



County of Monterey

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

Legislation Details (With Board Report)

File #:	15-1185	Name:	Proposed Lease Agreement 1870 N. Main St
Type:	General Agenda Item	Status:	Agenda Ready
File created:	10/22/2015	In control:	Capital Improvement Committee
On agenda:	11/9/2015	Final action:	
Title:	Support staff recommendation to: a. Approve and authorize the Contracts/Purchasing Officer to execute a ten (10) year Lease Agreement, effective on or around November 1, 2015, between the County and The Gail A. English and Michael P. English Trust Dated October 1, 1987 for approximately 9,745 rental square feet of office space located at 1870 N. Main Street, Salinas, California for use by the Health Department's Behavioral Health Bureau; and b. Authorize the Auditor-Controller to make lease payments of up to \$17,735.90 per month in accordance with the terms of an approved Lease Agreement; and c. Authorize the extension of an approved 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.		
Sponsors:	Ray Bullick		
Indexes:			
Code sections:			
Attachments:	1. 1870 N Main Lease Agreement Draft (Rev 20151023) CIC Draft.pdf		

Date	Ver.	Action By	Action	Result
11/9/2015	1	Capital Improvement Committee		

Support staff recommendation to:

- Approve and authorize the Contracts/Purchasing Officer to execute a ten (10) year Lease Agreement, effective on or around November 1, 2015, between the County and The Gail A. English and Michael P. English Trust Dated October 1, 1987 for approximately 9,745 rental square feet of office space located at 1870 N. Main Street, Salinas, California for use by the Health Department's Behavioral Health Bureau; and
- Authorize the Auditor-Controller to make lease payments of up to \$17,735.90 per month in accordance with the terms of an approved Lease Agreement; and
- Authorize the extension of an approved 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 Supervisor's Capital Improvement Committee support staff recommendation to:

- Approve and authorize the Contracts/Purchasing Officer to execute a ten (10) year Lease Agreement, effective on or around November 1, 2015, between the County and The Gail A. English and Michael P. English Trust Dated October 1, 1987 for approximately 9,745 rental square feet of office space located at 1870 N. Main Street, Salinas, California for use by the Health Department's Behavioral Health Bureau; and
- Authorize the Auditor-Controller to make lease payments of up to \$17,735.90 per month in accordance with the terms of an approved Lease Agreement; and
- Authorize the extension of an approved 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 requests support for staff's recommendation to approve and authorize a a ten (10) year lease for approximately 9,745 square feet of office space at 1870 N. Main Street, Salinas, California for use by the Behavioral Health Bureau. Approval of the new Lease Agreement will provide the Behavioral Health Bureau with additional office space needed to better meet the overall community needs for behavioral health services and continued occupancy through September 30, 2025. The monthly rent for the initial lease term will commence at \$17,735.90 and be subject to annual rental adjustments of two percent (2%). The Lessor shall perform Premise Improvements in accordance with approved plans and specifications. Said improvement costs will be included in monthly lease payment. Premise improvements will also include costs associated with architectural, engineering, building permits and fees, and inspections. Said improvements will be completed on or about February 2016 which shall be prior to occupancy by County Staff.

The proposed Lease Agreement also provides for two (2) additional three-year (3 year) periods under the same terms and conditions, including annual rental adjustments of two percent (2%). A "Termination by County" clause. The County's standard insurance and indemnity provisions are incorporated in the Lease Agreement.

The identified facility will further provide Behavioral Health the much needed general office space, and the monthly lease payment will be considered cost effective when compared to a similar facility in Salinas, California.

This work supports the Monterey County Health Department 2011-2015 strategic plan initiatives: 3) Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports two (2) of the ten (10) essential public health services, specifically: 4) Mobilize community partnerships and action to identify and solve health problems; and 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 is advising the Health Department with its development of the County Standard Lease Agreement. The Office of the County Counsel and Risk Management will finalize and approve the Lease Agreement as to form and legality and insurance and indemnity, respectively when negotiations are finalized.

FINANCING:

Sufficient funds are available in the Health Department, Behavioral Health Bureau's (001-4000-HEA012-8410) FY 2015-16 Adopted Budget. The first year leasing cost for will amount to \$212,830.80 excluding janitorial and utilities. Initial rent computed as, base rent of \$1.59 per square foot per month for office space, plus a cost not to exceed \$0.23 per square foot for premise improvement payment. The initial term and extended term rent will be subject to an increase of two percent (2%) 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.

Submitted by: Chris LeVenton, Program Manager, 4513

Approved by: Ray Bullick, Director of Health, 4526