

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

February 16, 2021

Agenda Item: 6.1

Subject: Approval of Modification to Lease Agreement for the property located at 5860 Owens Drive, Pleasanton, between San Ramon Ambulatory Care, LLC and Chabot-Las Positas Community College District

Background: The Board of Trustees approved a Lease Agreement for property located at 5860 Owens Drive at the May 21, 2019 meeting as agenda item 6.8 for operational space to support Economic Development and Contract Education, OSHA Training Institute and Tri-Valley Career Center functions. On July 16, 2019 the Board approved Exhibit B to the lease regarding the basis of the costs for the tenant improvement with a cost not to exceed \$2,500,000 or approximately \$100 per square foot.

During the course of construction unforeseen conditions are found, permitting agency approvals require changes to the contract documents, time delays are encountered (COVID-19 related and other delays,) and owner requested changes are requested. The following is a summary of the project cost and schedule changes to date:

General Contractor Initial Project Estimate	\$2,249,629.00
Change #01 – Agency Requested Changes	\$ 63,277.98
Change #02 – Owner Request & Unforeseen	\$ 20,305.06
Change #03 – Owner Request (credit)	\$ 655.43
Change #04 – Owner Request (data wiring)	\$ 138,136.99
Change #05 – Owner Request & Unforeseen	<u>\$ 50,929.66</u>
Present Contract Value with Landlord	\$ 2,521,623.26

The final change order amount has been provided by the General Contractor to the Landlord and based upon current pricing provided by the Contractor to the Landlord that will exceed the Board authorized tenant improvement costs. A summary of those are as follows:

Change #06 – Owner Request	<u>\$ 44,832.58</u>
Lease Agreement for Tenant Improvements	\$2,566,455.84

Based upon the anticipated additional costs to the project Staff requests Board approval to increase the total Tenant Improvement amount to a cost of \$2,566,455.84 or approximately \$106 per square foot.

In consideration of delays in the approval and completion of the construction of the tenant improvement the Landlord and the Tenant have negotiated to abate, forgive and waive the obligation to pay two months of the Base Rent in the amount of \$66,150.00 per month for a total of \$132,300.00. This agreement is documented in an Amendment to the Lease Agreement.

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Recommended Action: That the Board of Trustees approves the proposed revision to Exhibit B paragraph 3, subparagraph e; Cost Estimate, Escrow Services and Payment to Vendors of the Lease Agreement. Board Action will approve the increase of the Costs of the Tenant Improvement to a cost of \$2,566,455.94. Additionally, that the Board of Trustees approves the proposed Amendment to Lease Agreement which includes the two months of base rent forgiveness, It is also recommended that the Board authorize the Vice Chancellor, Business Services, to execute the amendment on behalf of the District.

Funding Source: EDCE Funds

Submitted: Owen Letcher/Date

Approved: Ronald P. Gerhard/Date

_____ APPROVED

_____ DISAPPROVED

_____ TABLED