



DATE: February 5, 2013

TO: Honorable Mayor and City Councilmembers

FROM: Property Management Division

SUBJECT: **AMENDMENT 2 TO THE LEASE AGREEMENT WITH VISTA COMMUNITY CLINIC**

SYNOPSIS

Staff recommends that the City Council approve Amendment 2 to the Lease Agreement with Vista Community Clinic for a portion of the premises located at 4700 North River Road, in the Libby Lake Resource Center, expanding the leased premises by 3,143 square feet for a revised total of approximately 7,585 square feet, increasing the annual compensation from services rendered by \$16,595 annually; and authorize the City Manager to execute the amendment.

BACKGROUND

In 1998 the City of Oceanside ("City") purchased and remodeled an existing vacant convenience store located at 4700 North River Road into the Libby Lake Resource Center as part of the Neighborhood Revitalization Plan for the Calle Montecito neighborhood. The building provided a base for neighborhood revitalization activities, including resident meetings and training, and a youth after school program.

In September 2003, the City completed construction of the 12,726 square-foot Libby Lake Resource Center ("Center") at this site. This is a multi-purpose facility built with federal funding for the delivery of programs identified in the revitalization plan, including healthcare, youth development programs, resource center activities, and job training programs.

Following the completion of construction in 2003, the City and Vista Community Clinic ("VCC") originally entered into a lease agreement for 4,442 square feet of the Center to provide a community clinic and a teen after school program. VCC's community clinic currently occupies approximately 2,903 square feet and the teen after school program occupies approximately 1,539 square feet, for the combined total of 4,442 square feet ("Premises") of the 12,726 square-foot building.

ANALYSIS

New national health care laws have increased demand on the health care industry as a whole, including community clinics. VCC provides a vital service in this area of

Oceanside, particularly to underinsured and uninsured residents. Their services include a primary care clinic providing prenatal care, pediatrics and family medicine, and a teen after school program for at-risk teens. VCC requires the additional 3,143 square feet at the Center to service the increased demand on their community clinic located at the Center. The expansion gives VCC the opportunity to continue providing and expanding these services offered to local residents. VCC will occupy the 3,142 square feet of leased space that SER/Jobs For Progress, Inc., previously vacated.

FISCAL IMPACT

Annual rent to be paid by VCC for its use and occupation of the Center will be \$16,595. Rent revenue will be appropriated and deposited to account 900876000101.4353.0006. VCC's annual payment to the City will be an increase of \$16,500, as VCC currently pays no rent on the 4,442 square feet of leased space, with services rendered as consideration. The annual rent of \$16,595 will only be for the newly leased 3,142 square feet of the Center. VCC will also be required to pay CAM costs on the entire 7,585 square feet of Premises, estimated to be \$27,306 annually.

INSURANCE REQUIREMENTS

VCC will be required to maintain the City's standard insurance requirement over the term of the Agreement.

COMMISSION OR COMMITTEE REPORT

Does not apply.

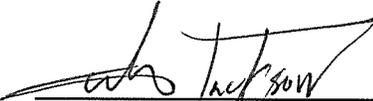
CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve Amendment 2 to the Lease Agreement with Vista Community Clinic for a portion of the premises located at 4700 North River Road, in the Libby Lake Resource Center, expanding the leased premises by 3,143 square feet for a revised total of approximately 7,585 square feet, increasing the annual compensation from services rendered by \$16,595 annually; and authorize the City Manager to execute the amendment.

PREPARED BY:



Curtis M. Jackson
Property Agent

SUBMITTED BY:



Steven R. Jepsen
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager





Douglas Eddow, Real Estate Manager

Margery Pierce, Housing & Neighborhood Services Director



James Riley, Financial Services Director



ATTACHMENTS:

Amendment 2

AMENDMENT NO. 2 TO LEASE AGREEMENT

This Amendment No. 2 to Lease Agreement (“AMENDMENT”), dated February 5, 2014 for identification purposes, is made by and between the City of Oceanside, hereinafter called “CITY” and Vista Community Clinic, a California private non-profit corporation, hereinafter called “LESSEE”.

RECITALS

WHEREAS, CITY and LESSEE entered into that certain Lease Agreement, dated **September 3, 2003** (“AGREEMENT”) for a portion of the Property located at 4700 North River Road, upon which is situated the Libby Lake Community Center, Suite A in Building #2 consisting of approximately **2,903** square feet (hereinafter the “Clinic Space”) and Suite B in Building #3 consisting of approximately **1,539** square feet (hereinafter the “Teen Center Space”). Said spaces total **4,442** square feet (hereinafter collectively called the “PREMISES”).

WHEREAS, LESSEE entered into that certain Amendment No. 1, dated **August 7, 2013** (“Amendment No. 1”) extending the term of the AGREEMENT for an additional ten (10) years and added another option to extend the term of the AGREEMENT for an additional ten (10) years; and

WHEREAS, LESSEE is desirous of leasing additional space from the City, which is currently occupied by San Diego County SER\Jobs for Progress, Inc. (“SER”), expanding the PREMISES by 3,143 square feet for a total of approximately **7,585** square feet.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, the parties hereto agree as follows:

AGREEMENT

The AGREEMENT shall be amended to read as follows:

1. Subsection 1.02 Premises of SECTION 1: PREMISES is deleted in its entirety and replaced with the following language:

1.02 Premises. CITY hereby leases to LESSEE and LESSEE hereby leases from CITY, in accordance with the terms, conditions, covenants, and provisions of this Lease, Suite No. A in Building #2 consisting of approximately **2,903** square feet (hereinafter the “Clinic Space”), Suite No. A in Building #3 consisting of approximately **3,143** square

feet (hereinafter the "Career Center") and Suite No. B in Building #3 consisting of approximately 1,539 square feet (hereinafter the "Teen Center Space"). Said spaces total 7,585 square feet (hereinafter collectively called the "PREMISES").

2. All other terms, conditions, covenants and provisions of the AGREEMENT shall remain in full effect. In the event of any conflict between the terms of the AGREEMENT and this SECOND AMENDMENT, the terms of this SECOND AMENDMENT shall control.

"CITY"

THE CITY OF OCEANSIDE,
a California charter City

APPROVED AS TO FORM:

By: _____
City Manager

By: *Antonio J. Hamilton, ASSY.*
City Attorney

"LESSEE"

VISTA COMMUNITY CLINIC
a California private non-profit corporation

By: *[Signature]*

Name: Fernando M Sanudo

Title: CEO

NOTARY ACKNOWLEDGEMENT OF LESSEE'S SIGNATURE(S) MUST BE ATTACHED

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Diego

On January 28, 2014 before me, Sharon Bell, Notary
(Here insert name and title of the officer)

personally appeared Fernando Sanudo

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Sharon Bell
 Signature of Notary Public



(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

City of Oceanside Amendment
(Title or description of attached document)

No. 2 To Lease Agreement
(Title or description of attached document continued)

Number of Pages 2 Document Date 1/28/14

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~ - is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document