



Contra
Costa
County

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: January 19, 2016

Subject: Approve and Authorize First Amendment to Lease with Excelsior J D CO, LLC, Pacheco Area (District IV)

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Director of Airports, or designee, to execute, on behalf of the County, a lease amendment modifying the lease between the County, as Lessor, and Excelsior J D CO, LLC, as Tenant, for the lease of property located at 2301 Meridian Park Boulevard.

FISCAL IMPACT:

The lease amendment provides a rent credit of \$1,810 for 24 months (for a total of \$43,440) to compensate the tenant for a portion of the improvements made to the building.

BACKGROUND:

The County originally entered into a lease with Caffino Express, LLC in 2010 for the purposes of operating and maintaining a drive-through and walk-up gourmet coffee/espresso business. In 2015, the lease was assigned to Excelsior J D CO, LLC, dba Java DeTour.

Excelsior J D CO, LLC has made substantial improvements (over \$75,000) to the building since the lease was assigned to them; this building will

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/19/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I
Supervisor
Candace Andersen, District II
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: Mary N. Piepho, District III
Supervisor

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: January 19, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Beth Lee, (925)
681-4200

cc:

BACKGROUND: (CONT'D)

revert to the County at the end of the term. Excelsior J D CO, LLC also acquired three other coffee kiosks in the region and all have substantially lower monthly rent than the property at the Buchanan Field Airport. The high rent coupled with the high improvement costs have made the property economically challenging.

In order to compensate Excelsior J D CO, LLC, for a portion of the building improvements, the lease is being amended to create a monthly rent credit equal to \$1,810 per month for 24 months, for a total credit amount of \$43,440. As the original lease term would end in February 2018, this lease amendment also exercises the first lease extension period to extend the term until 2023 as permitted under the lease.

The lease amendment will permit a continuation of desired commercial gourmet coffee/espresso services at the Buchanan Field Airport. This use is consistent with the policies identified within the Buchanan Field Airport Master Plan. Further, the Lease will provide rental and sales tax revenue to the Airport Enterprise Fund and County General Fund.

CONSEQUENCE OF NEGATIVE ACTION:

Not granting the modified terms could result in Excelsior J D CO, LLC not exercising the first lease extension period and the lease could terminate in February 2018.

ATTACHMENTS

ExJD/Contra Costa Lease Amendment