



San Joaquin County

Department of Child Support Services

826 N. California St. Stockton, CA 95202 – P.O. Box 50 Stockton, CA 95201-3050

Telephone: (866) 901-3212 – Fax: (209) 468-2577

JUDITH A. GRIMES
Director

May 24, 2013

Board of Supervisors
Courthouse
Stockton, CA 95202

Dear Board Members:

Authorize Termination of Ground Lease Agreement with Omega Land Company for the Parking Lot Located at 747 North Sutter Street, Stockton, California

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Department of Child Support Services to terminate the lease, A-02-128, with Omega Land Company for a parking lot located at 747 North Sutter Street in Stockton.

REASON FOR RECOMMENDATIONS:

On February 12, 2002 the Board of Supervisors approved a 15-year Ground Lease Agreement (A-02-128) with Omega Land Company for a 30-space parking lot located at the corner of Flora Street and N. Sutter Street in Stockton for the Department of Child Support Services. At the time when this lease was approved the Department of Child Support Services had an authorized staffing level of 287 positions and was projecting continued budgetary and staff growth. Overflow staff parking on the surrounding streets was a source of complaints from neighborhood residents.

However, major legislative changes in the child support enforcement program at the State and Federal level changed the funding mechanism for local child support agencies and the department has been operating on an essentially flat baseline funding allocation for the last nine years. Annual increases in salary and benefit costs and operating expenses have required the department to reduce staffing levels each and every year. The department's current authorized staffing level is only 161 positions.

The department requests authorization to give notice and terminate this lease for both economic and safety reasons.

The lease agreement has a provision that allows termination by the County upon a 12 month notice after the fifth year. The monthly rent for years 11 through 15 is \$2,500 per

MISSION STATEMENT

The mission of the San Joaquin County Department of Child Support Services is to *make a difference in the lives of children* by providing high quality, dedicated child support services.



month or \$30,000 per year, however the final years rent was paid in advance at the beginning of the lease in 2002. Therefore, once notice is given, no additional payments are due.

At this time, only three employees are very reluctantly parking in this lot and requesting that the department find them safer alternative parking. This lot is located in a high crime area and cannot be directly monitored on the department's security camera system. Cars have been burglarized in this lot and staff accosted by drug dealers while walking to and from the lot. Safer and more economical alternative parking is available on the University Park campus close to the Child Support building.

FISCAL IMPACT:

TOTAL COST (OR SAVINGS):

The net savings achieved by giving notice by June 30, 2013 will be \$77,500.
(31 months x \$2,500)

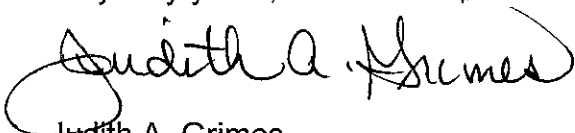
NET COUNTY COST:

None

ACTION TO BE TAKEN FOLLOWING APPROVAL:

Following approval the Department of Child Support Services will mail Omega Land Company a 12 month notice of lease termination, effective June 30, 2014.

Very truly yours,



Judith A. Grimes
Director

Attachment: A-02-128

c: County Administrator
County Counsel
Auditor-Controller
Facilities Management

Before the Board of Supervisors

County of San Joaquin, State of California

B- _____

MOTION:

Termination of Parking Lot Lease Agreement

The Board of Supervisors does hereby authorize the Department of Child Support Services to give notice to terminate the lease with Omega Land Company, A-02-128, for the parking lot at 747 North Sutter Street, Stockton, CA, effective June 30, 2014.

I HEREBY CERTIFY that the above order was passed and adopted on _____
by the following vote of the Board of Supervisors, to wit:

AYES:

NOES:

ABSENT:

MIMI DUZENSKI
Clerk of the Board of Supervisors
County of San Joaquin
State of California

Family Support

A-02- 128

15 YEAR GROUND LEASE AGREEMENT FOR 747 NORTH
SUTTER STREET IN STOCKTON, CALIFORNIA FOR THE DISTRICT
ATTORNEY FAMILY SUPPORT DIVISION

THIS LEASE is made in Stockton, County of San Joaquin, California on FEB 12 2002 of
2002, by and between the County of San Joaquin (COUNTY), a political subdivision of
the State of California, and Omega Land Company (LESSOR), a corporation formed
under the laws of the State of California.

THE PARTIES HEREBY AGREE:

PREMISES: LESSOR hereby leases to COUNTY, for COUNTY'S exclusive use, the
approximate 10,000 square foot parcel located at 747 North Sutter Street, Stockton,
California.

TERMS OF AGREEMENT AND TERMINATION: The term of the tenancy shall
commence on February 1, 2002 and terminate on January 30, 2017. Either party may
terminate this lease upon a 12 month notice after the fifth year. A cancellation fee of
\$50,000 shall be charged to the canceling party upon notice of cancellation from years 5
through 10.

RENT: The rental rate for years 1 through 5 of the lease term shall be \$2300 per month.
The rental rate for years 6 through 10 of the lease term shall be \$2400 per month. The
rental rate for years 11 through 15 of the lease term shall be \$2500 per month. The rent
for the last year of the lease, totaling \$30,000, shall be due and payable within 15 days of
the execution of this lease agreement, which shall be full payment for the COUNTY'S
last 12 months of occupancy.

USE OF PREMISES: The premises shall be used by the COUNTY'S District Attorney
Family Support Division as a parking lot.

SITE IMPROVEMENTS: LESSOR shall construct a fenced, single level parking facility

with a gate, on the premises according to City of Stockton requirements, standards and ordinances and pursuant to any additional standards required by the federal government or State of California for such facilities. LESSOR shall be responsible for all aspects of the construction of the parking lot except for parking lot striping and payment of any use permit fees, which shall be COUNTY responsibilities. LESSOR shall reimburse COUNTY for any use permit fees upon commencement of construction. COUNTY shall have the right to review plans and specifications of said improvements prior to construction.

EXPENSES AND MAINTENANCE: LESSOR shall pay all taxes and assessments on the premises. COUNTY shall be responsible for routine maintenance, weed abatement, litter removal, and management of the parking lot, including irrigation water and electricity for security lighting. COUNTY liability arising out of this lease shall be insured under the COUNTY'S self insurance program. COUNTY shall provide LESSOR with a certificate of such insurance and name LESSOR as an additional insured.

FIRST REFUSAL RIGHT: Should LESSOR intend to sell the premises during the term hereof, or any lawful extension hereof, LESSOR shall first notify COUNTY of such and of any offer for the purchase of the premises. COUNTY shall thereafter have the right for a period of 30 days to enter into a purchase agreement for the premises based on the fair market value of such or to purchase the premises upon the same terms and conditions as LESSOR is willing to sell to any other potential buyer.

GENERAL PROVISIONS: If any legal dispute arises out of this agreement, the reasonable attorney's fees of the prevailing party shall be paid by the losing party.

All communication shall be in writing and shall be sent to the parties at the following addresses unless changed by written notice:

COUNTY: County of San Joaquin
Administrator, District Attorney Family Support
826 N. California Street
Stockton, CA

LESSOR: Omega Land Company
Attn. Martin O'Leary
2343 Brittany Lane
Lodi, CA 95242

IN WITNESS WHEREOF, the parties have executed this agreement of the date first written above.

ATTEST: LOIS SAYHOUN
Clerk of the Board of Supervisors of the
County of San Joaquin, State of
California

COUNTY OF SAN JOAQUIN, a
political subdivision of the State of
California

By AIDA PIZANO
Deputy Clerk



By VICTOR MOW
Victor Mow, CHAIRMAN
Board of Supervisors
"COUNTY"

APPROVED AS TO FORM:

By Michael McGrew
Michael McGrew
Assistant County Counsel

OMEGA LAND COMPANY,
a California Corporation

By Martin O'Leary
Martin O'Leary, Secretary
"LESSOR"

ADMINISTRATIVE APPROVAL:

By Nick Isaak
Nick Isaak, County Property Manager