



County of Monterey

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

Board Report

File #: A 15-091, **Version:** 1

- a. Approve and authorize the Contracts/Purchasing Officer to execute a five year Lease Agreement, effective on June 10, 2015, with 559 E. Alisal Street, LLC, for approximately 11,761 rentable square feet of space located at 559 East Alisal Street, Suites 106 and 200, in Salinas, California, for use by the Health Department's Clinic Services Bureau; and
- b. Authorize the Auditor-Controller to make lease payments of \$19,876.09 per month and in accordance with the terms of the agreement. (ADDED VIA ADDENDA)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute a five year Lease Agreement, effective on June 10, 2015, with 559 E. Alisal Street, LLC, for approximately 11,761 rentable square feet of space located at 559 East Alisal Street, Suites 106 and 200, in Salinas, California, for use by the Health Department's Clinic Services Bureau; and
- b. Authorize the Auditor-Controller to make lease payments of \$19,876.09 per month and in accordance with the terms of the agreement.

SUMMARY/DISCUSSION:

Approval of this new five year Lease Agreement will provide for the continued occupancy of approximately 11,761 rentable square feet of clinic and medical office space used by the Health Department's Clinic Services Bureau (Bureau). The lease term will commence on June 10, 2015, and expire on June 9, 2020. Commencement rent will be \$19,876.09 per month.

The Bureau has occupied this space since 2001 and operates it as the Alisal Health Center. The Alisal Health Center is designated as a Federally Qualified Health Center Look-Alike and, as a requirement of its licensure, must remain located in the area of the population it serves. In addition to being located within walking distance of its patient population, this building space provides access to bus lines, and a secured parking garage for staff.

This five year Lease Agreement (Attachment A) replaces Agreement No. A-08547 and Agreement No. A-09908 under which we currently occupy this building. The Lease Agreement provides for exclusive use of the parking garage except for three parking spaces designated for Lessor's use on a first come first serve basis, a 2.5% increase to the base rent at the end of each lease anniversary year, and termination by County for cause or without cause at its sole discretion any date after completion of third year of this Lease upon 180 days written notice given prior to effective date of termination. A copy of the Lease Agreement is on file with the Clerk to the Board.

OTHER AGENCY INVOLVEMENT:

The Department of Public Works assisted with the development of this report. The Office of the County Counsel has reviewed and approved the Lease Agreement as to form and legality.

FINANCING:

There is no financial impact to the General Fund resulting from approval of this Lease Agreement. Sufficient funds are available in Health Department, Clinic Services Bureau's FY 2014-15 Adopted Budget (001-4000-

HEA007) and are included in its FY 2015-16 Requested Budget. The first-year leasing cost will amount to \$238,513.08, excluding janitorial, security alarm system services, PG&E, and phone/data services. On-going occupation of the leased premises and future extensions of the Lease Agreement will be based on the continued availability of funding. The initial term leasing costs will be subject to a 2.5% increase at the end of each lease anniversary year.

Prepared by: Elsa Jimenez, Assistant Director of Health, 4743

Approved by: Ray Bullick, Director of Health, 4526

Attachment:

Attachment A - Standard Lease Agreement is on file with the Clerk of the Board