

**Board of Trustees Agenda Report
For the Trustee Meeting Date of September 13, 2011**

ITEM TITLE:

Consider Approval to Increase the Approved Lease Expenditure Amount for 2070 Allston Way, Berkeley, California

SPECIFIC BOARD ACTION REQUESTED:

Board approval is requested to increase the approved expenditure amount for the lease of 2070 Allston Way by \$76,739.00, to pay for the proportionate operating costs and Alameda County property tax (which is reimbursed by the County).

ITEM SUMMARY:

At the Board meeting of December 15, 2009, the Board of Trustees approved entering into a 25-month lease of space at 2070 Allston Way, Berkeley, to be used for swing space for Berkeley City College, in the amount of \$332,760.60. Berkeley City College is leasing this property for swing space during the construction of tenant improvement projects at the main campus. The lease term commenced on December 18, 2009 and will end on January 17, 2012. According to the terms of the lease, the District is responsible for paying a proportionate share of the building operating costs. The operating costs already paid have averaged \$638.00 per month. The total for the entire lease term will be approximately \$15,312.00. The District must also pay a proportionate share of the Alameda County property taxes (which are later refunded to the District by the County). The estimate for two years is \$61,427.00. The total of these additional charges is \$76,739.00. Because the original Board approval amount of \$332,760.60 included only the actual lease cost, Board approval is requested to increase the approved lease expenditure (purchase order) amount by \$76,739.00. The property tax amount of \$61,427.00 will be reimbursed by the County, so the actual expenditure above the monthly rental will be approximately \$15,312.00.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

Measure A, as approved by the voters in Peralta's constituency and authorized under Resolution 05/06-45, Exhibit A-1, Berkeley City College, "Equipment, technology upgrades and facility and classroom improvements for the college's following programs and proposed programs: American Sign Language, Biotechnology, Business, Computer Information Systems, Disaster Preparedness, Fine and Applied Arts, Global Studies, International Trade, Multimedia Arts, Social Services Paraprofessional, Travel and Tourism Industry, Foundations (Basic Skills), Network Administration, Teacher Preparation, International Studies, and High School Honor's Courses (Advanced Placement.)"

BACKGROUND/ANALYSIS:

Measure A funding is currently available in the Measure A budget for this expenditure, but Board approval is necessary to authorize the increased expenditure beyond the previously approved amount.

ALTERNATIVES/OPTIONS:

Not applicable.

EVALUATION AND RECOMMENDED ACTION:

Board approval is recommended to increase the approved expenditure amount for the lease of 2070 Allston Way by \$76,739.00, to pay for the proportionate operating costs and Alameda County property tax (which is reimbursed by the County).

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ NO X

COMMENTS:

All Board approved contracts are subject to final negotiation and execution by the Chancellor.

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?

Vice Chancellor Ikhara

DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? YES X NO _____

IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

PLEASE ACQUIRE SIGNATURES IN THIS ORDER:

DOCUMENT PREPARED BY:

Prepared by: Sadiq B. Ikhano Date: 9-3-11
Dr. Sadiq B. Ikhano
Vice Chancellor of General Services

DOCUMENT PRESENTED BY:

Sadiq B. Ikhano Date: 9-3-11
Dr. Sadiq B. Ikhano
Vice Chancellor of General Services

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: Ron Gerhard electronically by vr Date: 9/8/11
Ronald Gerhard, Chief Financial Officer

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: Thuy T. Nguyen, electronically by vr Date: 9/7/11
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: Wise E. Allen Date: 9/8/11
Wise E. Allen, Chancellor