

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of January 27, 2015

ITEM TITLE:

Consider approval of Amendment No. 4 to Lease 2070 Allston Way, Berkeley, California for Berkeley City College.

SPECIFIC BOARD ACTION REQUESTED:

Approval is requested to extend the term of the lease for 13 months, from June 1, 2015 (the "Commencement Date), until no later than 11:59pm on June 30, 2016 (the "Termination Date"), in the amount of \$258,500.00.

ITEM SUMMARY:

THIS LOCATION WILL SERVE AS A SWING SPACE WHILE THE COLLEGE CONTINUES ITS EFFORTS TO PROCURE A SECOND PERMANENT SITE.

THE AMENDMENT INCLUDES:

- THE BASE RENT SHALL BE \$15,500.00 PER MONTH.
- THE BASE RENT AMOUNT WILL BE PAYABLE THROUGH THE TERMINATION DATE.
- LESSOR SHALL HAVE THE CARPETS THROUGHOUT LESSEE'S PREMISES AND IN THE COMMON AREAS NEAR THE LESSEE'S PREMISES PROFESSIONALLY STEAM CLEANED AT LESSOR'S EXPENSE

IN ADDITION TO MONTHLY LEASE PAYMENTS TOTALING \$201,500.00, THE DISTRICT IS REQUIRED TO PAY A PROPORTIONATE SHARE OF THE BUILDING OPERATING COST. BASED ON ACTUAL COST TO DATE, THE COST IS ESTIMATED AT \$1,000.00 PER MONTH, OR \$12,000.00 FOR TWELVE MONTHS. THIS DISTRICT IS ALSO REQUIRED TO PAY A PROPORTIONATE SHARE OF ALAMEDA COUNTY PROPERTY TAXES, ESTIMATED AT \$40,000.00 FOR THE EXTENSION PERIOD. (THE PROPERTY TAXES ARE REFUNDED AT THE END OF EACH FISCAL YEAR BY THE COUNTY, AS THE DISTRICT IS A TAX-EXEMPT PUBLIC AGENCY.) ADDITIONALLY, THE CITY OF BERKELEY DOWNTOWN ASSOCIATION HAS AN ASSESSMENT AND IT IS ESTIMATED AT \$5,000.00. THE TOTAL BUDGET FOR THE LEASE EXTENSION (ACTUAL RENT PLUS ESTIMATED OPERATING COST, PROPERTY TAXES AND ASSESSMENT) WILL BE \$258,500.00, OF WHICH \$40,000.00 WILL BE REIMBURSED BY THE COUNTY.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

UNRESTRICTED GENERAL FUNDS

BACKGROUND/ANALYSIS:

THE COLLEGE HAS LEASED THIS FACILITY SINCE DECEMBER, 2009. MEASURE A FUNDS WERE USED INITIALLY TO PAY FOR THE ORIGINAL LEASE. HOWEVER, WITH THE FINAL PHASE OF CONSTRUCTION COMPLETED AT 2050 CENTER STREET, THE SWING SPACE NO LONGER QUALIFIES FOR MEASURE A FUNDING. THE COLLEGE CONTINUES TO REQUIRE ADDITIONAL CLASSROOM AND OFFICE SPACE DURING NEGOTIATIONS FOR A PERMANENT SECOND SITE.

ALTERNATIVES/OPTIONS:

NOT APPLICABLE

EVALUATION AND RECOMMENDED ACTION:

APPROVAL IS RECOMMENDED FOR THIS AMENDMENT TO THE LEASE BETWEEN DISTRICT/BERKELEY CITY COLLEGE AND HSR BERKELEY INVESTMENTS, LLC FOR ADDITIONAL CLASSROOM AND OFFICE SPACE LOCATED AT 2050 ALLSTON WAY IN BERKELEY, NOT-TO-EXCEED \$258,500.00.

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

YES _____ NO X

COMMENTS:

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? (VICE CHANCELLOR)

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

DOCUMENT PREPARED BY:

Prepared by: *Shirley Slaughter* Date: January 12, 2015
Shirley Slaughter, Director of Business and Administrative Services

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: *Dr. Debbie Budd* Date: January 12, 2015
Debbie Budd – Berkeley City College President,

FINANCE DEPARTMENT REVIEW

_____ Finance review required X Finance review *not* required

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

If not approved, please give reason: _____

Signature: _____
Susan Rinne, Interim Vice Chancellor for Finance and Administration

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

_____ Legal review required X Legal review *not* required

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

Signature: _____
General Counsel

CHANCELLOR'S OFFICE APPROVAL

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

Signature: Dr. José M. Ortiz
Dr. José M. Ortiz, Chancellor