



County of Monterey

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

Board Report

File #: A 15-031, **Version:** 1

- a. Approve and Authorize the Contracts/Purchasing Officer to execute Renewal and Amendment of Lease Agreement No. A-10467, ratify hold over status from November 1, 2010 through December 31, 2014, and renew said Lease Agreement through December 31, 2021 with Nino Family Limited Partnership & Nino Revocable Trust dated August 19, 1999 (LESSOR), for 15,695 square feet of space located at 116 and 118 Broadway in King City, California, for use by the Department of Social Services;
- b. Authorize the Auditor-Controller to make lease payments of \$16,479.75 per month in accordance with the terms of the Lease Agreement; and
- c. Authorize the optional extension of the Lease Agreement for an additional two (2), five (5) year periods under the same terms and conditions 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 Renewal and Amendment of Lease Agreement No. A-10467, ratify hold over status from November 1, 2010 through December 31, 2014, and renew said Lease Agreement through December 31, 2021 with Nino Family Limited Partnership & Nino Revocable Trust dated August 19, 1999 (LESSOR), for 15,695 square feet of space located at 116 and 118 Broadway in King City, California, for use by the Department of Social Services;
- b. Authorize the Auditor-Controller to make lease payments of \$16,479.75 per month in accordance with the terms of the Lease Agreement; and
- c. Authorize the optional extension of the Lease Agreement for an additional two (2), five (5) year periods under the same terms and conditions if deemed by the Contracts/Purchasing Officer to be in the best interest of the County.

SUMMARY/DISCUSSION:

The Department of Social Services (DSS)(LESSEE) has occupied 15,695 square feet of space at 116 and 118 Broadway in King City, California, since December 1991 for use by its social service programs. The most recent Lease Agreement expired on October 31, 2010. DSS has continued to occupy the space on a month to month basis on a Hold Over status pursuant to the terms of the Lease Agreement. DSS desires to remain at this location under the terms of the prior Lease Agreement. The recommended action provides for the continued occupancy by DSS through December 31, 2021. The monthly rent is \$16,479.75 per month effective January 1, 2015 which shall be considered the new Lease Commencement Date. The initial term as of the new Lease Commencement Date will consist of a seven (7) year term. The proposed Renewal and Amendment provides for an additional two (2), five (5) year periods under the same terms and conditions, including but not limited to the monthly rent amount of \$16,479.75, in accordance with ARTICLE 4 - COST OF LIVING ADJUSTMENT. A "Termination by County" clause (without penalty) is incorporated in the Lease Agreement.

LESSOR has agreed to perform \$183,600 in extensive premise improvements, per DSS approved specifications, as reflected in Exhibit A to the proposed Renewal and Amendment. The proposed Renewal and Amendment provides for completion of said premise improvements within three-and-one-half years (half way through the initial seven [7] year term), which shall be on or before June 30, 2018.

Occupancy of the identified facility continues to offer proximity and access to DSS clients, and is cost effective.

OTHER AGENCY INVOLVEMENT:

The Department of Public Works facilitated the negotiations and development of the proposed Renewal and Amendment of Lease Agreement No. A-10467, and assisted with the development of this report. The Office of the County Counsel has reviewed and approved the proposed Renewal and Amendment of Lease Agreement No. A-10467 as to form and legality.

FINANCING:

Sufficient appropriations and estimated revenues in Fund 001, SOC005-8262 is included in the FY 2014-15 Adopted Budget and will be incorporated as part of Budget development in FY 2015-16. The first year leasing cost will amount to \$197,757 and is funded 80% with Federal/State funds and 20% with realignment revenue. The property owner will be responsible for costs associated with property taxes and assessments, fire insurance, and maintenance and structural repairs, as needed. The ongoing occupation of the lease premises and future renewal of the Lease Agreement will be based on the continued availability of funding from the Department of Social Services. Approval of this action has no impact on the County General Fund.

Approved by: Elliott Robinson, Director, x4434

Attachments: Renewal and Amendment of Lease Agreement No. A-10467
Location Map

Proposed agreement is on file with the Clerk of the Board as an attachment to this Board Report.