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THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Public Works

BOARD AGENDA # *C-5

Urgent

Routine

AGENDA DATE June 30, 2015

CEO Concur with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of Amendment No. 1 to the Lease Agreement with the City of Modesto for the Use of a Fourth Parking Bay at the Modesto Transportation Center

STAFF RECOMMENDATIONS:

1. Approve Amendment No. 1 to the Lease Agreement with the City of Modesto for the use of a fourth parking bay at the Modesto Transportation Center effective July 1, 2015.
2. Authorize the Chief Executive Officer to sign Amendment No. 1 to the Lease Agreement on behalf of Stanislaus County.

FISCAL IMPACT:

The current lease agreement leases three bus bays for \$28,729 annually. The amendment includes adding an additional bay at a rate of \$9,758 annually, for a total lease cost of \$39,032 annually. The additional bus parking bay lease rate will be pro-rated in Budget Year 2015-2016. Future adjustments for leasing four bus bays will be based on the terms of the original lease that includes an annual 3.0% adjustment made on August 30th, or the Consumer Price Index (CPI) United States City Average for each extension, whichever is less. Funding is available in Budget Year 2015-2016 Adopted Proposed Budget
(Continued Page 2)

BOARD ACTION AS FOLLOWS:

No. 2015-314

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, De Martini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: Monteith

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. C-6-K-2

Approval of Amendment No. 1 to the Lease Agreement with the City of Modesto for the Use of a Fourth Parking Bay at the Modesto Transportation Center

FISCAL IMPACT (Continued):

for the Public Works Local Transit division. The Public Works Transit division receives local transportation funds derived from the ¼ cent of California's general sales tax.

DISCUSSION:

In 2009, Stanislaus County formalized a 20-year term lease agreement with the City of Modesto for use of three bus parking bays by the Stanislaus Region Transit (StaRT) at the Modesto Transportation Center at 9th and J Streets. The lease was effective on November 4, 2009, for an initial five-year period, with the option to extend for three additional five-year periods. We are currently in the first year of the first five-year term extension period.

The County has used the Transportation Center as a key hub for its intercity bus services for passengers to connect with the Modesto fixed route service, the Modesto Area Express (MAX) and Greyhound. The StaRT Medivan service also uses the Transportation Center as its base for Stanislaus County residents who use the Medivan to travel to Bay Area medical facilities. As a result of service improvements made in Fiscal Year 2014-2015, there is a need to increase the number of bus bays utilized by the County at the Transportation Center to address bus parking challenges. With an increased number of County service vehicles accessing the Transportation Center, an additional bus bay has been added since the three bus bays are no longer adequate. Effective July 1, 2015, StaRT will begin leasing four bus bays at the Modesto Transportation Center from the City of Modesto.

Submitted for consideration is Amendment No. 1 to the current Lease Agreement between the County and the City of Modesto to increase the use from three to four bus parking bays at the Modesto Transportation Center located at 9th and J streets in downtown Modesto. The attached amendment was approved by the Modesto City Council on June 23, 2015. The Transportation Center's lease costs are annually budgeted in Public Works Local Transit's Budget using Local Transportation Funds (LTF) received from the Stanislaus Council of Governments (StanCOG) through the Transportation Development Act Claims process.

POLICY ISSUES:

Approval of this action supports the Board's priority of A Well Planned Infrastructure System and Effective Partnerships by ensuring the County and City public transit systems work together to effectively manage public resources and improve business efficiencies.

STAFFING IMPACT:

The Public Works Department will oversee and manage the agreement with the City of Modesto.

Approval of Amendment No. 1 to the Lease Agreement with the City of Modesto for the Use of a Fourth Parking Bay at the Modesto Transportation Center

CONTACT PERSON:

Matt Machado, Public Works Director. Telephone: 209-525-4153.

ATTACHMENT:

Amendment No. 1 to Lease Agreement

EI: dm

H:\CLERICAL\Board Items\2015\BOS 6.2.15\Revised Draft MAX -Start MTC Lease Agreement Approval -Revised 5-18.Doc

AMENDMENT NO. 1 TO LEASE AGREEMENT

This Amendment No. 1 to Lease Agreement is made and entered into this 23 day of, June 2015, by and between the CITY OF MODESTO, a municipal corporation, herein after referred to as LESSOR, and the COUNTY OF STANISLAUS, a political subdivision of the State of California, hereinafter referred to as LESSEE.

WHEREAS, LESSOR owns title to property known as a portion of block 143 of the City of Modesto, as per map filed December 21, 1942, in Volume 15 of Maps, Stanislaus County records, lying easterly of the Union Pacific Railroad tracks, which property shall be referred to as the Modesto Transportation Center (the "Center"), being more particularly shown on Exhibit 1 attached hereto and made a part hereof; and,

WHEREAS, LESSEE currently leases three (3) bus parking bays at the Center as described in the Lease Agreement between LESSOR and LESSEE dated November 4, 2009; and,

WHEREAS, LESSEE desires to lease one additional bus parking bay effective July 1, 2015; and

WHEREAS, LESSOR currently has one additional bus parking bay it is willing to lease to LESSEE; and

WHEREAS, LESSEE and LESSOR desire the flexibility to adjust the number of bus parking bays subject to this lease agreement and recommend changes to their respective entities.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, LESSOR and LESSEE do hereby agree to amend the lease dated November 4, 2009 as follows:

A. Paragraph 2. “LEASED PREMISES” is revised to read as follows:

2. LEASED PREMISES

A. Bus Parking Area. LESSOR hereby leases to LESSEE and LESSEE leases from LESSOR for the term, at the rental, and upon all the conditions set forth herein, three (3) bus parking bays as delineated on Exhibit 1.

B. Adjusting the Quantity of Bus Parking Bays Subject to This Lease.

1. In addition to the three (3) bus parking bays described in Paragraph 2.A, LESSOR hereby leases to LESSEE one (1) additional bus parking bay effective July 1, 2015, bringing to four (4) the total number of parking bays leased to LESSEE as of July 1, 2015.
2. In addition to the bus parking bays described in Paragraph 2.B.1., effective as of the date of Modesto City Council approval of this Amendment No. 1 to Lease Agreement, LESSEE may increase or decrease the quantity of bus bays leased if approved in writing by LESSOR’s Transit Manager and LESSEE’s Chief Executive Officer, or designee. Said adjustments shall be subject to all the conditions set forth herein. The effective date of the quantity adjustments shall be determined at the sole discretion of LESSOR.

C. The leased premises are subject to the conditions set forth herein and the continuous and uninterrupted right of LESSEE and its officers, employees, business invitees, customers and patrons, of access to, from, over and across any part of LESSOR’S adjacent property which is not part of the Bus Parking Area for the purpose contemplated herein, including the Common Area.

B. Paragraph 6 “PAYMENT OF RENT” is revised to read as follows:

“6. PAYMENT OF RENT

A. LESSEE payment to LESSOR shall be governed by paragraphs A.1 through A.3 below until June 30, 2014.

1. For the rights and privileges granted by LESSOR to LESSEE under this lease, LESSEE agrees to pay Twenty-Five Thousand and no/100s dollars (\$25,000) each year to LESSOR'S Finance Director, P.O. Box 642, Modesto, California 95353
2. The first payment shall be prorated for the remainder of the fiscal year in which the parties formally approve the lease (July 1, 2009 – June 30, 2010). For the period beginning July 1, 2009 through the date that the Modesto City Council approves this agreement, LESSEE shall pay LESSOR \$68.50 per day for the privilege of using the Transportation Center during the period of time when a formal agreement was not in place. This is a one-time payment and shall be made within thirty (30) days of the date of the City Council action.
3. The next annual payment shall be made no later than August 30, 2010. Each annual payment thereafter shall be made no later than August 30 of each year and be applicable to that fiscal year. The LESSEE shall send payment to LESSOR regardless of whether or not it receives an invoice from the LESSOR.

The amounts to be paid by LESSEE are shown below for each of the last four years of the first term of this lease agreement:

<u>Due Date For Payment</u>	<u>Amount</u>
August 30,2010	\$25,750.00
August 30,2011	\$26,523.00
August 30,2012	\$27,318.00
August 30,2013	\$28,138.00

B. LESSEE payment to LESSOR shall be governed by paragraphs B.1 through B.5 below for the second, third and fourth five-year terms of the lease agreement.

1. LESSEE shall pay LESSOR Twenty-eight Thousand, Seven Hundred Twenty-nine and no/100s dollars (\$28,729), no later than thirty (30) days after receipt of invoice from LESSOR, to cover the period of July 1, 2014 through June 30, 2015, which is the first year of the second five year term of the lease agreement. This amount represents an increase of 2.1% above the amount due on August 30, 2013, as shown in paragraph A3; and is the amount of increase in the Consumer Price Index United States City Average published in July, 2014.
2. The next annual payment shall be made no later than August 30, 2015, and be applicable to the period ending June 30, 2016. Each annual payment thereafter shall be made no later than August 30th of each year and be applicable to that fiscal year. The amounts to be paid by LESSEE are shown on the next page for each of the remaining years of the second term of this lease agreement. The amounts shown in the table for three (3) bus parking bays shall be increased or reduced for changes in the number of bus parking bays leased. The rent for additional bus bays leased or reduction in rent for bus bays deleted shall be prorated for the remainder of the fiscal year from the date the addition or deletion of the bus bays(s) becomes effective. Any additional payment to LESSOR shall be made within thirty (30) days of receipt of invoice. Any refund due LESSEE, shall be issued to LESSEE within thirty (30) days of the effective date of the reduction in bus bays.

<u>Due Date for Payment</u>	<u>Amount for Three (3) Bus Parking Bays</u>	<u>Amount of Increase or Reduction For Each Added or Deleted Bus Parking Bay</u>
August 30,2015	\$29,274.00	\$9,758.00
August 30,2016	\$29,859.00	\$9,953.00
August 30,2017	\$30,457.00	\$10,152.00
August 30,2018	\$31,066.00	\$10,355.00

3. For adjustments in the number of bus parking bays leased during the third and fourth five (5) year terms of this lease agreement, rental for additional bus bays leased or reduction in rental for bus bays deleted shall be prorated for the remainder of the fiscal year from the date the addition or deletion of the bus bays(s) becomes effective. Any additional payment to LESSOR shall be made within thirty (30) days of receipt of invoice. Any refund due LESSEE, shall be issued to LESSEE within thirty (30) days of the effective date of the reduction in bus bays.
4. For the third and fourth five-year terms of this lease agreement the annual rent increase for the initial three bays and for each additional bay will be 3% (three percent), or the increase in the Consumer Price Index (CPI) United States City Average for each year of the extension, whichever is less. The CPI published in July of each year shall be used for this purpose.

C. Based on changes in financial condition, service costs, or any other unanticipated change in circumstances, either party to this Agreement, providing at a minimum a 60 (sixty) day notice prior to the end of this Agreement, or Agreement extension, can unilaterally request the other party to renegotiate the basis on which the annual rental rate is determined. If an agreement cannot be

reached by the end of the term of this Agreement, or extension; this Agreement may be considered terminated at the discretion of the party requesting the change in the rental rate.

D. Annual rent shall afford the LESSEE unrestricted use of the bus bays it is leasing at the Center and fulfills the LESSEE's share of the costs to operate and maintain the Center's common areas".

C. Remaining Terms and Conditions

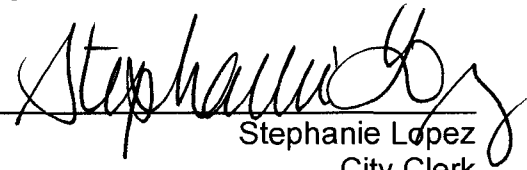
Except as otherwise provided herein, each and every and all terms and conditions of the Lease Agreement between LESSOR and LESSEE, dated November 4, 2009, shall continue in full force and effect.

IN WITNESS WHEREOF, the City of Modesto, a municipal corporation, has authorized the execution of this Lease Agreement in duplicate by its City Manager and attestation by its City Clerk under authority of Resolution No. ~~2015-209~~, adopted by Council of the City of Modesto on the 23 day of June, 2015.

CITY OF MODESTO, a municipal corporation

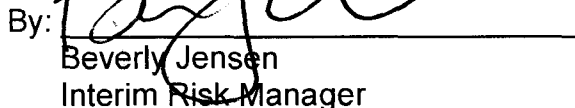
By: 
James N. Holgersson
City Manager

ATTEST:

By: 
Stephanie Lopez
City Clerk

APPROVED AS TO FORM:

By: 
Adam U. Lindgren
City Attorney

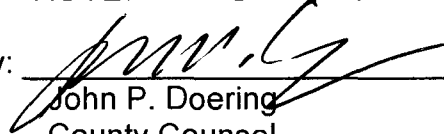
By: 
Beverly Jensen
Interim Risk Manager

IN WITNESS WHEREOF, the County of Stanislaus, a Political Subdivision of the State of California, has authorized the execution of this Lease Agreement in duplicate by the Chairman of its Board and by its Board Clerk under authority of Resolution No. 2015-314, adopted by the Board Supervisors on the 30th day of June, 2015.

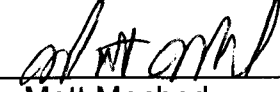
COUNTY OF STANISLAUS, a Political Subdivision of the State of California

By: 
Stan Risen
Chief Executive Officer

APPROVED AS TO FORM:

By: 
John P. Doering
County Counsel

APPROVED AS TO CONTENT:

By: 
Matt Machado
Director, Public Works