

***Authorize Executive
Director to Enter
Lease Agreement
with CKA Architects
at Menlo Park Depot***

**JPB Finance Committee Meeting
September 29, 2025**



Recommendation

- Staff recommends that the Board authorize the Executive Director to enter into a 6.5-year lease agreement with CKA Architects, including one 5-year renewal option, for use of the historic Menlo Park Depot

Background

- One-story historic building (approx. 1,300 SF), subject to historic preservation covenant
- Vacant since 2020
- JPB recently improved the building including replacing the roof and painting the exterior
- Building was marketed by CBRE beginning June 2025





Proposed Use

- CKA Architects proposes to use the space as their office, and to make \$88K in tenant improvements including:
 - Heating/Cooling
 - Asbestos removal
 - Floor repair
 - Plumbing
 - Water heater replacement
 - Painting
- JPB staff and CKA Architects coordinated with the historic covenant holder, South Bay Historical Railroad Society (SBHRS), to ensure proposed interior improvements are compatible
- Staff review confirmed that the use is compatible with the Rail Corridor Use Policy

Proposed Terms

Space	1,328 SF Menlo Park Depot; includes 2 dedicated parking stalls
Term	6.5 years (78 months) with one 5-year renewal option at Fair Market Value
Rent	\$5,312/mo. or \$4.00 sq. ft./mo., with 3% annual increase beginning July 2027
Rent Abatement	12 months of free rent as incentive for move-in and in lieu of tenant improvement allowance
Tenant Responsibilities	Utilities, janitorial, interior upkeep & improvements, taxes, compliance with historical covenants
Landlord (Caltrain) Responsibilities	Exterior repairs, building systems, general property management

Expected Benefits and Costs

- Lease will generate \$377,066 over the base term
- If renewal option exercised after 6.5 years, rent will adjust to fair market value
- Broker commissions are \$30,200; net revenue after commissions is \$346,866
- Active tenancy will help to ensure building is maintained over time

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Questions?

FOR MORE INFORMATION

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