



County of Monterey

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

Board Report

File #: 20-146, Version: 1

- a. Approve and authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute a five (5) year Lease Agreement, effective on or around May 1, 2020, with Parco Family Investments LP, a California limited liability partnership, for approximately 13,222 rentable square feet of space located at 344 Salinas Street, Salinas, California, for use by the Monterey County Workforce Development Board;
- b. Authorize the Auditor-Controller to make lease payments of \$22,345 per month and in accordance with the terms of the agreement; and
- c. Authorize the extension of the Lease Agreement for two additional two-year periods under the same terms and conditions and authorize minor revisions to the Lease Agreement if deemed by the Contracts/Purchasing Officer to be in the best interests of the County.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute a five (5) year Lease Agreement, effective on or around May 1, 2020, with Parco Family Investments LP, a California limited liability partnership, for approximately 13,222 rentable square feet of space located at 344 Salinas Street, Salinas, California, for use by the Monterey County Workforce Development Board;
- b. Authorize the Auditor-Controller to make lease payments of \$22,345 per month and in accordance with the terms of the agreement; and
- c. Authorize the extension of the Lease Agreement for two additional two-year periods under the same terms and conditions and authorize minor revisions to the Lease Agreement if deemed by the Contracts/Purchasing Officer to be in the best interests of the County

SUMMARY/DISCUSSION:

Approval of the Lease Agreement will provide for occupancy of approximately 13,222 rentable square feet of space to be used by the Monterey County Workforce Development Board (WDB) for an America's Job Center of California (AJCC)/One Stop facility to provide Workforce Innovation and Opportunity Act (WIOA) career services to the public, as well as WDB office space for staff. The lease term will commence on or around May 1, 2020 and expire on or around April 30, 2025. Commencement rent will be \$22,345 per month. Monthly rent is "full service" which includes property taxes and insurance, common area maintenance, PG&E, water, janitorial, trash removal and 27 exclusive parking spaces. WDB will be responsible for paying for patrolled and access security. The Lease Agreement provides for two, two-year extension options under the same terms and conditions including 2% annual rental adjustments. In addition, monthly rent for the first month of the initial lease term will be waived to help offset WDB's telephone, data cabling and moving costs. A "Termination by County" clause (without penalty) is incorporated in the Lease Agreement. The property owner will be performing an estimated \$250,000 in building related improvements to the common area and the leased premises. Said improvements will include Americans with Disabilities Act (ADA) and fire alarm system upgrades and installing an energy efficient roofing system.

Currently, the WDB and the State of California Employment Development Department (EDD) continue to share space with Monterey County Department of Social Services in the AJCC facility at 730 La Guardia Street in

Salinas. The Department of Social Services has plans to move staff from its crowded 1000 South Main Street, Salinas site (Life Foundation Building) to the facility at 730 La Guardia Street.

Annual rent will be approximately \$268,140, as compared to the current cost of the AJCC site at 730 La Guardia Street (\$205,000 for 5,334 square feet, including rent, utilities, security, and teleconnection) and the WDB offices at 1441 Shilling Place (\$60,000 for approximately 6,000 square feet) for a combined cost of \$265,000. The new facility will provide another 1,800 square feet for an additional \$3,140 per year.

The current lease agreement does not include space for EDD staff. It is anticipated that an amendment will be made to the Lease Agreement to allow additional space for EDD staff to be co-located at the AJCC at a later date, which will then be brought back to the County Board of Supervisors for approval.

OTHER AGENCY INVOLVEMENT:

The Resource Management Agency facilitated the negotiations of the Lease Agreement and assisted with the development of this report. The Office of County Counsel has reviewed and approved the proposed Lease Agreement as to form.

FINANCING:

There is no impact to the General Fund. WIOA Adult, Dislocated Worker, and Youth funding will be used to fund 100% of the lease payments, initial move in costs, patrolled and access security, and is budgeted in Fund 021, Dept.1050, Unit 8478, Appropriations Unit CAO030. One time moving, signage, furniture and technology set-up costs are estimated at \$380,000. Patrolled and access security is estimated at \$36,000 per year. Ongoing occupation of the leased premises and future extensions of the Lease Agreement will be based on the continued availability of funding.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Approval of the Lease Agreement for a new AJCC/One Stop facility at 344 Salinas Street will improve availability of career services in Salinas and provide sufficient space to house WDB and service provider staff. WDB staff will be relocating from the County's North Building at 1441 Schilling Place in Salinas.

- √ 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 environments in collaboration with communities.

Prepared by: Elizabeth Kaylor, Management Analyst II, x. 5385
Approved by: Christopher Donnelly, Executive Director, x. 6644

ATTACHMENTS:

Board Report
A: Lease Agreement

B: Location Map