



County of Monterey

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

Board Report

File #: 17-1183, Version: 1

- a. Approve and authorize the Contracts/Purchasing Officer to execute a Fourth Amendment to extend Lease Agreement No. A-08449, effective January 1, 2018, with La Guardia, LLC until December 31, 2018 for 28,244 square feet of general office and training space for use by the Department of Social Services; and
- b. Authorize the Auditor-Controller's Office to make Lease payments of \$43,011 in accordance with the terms of the Lease Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute a Fourth Amendment to extend Lease Agreement No. A-08449, effective January 1, 2018, with La Guardia, LLC until December 31, 2018 for 28,244 square feet of general office and training space for use by the Department of Social Services; and
- b. Authorize the Auditor-Controller's Office to make Lease payments of \$43,011 in accordance with the terms of the Lease Agreement.

SUMMARY/DISCUSSION:

Lease Agreement No. A-08449 was executed on or about January 5, 2001 with a five (5) year lease term commencing on April 1, 2001. The Department of Social Services (DSS) has occupied 28,244 square feet of general office and training space at 713 La Guardia Street in Salinas, California since April 2001. The Lease has been amended four (4) previous times, and its term extended until December 31, 2017. Amendment No. 1, effective March 1, 2001, was executed on March 30, 2001. A subsequent First Amendment was executed on July 5, 2006. A Renewal of and Second Amendment was executed on January 25, 2012 for a renewed term from January 1, 2012 through December 31, 2016. The Third Amendment, which extended the term through December 31, 2017, and provided for a monthly base rent of \$42,168 per month, was executed on December 15, 2016.

Per the Renewal of and Second Amendment, the County has the option to extend this lease for four (4) additional years through December 31, 2021. DSS is looking for flexibility this next calendar year while planning ahead for use of this facility; therefore, there is a need for the one (1) year extension without the five (5) year obligation. While this was the initial plan for calendar year 2017, staff's attention was diverted to project management when the roof ripped off during a wind storm this past February. Various options remain to be considered for the use of this facility. Extending the lease term for one (1) year will provide sufficient flexibility to allow DSS to make a decision regarding the future use of this facility. The Resource Management Agency (RMA) will begin negotiations with LESSOR on rent and various improvements once DSS has made a decision on the preferred alternative moving forward. The rent will increase two percent (2%) from \$42,168 to \$43,011 per month as provided for in the Renewal of and Second Amendment and consistent with previous annual rent increases.

OTHER AGENCY INVOLVEMENT:

The Resource Management Agency negotiated the Fourth Amendment, and assisted with the development of this report. The Office of the County Counsel has approved the Fourth Amendment to Lease Agreement No. A-08449 as to form.

FINANCING:

There is no additional impact to the Department's General Fund Contribution. There are sufficient appropriations and estimated revenues in the Department of Social Services FY 2017-18 Adopted Budget 001-5010-8262-SOC005. Ongoing occupancy of the leased premises will be based on the continued availability of funding. The annual leasing cost will total \$516,132. The LESSOR will be responsible for costs associated with property taxes and assessments and fire insurance.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This amendment to the lease agreement correlates to the Health & Human Services Strategic Initiative adopted by the Board of Supervisors by allowing the Department to more efficiently serve welfare recipients.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Elliott Robinson, Director Social Services, x4430

Attachments:

- Attachment A - Agreement A-08449
- Attachment B - Amendment No 1
- Attachment C - First Amendment
- Attachment D - Second Amendment
- Attachment E - Third Amendment
- Attachment F - Fourth Amendment

(Attachments are on file with the Clerk of the Board)