



County of Monterey

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

Board Report

File #: A 20-517, **Version:** 1

- a. Approve and authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to: 1) Execute a Lease Agreement with the City of Greenfield, beginning on or around January 1, 2021 and ending December 31, 2022, for approximately 1,300 square feet of office space at 599 El Camino Real in Greenfield, California (Greenfield City Hall), for use by the District 3 Supervisor and staff, and 2) Execute an extension option of the Lease Agreement for one (1) additional four (4) year period under the same general terms and conditions provided there is no significant increase to the monthly lease payments and to make minor revisions to the lease agreement if deemed by the Contracts/Purchasing Officer to be in the best interest of the County, subject to review and approval by the Office of the County Counsel-Risk Manager and the Auditor-Controller's Office; and
- b. Authorize the Auditor-Controller to make lease payments of \$1,625 per month from Board of Supervisors 1000 Budget, Fund 001, Unit 8015, Appropriation Unit BOA001, and in accordance with the terms of the Lease Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to: 1) Execute a Lease Agreement with the City of Greenfield, beginning on or around January 1, 2021 and ending December 31, 2022, for approximately 1,300 square feet of office space at 599 El Camino Real in Greenfield, California (Greenfield City Hall), for use by the District 3 Supervisor and staff, and 2) Execute an extension option of the Lease Agreement for one (1) additional four (4) year period under the same general terms and conditions provided there is no significant increase to the monthly lease payments and to make minor revisions to the lease agreement if deemed by the Contracts/Purchasing Officer to be in the best interest of the County, subject to review and approval by the Office of the County Counsel-Risk Manager and the Auditor-Controller's Office; and
- b. Authorize the Auditor-Controller to make lease payments of \$1,625 per month from Board of Supervisors 1000 Budget, Fund 001, Unit 8015, Appropriation Unit BOA001, and in accordance with the terms of the Lease Agreement.

SUMMARY:

Approval of the proposed Lease Agreement will provide approximately 1,300 square feet of office space in Greenfield City Hall to be used by the District 3 Supervisor and staff. The Lease Agreement will commence on or around January 1, 2021 and expire on December 31, 2022. The Lease Agreement provides for one four-year extension option under the same terms and conditions. Commencement rent will be \$1,625 per month, which includes janitorial services and utilities.

DISCUSSION:

Monterey County Supervisorial District 3 (District 3) covers the majority of the Salinas Valley and southern Monterey County extending to its border with San Luis Obispo County. District 3 includes the unincorporated communities of Spreckels, Chualar, and Jolon; the eastern portion of the City of Salinas; the cities of Gonzales, Greenfield, Soledad, and King City; the military installations at Fort Hunter Liggett and Camp Roberts; and portions of the Los Padres National Forest. Having a District office in Greenfield will provide enhanced proximity to the majority of District 3's constituents.

On January 29, 2019, the Monterey County Board of Supervisors approved a lease agreement with OM Management and Business Associates, Inc. that was intended to begin on or around July 1, 2019 and end on December 31, 2022 for approximately 1,800 square feet of "built to suit" office space in a subsequent phase of the newly developed shopping center known as *The Vines at Greenfield* located at 365 Walnut Avenue. Due to financial difficulties, the developer was not able to move forward with the rest of the development at this time.

The site at Greenfield City Hall was selected as the preferred alternative to The Vines in Greenfield site. Public Works, Facilities, & Parks' Real Property Specialist worked with District 3 and City staff to identify suitable space within Greenfield City Hall under agreed terms and conditions. Approval of the proposed Lease Agreement will

provide approximately 1,300 square feet of office space commencing on or around January 1, 2021 and expiring on December 31, 2022. The Lease Agreement provides for one four-year extension option under the same terms and conditions. Commencement rent will be \$1,625 per month, which includes janitorial services and utilities. The County will be providing up to \$5,000 for minor premise improvements consisting of the addition of two (2) doorways to accommodate District 3 operational efficiencies. The Lease Agreement may be terminated by either party by giving sixty (60) days written notice.

Currently, the District 3 main office is located on the third floor of the County Administration Building, 168 West Alisal Street, in Salinas. This office will be retained and the main office would be relocated to 599 El Camino Real in Greenfield (Greenfield City Hall) to address equity issues of constituent access to their elected County Supervisor. The District 3 Supervisor also occupies a small 125-square-foot satellite office at a cost of \$1 per year in Soledad at the Soledad City Hall. This office will no longer be needed if the proposed Lease Agreement is approved. The proposed Greenfield office space will be furnished with office furniture supplied by County Surplus to the extent possible.

OTHER AGENCY INVOLVEMENT:

Public Works, Facilities, & Parks' Real Property Specialist facilitated the negotiations of the proposed Lease Agreement with the City of Greenfield. The Office of County Counsel-Risk Manager reviewed the proposed Lease Agreement as to form and indemnification and insurance provisions.

FINANCING:

Funding for the proposed Lease Agreement will be from Board of Supervisors 1000 Budget, Fund 001, Unit 8015, Appropriation Unit BOA001. Estimated leasing costs (including janitorial services and utilities) by fiscal year include: \$9,750 (January-July) for FY 2020-21 (January-June), \$19,500 for FY 2021-22; and \$9,750 for FY 2022-23 (July-December). In addition, one time moving, signage, door installation, and technology setup costs are estimated at \$15,000. Ongoing occupation of the leased premises and future extensions of the Lease Agreement will be based on the continued availability of funding and best interests of the County. The Budget Office will work with the Department to identify and secure sufficient appropriations in Fiscal Year 2020-21 Adopted Budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Currently, the District 3 main office is not located within the District. Relocating the main office to Greenfield will improve constituent access to their elected County Supervisor. This action correlates to the Administration and Infrastructure Initiatives adopted by the Board of Supervisors by improving the efficiency, access, and effectiveness of County services and providing adequate County facilities and infrastructure.

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

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

Approved by: Shawne E. Ellerbee, Assistant Director of Community Services Department

Approved by: Randy Ishii, MS, PE, PTOE, Director of Community Services Department

Attachments:

Attachment A - Proposed Lease Agreement

Attachment B - Location Map

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