commission in the amount of Twenty-Five Thousand Seven Hundred Eighty Four and 92/100 Dollars (\$25,784.92) (the "**County Commission**"). Lessor shall pay one-half of the County Commission upon the execution of this lease and the remainder on the Lease Commencement Date.

[Remainder of Page Intentionally Left Blank]

30. Entire Agreement; Construction; Modification. Neither party has relied on any promise or representation not contained in this lease. All previous conversations, negotiations, and understandings are of no further force or effect. This lease is not to be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. This lease may be modified only by a writing signed by both parties.

The parties are executing this lease on the date set forth in the introductory paragraph.

COUNTY OF CONTRA COSTA, a
political subdivision of the State of
California

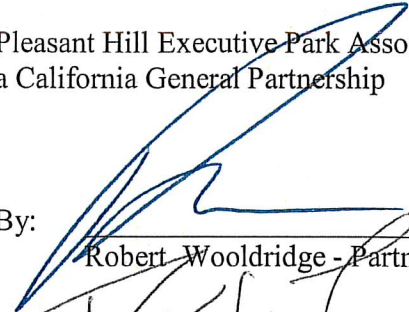
By:



Brian M. Balbas
Director of Public Works

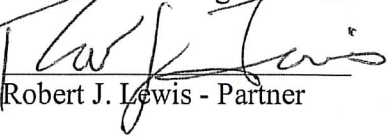
Pleasant Hill Executive Park Association
a California General Partnership

By:



Robert Wooldridge - Partner

By:



Robert J. Lewis - Partner

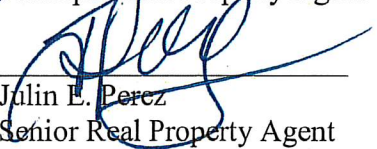
RECOMMENDED FOR APPROVAL:

By:



Karen Laws
Principal Real Property Agent


By:



Julin E. Perez
Senior Real Property Agent

APPROVED AS TO FORM
SHARON L. ANDERSON, COUNTY COUNSEL

By:



Kathleen M. Andrus
Deputy County Counsel

Exhibit A – Premises

