



County of Monterey

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

Board Report

File #: A 14-241, **Version:** 1

- a. Approve and authorize the Contracts/Purchasing Officer to execute a five (5) year Lease Agreement, effective on or around October 1, 2014, with King City Town Square, LLC for approximately 8,713 rental square feet of office space located at 200 Broadway, Suites 70 and 88 in King City, California for use by the Health Department's Behavioral Health Bureau; and
- b. Authorize the Auditor-Controller to make lease payments of up to \$9,845.69 per month in accordance with the terms of the Lease Agreement; and
- c. Authorize the extension of the Lease Agreement for two (2) additional three (3) year terms 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 interest of the County.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute a five (5) year Lease Agreement, effective on or around September 1, 2014, with King City Town Square, LLC for approximately 8,713 rental square feet of office space located at 200 Broadway, Suites 70 and 88 in King City, California for use by the Health Department's Behavioral Health Bureau; and
- b. Authorize the Auditor-Controller to make lease payments of up to \$9,845.69 per month in accordance with the terms of the Lease Agreement; and
- c. Authorize the extension of the Lease Agreement for two (2) additional three (3) year terms 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 interest of the County.

SUMMARY/DISCUSSION:

The Health Department's Behavioral Health Bureau has occupied 3,737 square feet of general office space at 200 Broadway, Suite 88 in King City, California since July 1, 2007, under a Lease Agreement with King City Town Square, LLC. Approval of the new Lease Agreement will provide the Behavioral Health Bureau with additional office space (total of 8,713 square feet) at the same location needed to better meet the overall community needs for behavioral health services and continued occupancy through August 31, 2019. Although there is a vacant County owned facility in King City, from an efficiency perspective, it makes more sense to expand at the same location as opposed to setting up a second behavioral health clinic in King City. The monthly rent for the initial lease term will commence at \$9,845.69 and be subject to annual rental adjustments of one percent (1%). The Landlord shall perform Premise Improvements in accordance with plans and specifications. Said improvement costs are included in monthly lease payment. Premise improvements will include costs associated with architectural, engineering, building permits and fees, and inspections.

The Lease Agreement also provides for two additional three-year periods under the same terms and conditions, including annual rental adjustments of one percent (1%). The identified facility will further provide Behavioral Health the much needed general office space, and the monthly lease payment is comparable to what the County recently negotiated for Health Department space at 335-339 Gabilan Street in Soledad.

This work supports the Monterey County Health Department 2011-2015 strategic plan initiative: 3) Ensure access to culturally and linguistically appropriate, customer-friendly, quality health service. It also supports one

of the ten essential public health services, specifically: 7) Link people to needed personal health services and assure the provision of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT:

The Department of Public Works advised the Health Department regarding development of the Lease Agreement. The Office of the County Counsel has reviewed and approved the Lease Agreement as to form and legality.

FINANCING:

Sufficient funds are available in the Health Department, Behavioral Health Bureau's (001-4000-HEA012-8410) FY 2014-15 Adopted Budget. The first year leasing cost will amount to \$118,148.28 excluding janitorial, utility, and phone/data services. The initial term and extended term leasing costs will be subject to an increase of one percent (1%) at the end of each lease anniversary year. On-going occupation of the leased premises and future extensions of the Lease Agreement will be based on the continued availability of funding.

Prepared by: Chris Le Venton, Operations Manager, 755-4513

Approved by: Ray Bullick, Director of Health, 755-4526

Attachments: Lease Agreement and Location Map are on file with the Clerk of the Board.