

**TO:** James L. App, City Manager  
**FROM:** Jim Throop, Administrative Services Director  
**SUBJECT:** SLO Ambulance Lease Amendment  
**DATE:** September 15, 2015

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**NEEDS:** For the City Council to authorize the City Manager to execute a lease amendment with San Luis Ambulance Service, to extend the current lease and to establish the monthly contribution that will assist with City maintenance and utility costs.

**FACTS:**

1. The City entered into a lease with San Luis Ambulance (SLA) in July 2003, and with a lease extension in 2013.
2. SLA is the sole transportation provider for the critically ill and injured in Paso Robles.
3. The Emergency Service department was designed to be able to house the ambulance service and has since 2003.
4. The current rent is \$916/month with an annual CPI inflation factor.
5. The amendment formalizes the monthly maintenance and utility cost of \$670/month that SLA has been paying the City for the last 10 years.
6. The amendment extends the lease agreement to August 2020, with two possible five (5) year extensions.

**Analysis &**

**Conclusion:** The San Luis Ambulance company is the sole provider of transportation for the City's critically ill and injured. The Public Safety Center was designed with enough space to accommodate the ambulance and the required staff.

The City first entered into a lease with the company in May of 2000. The lease was updated again in 2003, and extending the lease agreement to 2013. The agreement needs to be amended to extend the lease termination date to August 2020, and to formalize the payment made by the ambulance company to the City for assistance in maintenance and utilities of the Public Safety Center.

This amendment will allow for two (2) lease extensions of five (5) years each, for a total of 10 years.

**FISCAL**

**IMPACT:** This would have no new financial impact for the City.

**Options:**

- a. That the City Council adopt Resolution No. 15-XXX authorizing the City Manager to execute a lease amendment with San Luis Ambulance Service, to extend the current lease and to establish the monthly contribution that will assist with City maintenance and utility costs; or
- b. Amend, modify, or reject the above option

RESOLUTION NO. 15-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
APPROVING THE SAN LUIS OBISPO AMBULANCE LEASE AMENDMENT

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WHEREAS, the City originally entered into a lease agreement with San Luis Ambulance (SLA) company in 2000, with an update in 2003 extending the lease agreement to 2013; and

WHEREAS, SLA is the sole transportation provider for the critically ill and injured in Paso Robles; and

WHEREAS, the Emergency Services department was designed to be able to house the ambulance service;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of El Paso de Robles does hereby authorize the City Manager to execute a lease amendment with the San Luis Ambulance Service, to amend the current lease agreement such that the expiration date will be August 2020, and to formally establish the monthly maintenance and utility contribution amount of \$670.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 15<sup>th</sup> day of September 2015 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Steve Martin, Mayor

ATTEST:

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Kristen L. Buxkemper, Deputy City Clerk

**SECOND AMENDMENT TO LEASE  
WITH RENEWAL OPTION**

This Second Amendment to Lease With Renewal Option (hereinafter “Second Amendment”) is dated this \_\_\_\_ day of August, 2015 by and between the **City of El Paso de Robles** (hereinafter referred to as “Lessor”) and **San Luis Ambulance Service, Inc.** (hereinafter referred to as “Lessee”).

Lessor and Lessee are sometimes hereinafter collectively referred to as “Parties.”

**RECITALS**

**A.** Lessor and Lessee entered into a certain Lease With Renewal Options dated July 15, 2003 (“Original Lease”) and First Amendment to Lease With Renewal Options (“First Amendment”) dated July 15, 2003 (collectively referred to herein as “Lease”), providing for the lease of certain Premises located at 900 Park Street and 235 Santa Fe Avenue in Paso Robles, California, commonly known as the “Public Safety Center” and “Fire Station No. 2” (collectively, the “Leased Premises”).

**B.** The initial term of the Lease was five (5) years, commencing August 1, 2003, with options to renew the term for five (5) one (1) year extensions, for a total possible term of ten (10) years.

**C.** The Lease further provided for Lessee’s payment of 15% of the Fire Department’s portion of utilities, including water, sewer, gas, and electric services, as well as janitorial services, initially set at a monthly payment amount of Six Hundred Seventy Dollars (\$670) and subject to a “retroactive” adjustment at the end of each fiscal year.

**D.** Lessee has continued to occupy the Leased Premises in accordance with the terms of the Lease, with Lessor’s consent.

**E.** Therefore, pursuant to Section 18(j) of the Lease, Parties desire to extend and modify the Lease for a new term with a renewal option, and to provide for a flat-fee monthly payment of utilities.

NOW, THEREFORE, the Parties hereby agree as follows:

**AGREEMENT**

**1.** Subject to the terms, conditions and covenants set forth in the Lease and this Second Amendment, the following addition shall be made to Section 2 of the Lease:

“The term of this Lease shall be extended to terminate on August 1, 2020.”

**2.** Section 3 of the Lease shall hereby be replaced in its entirety to read as follows:

“**3. Renewal.**

Provided and upon condition that Lessee has at all times faithfully and punctually performed all of the covenants and conditions of this Lease, Lessor, at its option, may extend the term of this lease for one (1) five (5) year extension (the "Extension Term"), for a total possible term of ten (10) years. Provided that Lessee is not in default of any of the terms of this Lease (as evidenced by delivery to Lessee of a written notice from Lessor regarding such default), Lessee may exercise its option to extend the term of this Lease by providing written notice to Lessor not later than 90 days prior to the termination date of the initial term. Upon receipt of Lessee's written notice to exercise its renewal option, Lessor may determine whether the Rent and Utility Payment amounts for the Extension Term should be adjusted, if at all, and shall notify Lessee of any proposed adjustments. If Lessee does not agree to the proposed adjustments, the Lease shall terminate upon the expiration of the Term of the Lease."

3. Section 5(d) of the Lease shall hereby be replaced in its entirety to read as follows:

"(d) Lessee shall be responsible for payment of a portion of the Fire Department's utilities: water, sewer, gas, and electric services supplied to the Premises, and janitorial services provided to the Premises, as additional rent ("Utility Payment"). Said Utility Payment shall be made on a monthly basis in the amount of Six Hundred Seventy Dollars (\$670) per month for the duration of the Term."

4. Except as modified by the First Amendment and this Second Amendment, all other terms of the Original Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the said Parties have executed this Second Amendment in duplicate the day and year shown below.

**Lessor:**

**Lessee:**

CITY OF EL PASO DE ROBLES

SAN LUIS AMBULANCE SERVICE, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

James L. App, City Manager

Name:

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

By: \_\_\_\_\_  
Dennis Fansler, City Clerk