



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: A 25-070**

**March 18, 2025**

**Introduced:** 3/5/2025

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

- a. Approve and authorize the Contracts and Purchasing Officer to execute a ten (10) year Lease Agreement, commencing on or around August 1, 2025 with La Guardia, LLC for 28,224 square feet of general office and training space for use by the Department of Social Services; and
- b. Authorize the Auditor/Controller to make monthly lease payments of \$47,295 in accordance with the terms of the Lease Agreement; and
- c. Authorize the extension of the Lease Agreement for two (2) additional three (3) year terms under the same terms and conditions if deemed to be in the best interest of the County by the Contracts and Purchasing Officer.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts and Purchasing Officer to execute a ten (10) year Lease Agreement, commencing on or around August 1, 2025 with La Guardia, LLC for 28,224 square feet of general office and training space for use by the Department of Social Services; and
- b. Authorize the Auditor/Controller to make monthly lease payments of \$47,295 in accordance with the terms of the Lease Agreement: and
- c. Authorize the extension of the Lease Agreement for two (2) additional three (3) year terms under the same terms and conditions if deemed to be in the best interest of the County by the Contracts and Purchasing Officer.

### SUMMARY/DISCUSSION:

The Department of Social Services (DSS) has occupied 28,224 square feet of general office and training space at 713 La Guardia Street in Salinas, California since April 2001 under Lease Agreement No. A-08449 (2001) and A-14113 (2018). DSS desires to remain at this location and approval of the proposed new Lease Agreement will provide for a continued ten (10) year occupancy after DSS specified premises improvements are completed by the property owner, which is anticipated to be on or around August 1, 2025. Public Works, Facilities and Parks (PWWP) negotiated the commencement rent of \$47,292 per month with no rent increases for the first five (5) years, a 10% increase at the end of the year six (6), and a 2.5% increase on any remaining term, or extended term of the lease. PWWP also assisted with the program planning of DSS specified premises improvements. As an additional incentive to retain County occupancy, 713 La Guardia, LLC (property owner) will contribute to the County a \$1,500,000 Premises Improvement Allowance, of which, \$500,000 will be amortized over ten (10) years at a rate of 7%. These funds will be used to reconfigure and improve the facility to enhance DSS operational efficiencies. In addition to the Premises improvement Allowance, the property owner will be replacing all heating, ventilation and air conditioning (HVAC) units for the building that are beyond their useful life. The new Lease Agreement provides for two (2) additional three (3) year extension option under the same term and conditions. A "Termination

by County” clause with a reimbursement to the property owner for Premise Improvement Allowance funds is incorporated in the new Lease Agreement. The identified facility continues to provide DSS operations with needed general office, training space and the monthly rent is considered cost effective when compared to relocating to a similar facility in the Salinas area.

OTHER AGENCY INVOLVEMENT:

The Public Works, Facilities and Parks negotiated the proposed Lease Agreement and assisted with the development of this report. The Office of the County Counsel-Risk Management has reviewed the proposed Lease Agreement as to form and indemnification and insurance provisions. The Auditor-Controller’s Office has reviewed and approved the proposed Lease Agreement as to fiscal provisions.

FINANCING:

There are sufficient appropriations and estimated revenues in the Department of Social Services FY 2024-25 Adopted Budget 001-5010-8262-SOC005 and has been incorporated into the upcoming budget request for FY 2025-26. The annual leasing cost will total \$567,540. The property owner will be responsible for costs associated with property taxes and assessments, fire insurance, major maintenance and structural repairs, as needed. The ongoing occupation of the leased premises and future extension of the Lease Agreement will be based on the continued availability of funding.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed Lease Agreement correlates to the Administration and Health & Human Services Strategic Initiative adopted by the Board of Supervisors by allowing the Department to more efficiently serve welfare recipients.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Reviewed by: Becky Cromer, DSS Chief Financial Officer  
Approved by: Roderick Franks, MA, L.P., DSS Director

Attachments: Attachment A - Lease Agreement  
Attachment B - Location Map

(Attachments are on file with the Clerk of the Board)