



# County of Monterey

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

## Board Report

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**File #:** A 12-153, **Version:** 1

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- a. Approve and authorize the Contracts/Purchasing Officer to execute a two year Lease Agreement, effective on or around September 1, 2012, with Creekbridge Office Center II, LLC, for approximately 1,266 rentable square feet of space located at 1615 Bunker Hill Road, Suite 210, in Salinas, California, for use by the Health Department's Clinic Services Bureau;
- b. Authorize the Auditor-Controller to make lease payments of \$2,532 per month and in accordance with the terms of the agreement; and
- c. Authorize the extension of the Lease Agreement for two additional one-year periods under the same terms and conditions, and make minor revisions to the Lease Agreement if deemed by the Contracts/Purchasing Officer to be in the best interests of the County.

### RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute a two year Lease Agreement, effective on or around September 1, 2012, with Creekbridge Office Center II, LLC, for approximately 1,266 rentable square feet of space located at 1615 Bunker Hill Road, Suite 210, in Salinas, California, for use by the Health Department's Clinic Services Bureau;
- b. Authorize the Auditor-Controller to make lease payments of \$2,532 per month and in accordance with the terms of the agreement; and
- c. Authorize the extension of the Lease Agreement for two additional one-year periods under the same terms and conditions, and make minor revisions to the Lease Agreement if deemed by the Contracts/Purchasing Officer to be in the best interests of the County.

### SUMMARY/DISCUSSION:

Approval of the Lease Agreement will provide for occupancy of approximately 1,266 rentable square feet of space to be used by the Health Department's Clinic Services Bureau (Bureau). The lease term will commence on or around September 1, 2012, and expire on or around June 30, 2014. Commencement rent will be \$2,532 per month. The Lease Agreement provides for two, one-year extension options under the same terms and conditions including annual rental adjustments.

The Health Department will occupy the full space for use by their Bureau's new "Customer Service Center" (Center). The Center will accept all incoming calls in order to improve the levels of customer service and patient satisfaction. A traffic study of incoming calls into the Bureau's clinics indicated a need to establish a central location to handle all calls. Incoming calls to the Center will allow for increased face-to-face patient interaction by improved patient flow, and reduced wait times in clinic, resulting in increased access to care. The new Center will also be in close proximity to the Bureau's financial, billing and administrative offices, for increased communication on client case management.

The landlord has agreed to perform Bureau specific premises improvements per approved plans and specifications at a cost not to exceed \$19,215, unless mutually agreed upon (Article 7). Premise improvements will include costs associated with architectural, engineering, building permits, inspections and signage. Premise improvements do not include HVAC units and fire sprinkler systems or County specific trade fixtures

including telephone or data cabling. A “Termination by County” clause (Article 5) provides for reimbursement to the landlord at a not to exceed \$9,607.50 in unamortized premise improvement costs should the County terminate the lease agreement within the initial two year term. Any amount due to the landlord would be paid by the Health Department.

OTHER AGENCY INVOLVEMENT:

The Health Department concurs with the Lease Agreement. The Office of the County Counsel has reviewed and approved the Lease Agreement as to form and legality and Risk Management has approved as to insurance and indemnity. Due to the late submission of this Board Report, the CAO Budget and Analysis Division was not provided adequate time to fully review for potential fiscal, organizational policy, or other implications to the County of Monterey.

FINANCING:

There is no financial impact to the General Fund. Sufficient funds are available in FY 2012-13 Health Department, Clinic Services Bureau’s Budget, Fund 001, Unit 8096, Appropriation Unit HEA007. On-going occupation of the leased premises and future extensions of the Lease Agreement will be based on the continued availability of funding. The first-year leasing cost will amount to \$30,384, including janitorial and utility services. The initial term leasing costs will be subject to a 2% increase at the end of each lease anniversary year.

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

Approved by:

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Marvin Rose, P.E., Executive Management Specialist

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Benny J. Young, RMA Director

Dated: July 20, 2012

Attachments: Lease Agreement; Location Map