



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: A 16-316

October 11, 2016

Introduced: 9/27/2016

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Contracts/Purchasing Officer to execute a five (5) year Lease Agreement, subject to two (2) three (3) year options to extend the Lease, effective September 1, 2016, with Magna Plantare Inc., for approximately 1,790 square feet of space located at 1127 Baldwin Street, in Salinas, California, for use by the Department of Social Services, Family and Children's Services Branch;
- b. Direct the Auditor-Controller to make lease payments of \$2,048.00 per month and in accordance with the terms of the Lease Agreement; and
- c. Authorize the Contracts/Purchasing Officer to extend the term of the Lease Agreement for a maximum of six (6) additional years, with the same terms and conditions.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute a five (5) year Lease Agreement, subject to two (2) three (3) year options to extend the Lease, effective September 1, 2016, with Magna Plantare Inc., for approximately 1,790 square feet of space located at 1127 Baldwin Street, in Salinas, California, for use by the Department of Social Services, Family and Children's Services Branch;
- b. Direct the Auditor-Controller to make lease payments of \$2,048.00 per month and in accordance with the terms of the Lease Agreement; and
- c. Authorize the Contracts/Purchasing Officer to extend the term of the Lease Agreement for a maximum of six (6) additional years, with the same terms and conditions.

SUMMARY/DISCUSSION:

The Department of Social Services, Family and Children's Services (FCS) Branch (Department) has occupied 1,790 square feet of general office space at 1127 Baldwin Street, Salinas, California, since August 24, 2004 under a lease with Magna Plantare, Inc. The initial term of the Lease with Magna Plantare, Inc. was from September 1, 2004 through August 31, 2006. Said Lease was amended on or about November 28, 2006 to provide for an additional two (2) year term. The Lease was renewed again on or about February 13, 2009 through August 31, 2010. The Lease has been in holdover status since September 1, 2010 pursuant to ARTICLE 25 of the Lease "Holding Over". The Resource Management Agency Public Works Real Property Division (RMA - PW) has negotiated Tenant Improvements for this facility, to include various improvements valued up to \$12,000 with no increase in rent for the initial five (5) year term of the Lease, nor the extension terms of the Lease. The proposed Lease Agreement will provide for continued occupancy of approximately 1,790 square feet of space to be used by the Department. The initial five (5) year term of the lease will commence on September 1, 2016 and extend through August 31, 2021. The proposed Lease Agreement provides for two (2) options to extend the lease term for three (3) additional years, for a maximum of six (6) additional years, with the same terms and conditions.

The monthly rent is \$2,048 per month. A “Termination by County” clause (without penalty) is incorporated into the proposed Lease Agreement. Occupancy of the identified facility continues to offer proximity and accessibility to the Department’s FCS Program participants, and is cost effective. This Board Report is late due to the timing of receipt of the signed Lease Agreement from the Lessor.

OTHER AGENCY INVOLVEMENT:

The Resource Management Agency, Public Works Department, facilitated negotiations regarding the proposed Lease Agreement, and assisted with the development of this report. The Office of the County Counsel has reviewed and approved the proposed Lease Agreement as to form and legality, and the Risk Management Division has approved it as to insurance and indemnification provisions.

FINANCING:

There is no additional impact to the General Fund. Sufficient funds are available in the FY 2016-17 Department of Social Services Budget Unit 8262, Fund 001. On-going occupation of the leased premises will be based on the continued availability of funding. The annual leasing cost will total \$24,576.00. The Lessor will be responsible for costs associated with property taxes and assessments, fire insurance, maintenance, repairs, and utilities. The initial lease term will have no increases in rent during the initial five (5) year term.

Prepared by: Melissa Mairose, Finance Manager II, x4433

Approved by: Elliott Robinson, Director, x4434

Attachments: Standard Lease Agreement for 1127 Baldwin Street, Salinas, CA
Original is on file with Clerk of the Board