

..Title

- a. Approve and authorize the Contracts and Purchasing Officer or their designee to execute Amendment No. 1 to Lease Agreement No. A-012695, effective March 1, 2024, with WLKST Partners, LP, for solar energy upgrades to the 4,857 square foot building located at 65 West Carmel Valley Road, Carmel Valley, California used by the Monterey County Free Libraries, Carmel Valley Branch.
- b. Authorize the Auditor-Controller to increase lease payments from \$7,267 to \$7,997 per month, effective one month after completion of solar project upgrades, and in accordance with the terms of the lease agreement; increase of lease payments is for electrical utility services that is proposed to be provided by WLKST Partners, LP due to their solar energy upgrades.

..Report

RECOMMENDATION:

It is recommended that the County of Monterey Board of Supervisors:

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SUMMARY/DISCUSSION:

Monterey County Free Libraries (MCFL), Carmel Valley Branch has occupied the 4,857 square foot building at 65 West Carmel Valley Road in Carmel Valley since July 1999. On May 12, 2015, the Board approved a fifteen-year lease agreement through June 30, 2030.

The property owner, MLKST Partners, LP (Lessor) has proposed to install and maintain, at their expense, a solar panel system on the rooftop of the building, along with appurtenant connections, infrastructure, and roof improvements.

Approval of Amendment No. 1 will transfer the County's electrical utility services cost/responsibilities for the building to the Lessor, in exchange for a reciprocating increase in rent.

Public Works, Facilities and Parks (PWFP) negotiated the rent increase of \$730 per month to be close to pair with the average electrical cost currently paid by the County to PG&E. Said rent increase will be subject to a 2.5% annual increase which aligns with the annual rent increase provided in the underlying lease agreement.

PWFP anticipates that this proposed solar project at the Carmel Valley Branch will help foster other alternate energy partnership opportunities with other property owners that lease facilities to the County to help meet its Community Climate Action and Adaptation Plan (CCAAP) targets set by the

State of California. More information regarding the CCAAP can be found at the following link: (<https://montereyclimateaction.konveio.com>).

OTHER AGENCY INVOLVEMENT:

The Department of Public Works Facilities and Parks negotiated Amendment No. 1. for the Lessor’s solar project upgrades and assisted with the drafting of this report. The Office of the County Counsel has reviewed and approved Amendment No. 1 as to form. The Auditor-Controller’s Office has reviewed and approved as to fiscal provisions.

FINANCING:

There is no additional impact to the General Fund. Sufficient funds are available in the FY 2023-24 Monterey County Free Libraries Budget Unit 611, Fund 003. The current fiscal year leasing cost will amount to \$95,973.24. The property owner will be responsible for costs associated with electrical utilities, property taxes and assessments, fire insurance, major maintenance, and structural repairs, as needed. The ongoing occupation of the leased premises and future renewal of the Lease Agreement will be based on the continued availability of funding from the Monterey County Free Libraries. The lease rent will be subject to a 2.5% increase at the end of each lease anniversary year.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Infrastructure:

Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results and the Community Climate Action Plan (CCAAP).

Prepared by: George Salcido, PWFP Real Property Specialist, (831) 755-4859

Prepared by: Jennifer Hansen, MCFL Administrative Services Officer, (831)883-7569

Approved by: Hillary Theyer, MCFL Library Director, (831) 883-7567

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Jennifer Hansen

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Hillary Theyer

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Attachments:

Location Map

Lease Agreement

Amendment No. 1 to Lease Agreement for Monterey County Free Libraries Carmel Valley Branch