



# County of El Dorado

330 Fair Lane, Building A  
Placerville, California  
530 621-5390  
FAX 622-3645  
www.edcgov.us/bos/

## Legislation Text

File #: 12-0754, Version: 1

Child Support Services Department and the Health and Human Services Agency, recommending the Board authorize the Chair to sign Lease Agreement No. 055-L1311 with Carlton Commercial Properties, LLC, to lease 18,600 square feet of space commencing October 1, 2012 and ending July 31, 2023, and a total maximum obligation for the 10 year, 10 month term of the lease totaling \$3,839,539 to house Child Support Services, Revenue Recovery and a small division of Health and Human Services staff. The total costs during Fiscal Year 2012/13 will not exceed \$220,800 (\$1.32 per square foot).

**FUNDING:** State and Federal funding.

<b>BUDGET SUMMARY:</b>	
FY 2012/13 Total Estimated Cost..	\$220,800
Budgeted.....	\$220,800
New Funding.....	
Savings.....	
Other.....	
Total Funding Available.....	\$220,800
Change To Net County Cost.....	\$0

### Fiscal Impact/Change to Net County Cost

None. The Health and Human Services Agency (HHS), Department of Child Support Services and Revenue Recovery Division have included funds for their share of the lease costs in the Fiscal Year 2012/13 Recommended Budget.

### Summary of Lease Fiscal Terms by fiscal year:

The term of the lease is effective October 1, 2012 through July 31, 2023, as identified in the following chart:

Fiscal Year	Annual Cost	Cost/Sq. Ft.
2012/13-9 months	\$220,800	\$1.32
2013/14	\$307,901	\$1.38
2014/15	\$313,900	\$1.41
2015/16	\$320,020	\$1.43
2016/17	\$356,078	\$1.60
2017/18	\$363,027	\$1.63

2018/19	\$370,114	\$1.66
2019/20	\$377,344	\$1.69
2020/21	\$384,718	\$1.72
2021/22	\$392,239	\$1.76
2022/23	\$399,911	\$1.79
2023/24-1 month	\$33,487	\$1.80
Total:	\$3,839,539	

The total cost of the lease over the ten year, ten month term is \$3,839,539, which includes janitorial, water/sewer and propane expenses. The lease also includes 8 months of reduced rent (equal to ½ month's rent free), Tenant Improvement allowances totaling \$167,400, and approximately \$500,000 and \$750,000 worth of modular and office furniture that will be used by Child Support Services and will allow HHSa to use the existing furniture located at 3057 Briw Rd., Ste. B.

In return for these items, the County can only terminate the lease after the eighteenth month (March 2014). In the event the County terminates the lease at any time from March 2014 through September 2017, the County will be required to pay an early termination fee to reimburse the Lessor for the upfront expenses identified above. After the fifth year the County has the option to terminate the lease without any further financial obligation or penalty.

**Reason for Recommendation**

Currently, the space allocated and available to HHSa and Child Support Services is insufficient to meet the program needs and prevents the programs from integrating services. Approval of this recommendation will address the space needs in HHSa and Child Support Services, and also allow the Revenue Recovery Division to work in the same location as Child Support Services.

Not only is the total space currently allocated to HHSa inadequate, HHSa staff are spread out in multiple locations creating inefficiencies. By relocating Child Support Services staff out of 3057 Briw Rd., Ste. B, it will free up additional space that is adjacent to space already used by HHSa (3057 Briw Rd., Ste. A), providing HHSa with additional square footage and the flexibility to house staff based on program needs.

The move to a larger, more appropriately designed building is also major benefit to operational opportunities for Child Support Services. The Carlton building's layout will allow Child Support Services the opportunity to perform increased outreach, host family law clinics and job fairs, facilitate multi-party mediations, and case orientation meetings. In addition, the leased space is centrally located to the population served by Child Support Services.

**Action(s) to be taken following Board approval**

- 1) Chair to sign two (2) original Lease Agreements #055-L1311.
- 2) Board Clerk to return both original copies of the original agreements to the Chief Administrative Office for further processing.

**Contact**

Laura Roth, Director, Child Support Services  
Daniel Nielsen, Director, Health and Human Services Agency  
Russell Fackrell, Facilities Manager, Chief Administrative Office

**Concurrences**

County Counsel and Risk Management