



Legislation Details (With Text)

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File created: 6/13/2023 **In control:** Board of Supervisors

On agenda: 9/26/2023 **Final action:** 9/26/2023

Title: Chief Administrative Office, Facilities Division, recommending the Board:
 1) Authorize the Facilities Division Manager to sign the attached letter terminating the current Lease Agreement 7564 (3883 Ponderosa Road, Building B, Shingle Springs) between the County of El Dorado and GHD, Inc. in accordance with Paragraph 16.1(a), Default Remedies; and
 2) Waive six (6) months of lease payments (October 2023 through March 2024), at \$4,379.56 per month.

FUNDING: N/A

Sponsors:

Indexes:

Code sections:

Attachments: 1. A 7564 Lease Termination Letter, 2. B 7564 Amd III FE, 3. C 7564 Amd II FE, 4. D 7564 Amd I FE, 5. E 7564 FE

Date	Ver.	Action By	Action	Result
9/26/2023	1	Board of Supervisors	Approved	Pass

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FUNDING: N/A

DISCUSSION / BACKGROUND

On September 20, 2022, the Board directed the Facilities Division to negotiate the purchase of 3883 Ponderosa Road, Shingle Springs, to house the Registrar of Voters for election operations.

A third party, GHD Inc., holds a lease for a portion of the building space until March 31, 2024, with the tenant having the right and option to extend the lease term for an additional three (3) years.

On January 24, 2023, the Board authorized the Chair to sign the Purchase and Sale Agreement (PSA) No. 7029, acquiring the property at 3883 Ponderosa Road. On March 21, 2023, as part of the escrow transaction, the seller assigned its lease agreement with GHD, Inc. to the County. Concurrent with the lease assignment, the Board approved a lease amendment to update and identify the lessor as the County. This amendment also reduced GHD’s space and set the rent at \$4,379.56 per month.

On May 31, 2023, GHD informed the County that their operations at this location would soon cease; they would be vacating the building; and that they would like to terminate their lease. The Registrar of Voters was in need of additional storage space, and there were no options for the storage at this

building with the current tenant. However, once vacated the space could be used for this purpose. As the space would be useful to the Registrar of Voters, Facilities agreed to pursue termination of the lease by mutual agreement of both parties, without seeking compensation or other affirmative relief. County Counsel reviewed the lease and its amendments, concluding that a lease termination would be executed via a Board-approved letter.

Termination of the lease would be effective September 30, 2023. On or before the termination date, GHD will vacate and surrender the premises in good operating order, condition, and state of repair (ordinary wear and tear excepted).

ALTERNATIVES

Board could not approve the termination of the lease, and the Registrar of Voters would operate with less space.

PRIOR BOARD ACTION

Legistar 22-1819 - January 24, 2023: Approve and authorize the Chair to sign the Purchase and Sale Agreement and Joint Escrow Instructions, authorize an escrow deposit of \$100,000; authorize the Facilities Division Manager to sign any subsequent escrow and related documents; and find that the property is categorically exempt from review pursuant to California Environmental Quality Act (CEQA) Guideline Section 15301(a).

Legistar 22-0516 - March 21, 2023: Authorize the Chair to sign the Assignment of Lease between County and Carlton Commercial Properties LLC transferring to the County the existing commercial lease between seller and the existing tenant GHD, Inc.; Authorize the Chair to sign Amendment III to the Commercial Lease Agreement (Fenix #7564) between the County and GHD Inc.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Purchasing & Contracts
County Counsel
Registrar of Voters

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

The Capital Designation fund would no longer receive the monthly rent revenue of \$4,379.56 per month (totaling \$26,277.36 over the period of six months remaining on the lease).

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Infrastructure - Analyze need, coordinate and plan for County facilities, parks and trails including ongoing maintenance, operations, and replacement.

CONTACT

Chuck Harrell, Facilities Division Manager