



Monterey County

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Board Report

Legistar File Number: 15-0620

Consent

June 09, 2015

Introduced: 6/2/2015

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Current Status: Agenda Ready

Matter Type: General Agenda Item

Approve and authorize the Contracts/Purchasing Officer to execute the First Amendment to Lease Agreement A-12539, effective July 1, 2015, with the Low Income Family Enrichment Foundation, a California limited liability company, at 1000 South Main Street in Salinas, California, to fix the annual cost of living adjustment at 2.75%; include one (1) option 8 year extended term and two (2) optional ten year extended terms with free base rent at the end of the initial term; and extend the initial term an additional five (5) five months from July 31, 2023 to December 31, 2023.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Contracts/Purchasing Officer to execute the First Amendment to Lease Agreement A-12539, effective July 1, 2015, with the Low Income Family Enrichment Foundation, a California limited liability company, at 1000 South Main Street in Salinas, California, to fix the annual cost of living adjustment at 2.75%; include one (1) option 8 year extended term and two (2) optional ten year extended terms with free base rent at the end of the initial term; and extend the initial term an additional five (5) five months from July 31, 2023 to December 31, 2023.

SUMMARY/DISCUSSION:

In July 2012, the County entered into a lease with the Low Income Family Enrichment (LIFE) Foundation to expand occupancy by 9,490 square feet of space in the 1000 S. Main Street, Salinas building to be used by the Health Department's Behavioral Health Bureau. Approval of this Amendment will extend the initial term by five (5) months from July 31, 2023 to December 31, 2023. Additionally, the amendment will fix the annual cost-of-living increase at 2.75%. The current agreement includes an annual increase of 1.5% to 5.0% based on the Consumer Price Index.

At the end of the initial term (January 1, 2024), the Lease Agreement provides for one 8 year extension and two 10 year extension options of free base rent for the entire 9,490 rentable square feet. The Health Department will continue to pay the expense stop portion of the monthly rent to cover maintenance and repair costs. The initial expense stop will be \$9,873.26 per month and will increase annually by the 2.75% for the duration of the extension periods.

The office space covered by this lease agreement is used by the Children's Behavioral Health staff to provide mental health services to abused and neglected children and their families who are in the foster care system. Behavioral Health has created a collaborative, integrated mental health service approach with the Department of Social Services co-located in the LIFE

Foundation building.

OTHER AGENCY INVOLVEMENT:

The Health Department concurs with this Amendment to the Lease Agreement. County Counsel, Auditor-Controller and Contracts/Purchasing have reviewed and approved the Amendment to Lease Agreement as to form and fiscal provisions, respectively.

FINANCING:

There is no impact to the General Fund. The five month extension of the initial term of the agreement will result in approximately \$103,164 in additional rent payment. However, if the Health Department opts to extend the agreement after this initial term, the 9,490 square feet of space will receive free base rent up to 2052.

Prepared by: John Guertin, Acting RMA Deputy Director

Approved by: Carl P. Holm, AICP, Acting RMA Director

Attachments: First Amendment to Lease Agreement; Lease Agreement A-12539 (On file with the Clerk of the Board)