



County of Monterey

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

Board Report

File #: A 18-391, Version: 1

- a. Approve and authorize the Contracts/Purchasing Officer to execute a five (5) year Lease Agreement, effective January 1, 2019, with La Guardia, LLC until December 31, 2023 for 28,224 square feet of general office, call center and training space for use by the Department of Social Services; and
- b. Authorize the Auditor/Controller to make monthly lease payments of \$46,005 in accordance with the terms of the Lease Agreement; and
- c. Authorize the extension of the Lease Agreement for one (1) additional five (5) year term under the same terms and conditions if deemed to be in the best interest of the County by the Contracts/Purchasing Officer.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute a five (5) year Lease Agreement, effective January 1, 2019, with La Guardia, LLC until December 31, 2023 for 28,224 square feet of general office, call center and training space for use by the Department of Social Services; and
- b. Authorize the Auditor/Controller to make monthly lease payments of \$46,005 in accordance with the terms of the Lease Agreement; and
- c. Authorize the extension of the Lease Agreement for one (1) additional five (5) year term under the same terms and conditions if deemed to be in the best interest of the County by the Contracts/Purchasing Officer.

SUMMARY/DISCUSSION:

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 under Lease Agreement No. A-08449. A "state of the art" call center was added in August 2013. DSS desires to remain at this location and approval of the proposed new Lease Agreement will provide for continued occupancy through December 31, 2023. The Resource Management Agency (RMA) negotiated rent of \$46,005 per month with no rent increases for five (5) years. As an additional incentive to keep County occupancy, La Guardia, LLC (property owner) will contribute, at no cost to the County, a \$350,000 Premises Improvement Allowance. These funds may be used to reconfigure and improve the facility as the DSS sees fit. DSS will have three (3) years to utilize this allowance. The new Lease Agreement provides for one (1) additional five (5) year extension option under the same term and conditions, with a ten percent (10%) rent increase which will stay the same throughout the remaining extended term. The identified facility continues to provide DSS operations with needed general office, call center and training space and the monthly rent is considered cost effective when compared to relocating to a similar facility in the Salinas area.

OTHER AGENCY INVOLVEMENT:

The Resource Management Agency negotiated the proposed Lease Agreement and assisted with the development of this report. The Office of the County Counsel-Risk Management has reviewed the proposed Lease Agreement as to form and legality, and indemnification and insurance provisions.

FINANCING:

There are sufficient appropriations and estimated revenues in the Department of Social Services FY 2018-19 Adopted Budget 001-5010-8262-SOC005. The annual leasing cost will total \$552,060. The property owner will be responsible for costs associated with property taxes and assessments, fire insurance, major maintenance and structural repairs, as needed. The ongoing occupation of the leased premises and future extension of the Lease Agreement will be based on the continued availability of funding.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed Lease Agreement correlates to the Administration and 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

X Administration
X Health & Human Services
__ Infrastructure
__ Public Safety

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Approved by: Henry Espinosa, Acting Director of Social Services x4430

Attachments:

Attachment A - Lease Agreement

Attachment B - Location Map

Attachments are on file with the Clerk of the Board