



County of Monterey

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

Board Report

File #: A 17-408, **Version:** 1

- a. Approve and authorize the Contracts/Purchasing Officer to execute Renewal and Amendment No. 5 to Lease Agreement No. A-10986 with 1615 Bunker Hill, LLC by Thrust IV, Inc., its Managing Member as successor in interest to Creekbridge Office Center II, LLC, for the leased premises at 1615 Bunker Hill Road, Salinas, California, to retain Suite 140 and remove Suites 190, 230, and 250 thereby decreasing the leased square footage from 14,667 to 1,964 and renewing the term for five (5) years and four (4) months retroactively effective July 1, 2017, for use by the Health Department's Clinic Services Bureau; and
- b. Authorize the Auditor-Controller to make lease payments of \$3,928.00 per month, effective November 1, 2017 in accordance with the terms of the Lease Agreement as amended; and
- c. Authorize the Auditor-Controller to make a one-time retroactive lease payment in the amount of \$1,021.28 (\$255.32 per month July through October 2017); and
- d. Authorize the renewal and extension of the Lease Agreement for five (5) additional years and four (4) months under the same terms and conditions as amended.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute Renewal and Amendment No. 5 to Lease Agreement No. A-10986 with 1615 Bunker Hill, LLC by Thrust IV, Inc., its Managing Member as successor in interest to Creekbridge Office Center II, LLC, for the leased premises at 1615 Bunker Hill Road, Salinas, California, to retain Suite 140 and remove Suites 190, 230, and 250 thereby decreasing the leased square footage from 14,667 to 1,964 and renewing the term for five (5) years and four (4) months retroactively effective July 1, 2017, for use by the Health Department's Clinic Services Bureau; and
- b. Authorize the Auditor-Controller to make lease payments of \$3,928.00 per month, effective November 1, 2017 in accordance with the terms of the Lease Agreement as amended; and
- c. Authorize the Auditor-Controller to make a one-time retroactive lease payment in the amount of \$1,021.28 (\$255.32 per month July through October 2017); and
- d. Authorize the renewal and extension of the Lease Agreement for five (5) additional years and four (4) months under the same terms and conditions as amended.

SUMMARY/DISCUSSION:

The Health Department has occupied up to 14,667 rentable square feet at 1615 Bunker Hill Road, Salinas since February 2008. Approval of Amendment No. 5 to Lease Agreement No. A-110986 will provide for reduction of occupancy of approximately 12,703 square feet due to various program relocations to the County's new Schilling Place facility. The remaining 1,964 rentable square feet of space will be used by the Health Department's Clinic Services Bureau (Clinic Services). Lease Agreement No. A-10986 as amended pursuant to Amendment Nos. 1-4 is currently in holdover status, since July 1, 2017, pursuant to Article 25 of said Lease. The lease term will be renewed and extended for five (5) additional years and four (4) months from July 1, 2017 through and including October 31, 2022. The amended rent amount will be \$3,928.00 per month effective November 1, 2017. Unless specifically amended, the terms of Lease Agreement No. A-10986 as amended shall remain the same, including the "Termination by County" provision, and will provide for annual rental adjustments not to exceed two percent (2%).

This proposed Renewal and Amendment No. 5 will allow for continual operation of the Health Department's Clinic Services Bureau's administrative offices at the current location. The retroactive payment in the amount of \$1,021.28 is a result of the negotiated terms of the lease which resulted in a one-time payment to the landlord and ongoing reduced rental costs for the County.

This Amendment No. 5, supports the Monterey County Health Department 2011-2015 strategic plan initiatives: Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports one (1) of the ten (10) 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 Resource Management Agency-Administrative Services assisted with the development of Amendment No. 5 to the Lease Agreement and this report. The Office of the County Counsel, and the Auditor-Controller's Office have reviewed and approved proposed Amendment No.5 as to form and legality, and payment provisions, respectively.

FINANCING:

There is no impact to the General Fund resulting from this Board action. There are sufficient appropriations and estimated revenues in the Health Department, Clinic Services Bureau's (001-4000-HEA007-8096) FY 2017-18 Adopted Budget to accommodate current fiscal year costs. The first year, November 1, 2017 through October 31, 2018, leasing cost will amount to \$47,136.00 which is subject to a 2% annual increase. The property owner will be responsible for costs associated with property taxes and assessments, fire insurance, utilities, janitorial service, and maintenance and structural repairs as needed. The ongoing occupation of the leased premises and future extensions of the Lease Agreement will be based on the continued availability of funding from the Health Department.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Ezequiel Vega, Assistant Director of Health, x4622

Approved by: Elsa Jimenez, Director of Health, x4526

Attachments:

Amendment No .5 is on file with the Clerk of the Board

Amendment No. 4 is on file with the Clerk of the Board

Amendment No. 3 is on file with the Clerk of the Board

Amendment No. 2 is on file with the Clerk of the Board

Amendment No. 1 is on file with the Clerk of the Board

Lease Agreement No. A-10986 is on file with the Clerk of the Board

Location Map is on file with the Clerk of the Board