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County of El Dorado

Legislation Details (With Text)

File #:	14-1664 **Version:** 1		
Type:	Agenda Item	**Status:**	Approved
File created:	12/9/2014	**In control:**	Board of Supervisors
On agenda:	1/27/2015	**Final action:**	1/27/2015

Title: Health and Human Services Agency and Facilities Management Division, recommending the Board consider the following:
1) Approve and authorize the Chair to sign Lease Agreement 325-L1511 with Wesley L. & Gertrude B. Wilkinson Revocable Trust, Barry J. Wilkinson Revocable Family Trust, Jane C. Wilkinson Trust, and Cindy W. Seip Separate Property Trust, for 5,552 square feet of office space and the surrounding parking lot located at 3047 Briw Road, Placerville, California, for a term commencing February 1, 2015 through January 31, 2025 with an initial office space rent of $6,662.40 per month and an initial parking lot rent of $1,200 per month;
2) Authorize the Purchasing Agent, or their designee, to execute further documents relating to Lease Agreement 325-L1511, including amendments that do not increase the maximum dollar amount or term of the Lease and contingent upon approval by County Counsel and Risk Management; and
3) Approve and authorize the Chair to sign a termination letter to terminate Lease Agreement 252-L0911 with Wilkinson Revocable Trust, which expires August 31, 2015, to be effective upon the commencement of Lease Agreement 325-L1511.

FUNDING: State and Federal funds with County match met primarily from Realignment Funds.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Approved Contract Routing Sheet 1-27-15, 2. B - Lease Agreement 325-L1511 1-27-15, 3. C - Termination Lease Agreement 325-L1511 1-27-15, 4. Executed Lease 1-27-15 item 24.pdf, 5. Executed Termination ltr. 1-27-15 item 24.pdf

Date	Ver.	Action By	Action	Result
1/27/2015	1	Board of Supervisors	Approved	Pass

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3047 Briw Road Office Space Lease Budget	
Month	**Monthly Amount**
1-12……	$6,662.40
13-24……..	$6,662.40
25-36……..	$6,862.27
37-48……..	$6,862.27
49-60……..	$7,068.14
61-72……...	$7,068.14
73-84……...	$7,280.18
85-96……...	$7,280.18
97-108……	$7,498.59
109-120……..	$7,498.59

3047 Briw Road Parking Lot Lease Budget	
Month	**Monthly Amount**
1-12…….	$1,200.00-$1,386.00*
13-24	$1,386.00
25-36	$1,386.00
37-48	$1,427.58
49-60	$1,427.58
61-72	$1,470.41
73-84	$1,470.41
85-96	$1,514.52
97-108	$1,514.25
109-120	$1,559.96

*Lessor performing parking lot improvements. Rent to increase from $1,200/mo to $1,386/mo effective first day of month following County's receipt of a final permit signed off by the City of Placerville.

Fiscal Impact/Change to Net County Cost
There is no change to net county costs. The monthly office space lease and parking lot lease obligations are included in the Health and Human Services Agency (HHSA) Fiscal Year (FY) 2014-15 budget, and will be included in future Fiscal Year budgets.

Background
HHSA has leased the office space located at 3047 Briw Road in Placerville since February 1, 2008, through Lease Agreement 279-L0811, which expires 1/31/2015. HHSA has leased the parking lot surrounding the office space located at 3047 Briw Road since October 1, 2008, through Lease Agreement 252-L0911, which expires on August 31, 2015.

HHSA requires office space to provide Federal and State-mandated services, including the California Work Opportunity and Responsibility to Kids (CalWORKs) program. HHSA also offers Federally funded client services through the Workforce Investment Act (WIA). Both programs are housed in the office space located at 3047 Briw Road.

Renewal Lease Agreement 325-L1511 combines the office space and the parking lot space into one lease, commencing on February 1, 2015 and expiring January 31, 2025. Additionally, Lease Agreement 325-L1511 provides for a cost savings of $0.31 per square foot of office space, with a new rate of $1.20 per square foot, compared to $1.51/square foot in the current lease. Approval of Lease Agreement 325-L1511 will necessitate early termination of parking lot Lease Agreement 252-L0911 (to reference this contract please see agenda item 11-0845, which was on the 8/23/11 and 8/26/14 agendas).

Renewal Lease Agreement 325-L1511 also includes two (2) additional options to extend the lease by five (5) years each. If the options to extend the lease are exercised, the rent shall increase to either the lesser of the then current fair market rate for the premises or three (3) percent above the then current rental rate. Thereafter, the rental rate shall increase by three (3) percent every two (2) years. The fair market rental rate shall be determined via a comparison of comparable office buildings in Placer and El Dorado Counties, and taking into account all relevant factors including number of months of free rent, lessee improvement obligations, moving allowances, and leasing costs.

Finally, the Lessor is completing parking lot improvements. Upon completion of those improvements, and the County's receipt of a final permit signed off by the City of Placerville relative to completion of said improvements, the initial monthly parking lot rental rate will increase from $1,200/month to $1,386/month.

Reason for Recommendation
HHSA requires office space to provide Federal and State-mandated services, including but not limited to CalWORKs and WIA. The staff for both programs is housed in the office space located at 3047 Briw Road in Placerville. Approval of Lease Agreement 325-L1511 will ensure that HHSA has office space for staff and clients alike. Further, this location continues to be ideal for HHSA clients as it is centrally located, provides easy access to Highway 50 for clients and staff, and is located on a local bus transit route.

Failure to approve Lease Agreement 325-L1511 will result in a loss of valuable office space needed to provide the services offered through the CalWORKs and WIA programs. Further, relocating staff to another location will incur additional expenses associated with moving, as well as the potential for extreme inconvenience for clients who rely on public transportation to access the CalWORKs and WIA programs.

Clerk of the Board Follow Up Actions
1. Clerk of the Board to obtain signature of the Chair on two (2) original Lease Agreements 325-L1511.
2. Clerk of the Board to obtain signature of the Chair on the Termination Letter.
3. Clerk of the Board to forward one (1) fully executed Agreement and Temination Letter to HHSA at 3057 Briw Road.

Contact
Don Ashton, M.P.A., Director,

Russell Fackrell, Facilities Manager, Chief Administrative Office

Concurrences

County Counsel and Risk Management

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