



September 28, 2016

TO: Board of Directors

FROM: Roy A. Hanley, General Counsel

SUBJECT: Agenda Item 11F – 10/6/2016 Board Meeting
Approve Addendum XIV to Commercial Lease Agreement for District Offices

President
Marshall E. Ochylski

Vice President
Jon-Erik G. Storm

Directors
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DESCRIPTION

Approval of an amended and restated commercial lease agreement between George C. Contento, Lessor/Landlord and the Los Osos Community Services District, Lessee/Tenant.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board approve Addendum XIV to the Commercial Lease Agreement and authorize the President of the Board to execute the Agreement on behalf of the District.

DISCUSSION

The District, at this time, leases downstairs Suite 102 and upstairs Suite 202 at 2122 9th Street. The District negotiated with Mr. Contento, the property owner, to relinquish Suite 202 and expand into Suite 106. The space of this new configuration would be approximately 3320 square feet as compared to the present 2220 square feet. This additional space, on one level, allows the District to conduct its meetings in a larger, more comfortable area.

The Landlord will install, at his expense, an area in either Suite consisting of a sink and cabinets to be used as a breakroom for staff and install a much needed vent fan in Suite 102 to improve air flow. Other conditions are as stated in an amended and restated commercial lease agreement negotiated between the parties as previously directed by the Board of Directors. The negotiations over the language of the amended and restated commercial lease agreement are ongoing at the time the staff report is prepared and will be circulated, and made public, as soon as available.

FINANCIAL IMPACT

This Addendum to the Lease Agreement is projected to be effective on November 1, 2016, and extended for five years at a rental rate of \$2,900 per month for the first 3 years and \$3,000 per month for the last 2 years.