



Monterey County

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Board Report

Legistar File Number: A 15-221

July 07, 2015

Introduced: 6/18/2015

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

- a. Approve and authorize the Contracts/Purchasing Officer to execute Amendment No. 2 to extend Lease Agreement (No. A-11760) for eighteen (18) months, effective January 1, 2016 through June 30, 2017, with B & A Farahmand Family Trust Dated November 8, 2006 for 12,011 square feet of space located at 1370-B South Main Street in Salinas, California, for use by the Monterey County Elections Department; and
- b. Direct the Auditor-Controller to make lease payments of \$31,575.00 per month and in accordance with the terms of Amendment No. 2 - Eighteen Month Extension of Lease Agreement (Amendment No. 2).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute Amendment No. 2 to extend Lease Agreement (No. A-11760) for eighteen (18) months, effective January 1, 2016 through June 30, 2017, with B & A Farahmand Family Trust Dated November 8, 2006 for 12,011 square feet of space located at 1370-B South Main Street in Salinas, California, for use by the Monterey County Elections Department; and
- b. Direct the Auditor-Controller to make lease payments of \$31,575.00 per month and in accordance with the terms of Amendment No. 2 - Eighteen Month Extension of Lease Agreement (Amendment No. 2).

SUMMARY/DISCUSSION:

The Monterey County Elections Department has operated out of this leased facility located at 1370-B South Main Street, Salinas since 1991. On December 16, 2014 the Board approved Amendment No.1- One Year Extension of Lease Agreement extending the lease through December 31, 2015. At that time, construction of the new Elections Department space in the Schilling Place Facility was anticipated to be complete in the Fall of 2015 with move-in shortly thereafter. This initial time frame was the preferred date for the Elections Department as it afforded time to prepare for activities in the presidential election year.

In January of 2015, the Schilling Facility Utilization Project was created to define the most efficient and effective way for County occupancy of the former Capital One Facility. The Core Project Group (CPG), consisting of staff from the County Administrative Office and the Resource Management Agency, determined that the Elections Department move is feasible only if it is included in the overall space planning and design for the 1441 Schilling Place, North and South Buildings. Construction of various County Department spaces identified to relocate to the Schilling Place Facility is anticipated to be completed in the Spring of 2017.

In light of the Elections Department new timeline for physical relocation, and the Board not approving the proposed two year extension on June 9, 2015, the Landlord has now agreed to extend the lease for an additional eighteen (18) months, effective January 1, 2016 through June 30, 2017. CPG Staff involved in the Schilling Facility Utilization Project believes this will allow sufficient time for the Elections Department's transition into the Schilling Place Facility while meeting its electoral obligations scheduled throughout 2017.

Due to the accommodating nature of the leasing relationship, whereby the Landlord is willing to forego committing the 1370-B South Main Street facility to a replacement occupant (by lease or purchase contract) until after June 30, 2017, the premium rent during the extended period will remain the same at \$31,575.00 per month. In exchange for the June 30, 2017 expiration date, the County shall pay a penalty to the Landlord in the event the Elections Department does not vacate the Premises by June 30, 2017. The penalty payment to Landlord only applies if the Landlord is charged a penalty from a replacement occupant through a bonafide lease or purchase agreement. The penalty payment to the Landlord shall be the exact amount that a replacement occupant charges the Landlord and shall not exceed \$100,000.

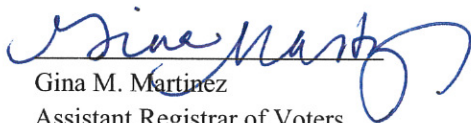
OTHER AGENCY INVOLVEMENT:

The Department of Public Works facilitated the development of Amendment No. 2 - Eighteen Month Extension of Lease Agreement, and assisted with the development of this report. The Office of the County Counsel has reviewed and approved the proposed extension of the Lease Agreement as to form and legality.

FINANCING:

There is no additional impact anticipated to the General Fund. Sufficient funds are available in the FY 2015-16 Monterey County Elections Department Budget Unit 1410, Fund 001. Twelve month leasing costs will amount to \$378,900 including property assessments, insurances, maintenance, repair, janitorial, and utility costs. In the event that it is determined the penalty is likely to be assessed, Elections will coordinate with the involved departments to submit another item to the Board of Supervisors, which will request further direction.

Prepared by:

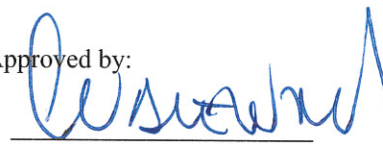

Gina M. Martinez
Assistant Registrar of Voters

Dated: June 19, 2015

Attachments:

Amendment 2 Extending Lease Agreement
Amendment 1 Extending Lease Agreement
Lease Agreement
Location Map

Approved by:


Claudio E. Valenzuela, REO
Registrar of Voters