File #: 20-1342, **Version:** 1

Sheriff's Office recommending that the Board approve and sign a seventh amendment to Agreement 198-L1011 (FENIX 3280) with EDH Waterfront LLC, to amend the Lease Section 3. Payment to update the management company, and to add language allowing the Lessor to change its management company by notifying the County's Contract Administrator in writing in the future without requiring a lease amendment.

FUNDING: General Fund.

DISCUSSION / BACKGROUND

The Sheriff's Office (SO) has been leasing space in El Dorado Hills for a substation since 1997. In May 2010, the SO relocated to the leased location at 4354 Town Center Blvd., Suite 112, saving approximately $12,000 in monthly rent. The initial Lease was for the period May 1, 2010 through April 30, 2013, Amendment I extended the term to April 30, 2014 and Amendment II extended the term to April 30, 2015.

On March 24, 2015, Amendment III extended the term to April 30, 2017, and kept the rent at zero ($0) per month but increased operating expenses to a flat rate of $850 per month from May 1, 2015 through April 30, 2016, and a flat rate of $875 per month from May 1, 2016 through April 30, 2017.

Amendment IV amended the term of Lease 198-L1011 for a two year renewal from May 01, 2017 to April 30, 2019 and set rent payments in the amount of zero dollars ($0) for the term, but increased operating expenses to a flat rate not to exceed $900 per month from May 1, 2017 through April 30, 2018, and $930 per month from May 1, 2018 through April 30, 2019.

Effective July 25, 2018, EDH Waterfront assumed all the obligations, covenants, and conditions, and/or liabilities of this lease agreement. Amendment V updated all references to the Lessor from Town Center East, LP to EDH Waterfront LLC, and updated the Payment and Notices sections to reflect this change in ownership. Additionally, Amendment V also changed the Premise section to reflect the Sheriff's Office vacating Suite 112 and moving to Suite 113, effective September 1, 2018.

Amendment VI amended the Lease to extend the term for an additional three-year period from May 1, 2019 to April 30, 2022, and amended the compensation from May 1, 2019 to April 30, 2020 to set the rent payments to zero dollars ($0) per month, plus a flat rate of $2,083.33 per month for operating expenses. Included in this monthly fee were facility improvements costs spread over multiple months. Effective May 1, 2020 Lessee agreed to pay as rent the sum of zero dollars ($0) per month, plus a flat rate of $1,250.00 per month for operating expenses for the term of May 1, 2020 through April 30, 2021. Effective May 1, 2021, Lessee agreed to pay Lessor as rent the sum of zero dollars ($0) per month, plus a flat rate of $1,287.50 per month for operating expenses for the term of May 1, 2021 through April 30, 2022. Expense reimbursements were to be paid to the order of EDH Waterfront, LLC., c/p Athena Property Management, 4364 Town Center Boulevard, Suite 212, El Dorado Hills, CA 95762.

On July 31, 2020, the Lessor notifed the Sheriff's Office that its property management group would change effective August 1, 2020. Per Amendment VII, effective August 1, 2020, operating expense reimbursements will be paid to EDHWaterfront, LLC, c/o Town Center Management Group, 4364 Town CenterBoulevard Suite #310, El Dorado Hills, California 95762 or to such other persons or place as the Lessor may from time to time designate in writing. Lessor shall notify Lessee in writing of such designation in accordance with the notice provision in Section 21. Said notice shall become part of this Lease Agreement upon acknowledgement in writing by County's Contract Administrator, and no further amendment of the Lease Agreement shall be necessary provided that such designation does not conflict with any other provisions of this Lease. Said operating expense reimbursements are due and payable the first day of each month.

ALTERNATIVES
N/A

PRIOR BOARD ACTION
The Board approved the original lease agreement on April 27, 2010 on Legistar Item 09-1502. Amendments I, II, II, and IV were approved on April 23, 2013, April 29, 2014, March 24, 2015, and April 11, 2017, respectively, on Legistar Item 13-0337. Amendment V was approved on August 28, 2018 on Legistar Item 18-1271. Amendment VI was approved on April 2, 2019 on Legistar Item 19-0385.

OTHER DEPARTMENT / AGENCY INVOLVEMENT
County Counsel, Human Resources and Risk Management approved this amendment.

CAO RECOMMENDATION / COMMENTS
Approve as recommended.

FINANCIAL IMPACT
No Change to Net County Cost. These expenses are budgeted in the Sheriff's Office's annual operating budget, and will continue to be budgeted in following years.

CLERK OF THE BOARD FOLLOW UP ACTIONS
Return a fully executed copy back to Facilities for distribution.

STRATEGIC PLAN COMPONENT
Public Safety

CONTACT
Undersheriff Bryan Golmitz