

Agenda Report

Through Public Safety Committee

DATE: DECEMBER 13, 1999

TO: CITY COUNCIL

FROM: CYNTHIA J. KURTZ

SUBJECT: FIRST AMENDMENT TO AMENDED AND RESTATED GROSS OFFICE LEASE AT 1855 NO. FAIR OAKS AVENUE, BETWEEN THE COMMUNITY HEALTH ALLIANCE OF PASADENA AND THE CITY OF PASADENA

RECOMMENDATION:

It is recommended that the City Council approve the terms and conditions, as generally described below, and authorize the City Manager to execute, a First Amendment to the Amended and Restated Gross Office Lease No. 16,315-2 by and between the City of Pasadena (City), as Landlord, and the Community Health Alliance of Pasadena (CHAP), as Tenant.

BACKGROUND:

On May 7, 1997, the City, as Landlord, and CHAP, as Tenant entered into a modified gross office lease for building 3 of the Pasadena Health Center at 1855 No. Fair Oaks Avenue. This lease was amended and restated in accordance with City Council approval given March 22, 1999. Under the restated lease, portions of the building were withdrawn from the CHAP lease in order to facilitate direct lease from the City to other health providers such as Pacific Clinics and Planned Parenthood. The lower level of the building was left unfinished for future use by CHAP as a dental clinic.

The proposed First Amendment will effectuate an agreement regarding the lower level tenant improvements and rental commencement date as follows:

1. City shall construct or cause to be constructed certain tenant improvements to the lower level portion of the Premises at 1855 No. Fair Oaks Avenue in accordance with the construction drawings that the City has approved. CHAP

shall pay approximately \$200,000 toward the cost of the tenant improvements for the lower level from the previously allocated 1996/97 and 1997/98 Community Development Block Grant fund. The remainder of the required funds will be obtained through a dental services contract effective April 2000 with the County of Los Angeles Department of Health Services under the Public Private Partnership Program (revenues over expenses of \$35,000 through September 2000), and with an unrestricted donation from Huntington Memorial Hospital of \$30,000.

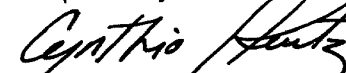
2. In addition to the Base Rent payable under the Lease, (\$1.24 per rentable square foot for space on the lower level), Tenant shall pay to Landlord on the first day of each of the first six calendar months after the commencement date, the sum of \$44,058.34 (a total of \$264,350.00) as reimbursement for the agreed cost of the lower level tenant improvements.

3. The rental commencement date for the lower level shall be the earlier of (a) the fifth day after the date City notifies Tenant that the Lower Level Tenant Improvements are substantially completed; or (b) the date Tenant commences business operations in the portion located on the lower level of the Building.

FISCAL IMPACT

Revenues generated from the amended lease will cover cost of operation. Approval of the amended lease will set the rental commencement date for the lower level as specified above.

Respectfully Submitted,



CYNTHIA J. KURTZ
City Manager

Prepared by:



MANUEL NEGRETE JR.
Real Property Manager

Approved by:



RICHARD BRUCKNER
Director of Housing and Development

Reviewed By:



for WILMA ALLEN
Acting Director of Public Health