



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C-10

For the meeting of: September 12, 2017

Date: August 28, 2017

To: Board of Supervisors

From: Connie Beck, Director *CB*
Department of Health and Human Services

Subject: Request to Exercise the Second Option to Extend the Leases for Three Modular Units Located at 638 West Clark Street, Eureka, CA with Performance Modular, Inc.

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the Department of Health and Human Services (DHHS)-Social Services' request to exercise the second option to extend the leases for three (3) modular units located at 638 West Clark Street, Eureka, CA with Performance Modular, Inc. for the period December 1, 2017 through November 30, 2018;
2. Authorize Public Works-Real Property Division to send a notice to Lessor that the county is exercising the second option to extend the leases; and
3. Direct the Clerk of the Board to return one executed agenda to Public Works-Real Property Division.

SOURCE OF FUNDING:

Social Services Fund
Mental Health Services Fund

Prepared by Halcy Schandelmier A.All

CAO Approval *E. Schandelmier*

REVIEW:

Auditor MSM

County Counsel _____

Human Resources _____

Other _____

TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. D-23, C-10

Meeting of: September 20, 2016; November 4, 2014

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Fennell* Seconded by Supervisor *Bahn*

Ayes *Fennell, Bahn, Bass, Wilson*

Nays _____

Abstain _____

Absent *Sundberg*

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: September 12, 2017

By: *Kathy Hayes*
Kathy Hayes, Clerk of the Board

DISCUSSION:

From 2009 to the present, DHHS has leased three (3) modular units located at 638 W Clark Street, Eureka from Performance Modular, Inc. On November 4, 2014 (item C-10), the Board approved new lease agreements for the three (3) modular units located at 638 West Clark Street, Eureka, CA with Performance Modular, Inc. for the time period of December 1, 2014 through November 30, 2016. Each of these leases has three, one-year options to extend. On September 20, 2016 (item D-23) the first option to extend the Lease for the three modular units was approved by the Board of Supervisors. DHHS continues to require the use of these modular units to provide needed space for DHHS program staff. The HumWORKs program staff will occupy modular building D, and CalWORKS and Health and Nutrition program staff will utilize the building's conference room. Integrated Services staff will occupy modular building E, and the Mobile Outreach staff will occupy modular building G.

FINANCIAL IMPACT:

The respective monthly costs for each of the three modular units are as follows:

<u>Modular Buildings</u>	<u>Monthly Rent</u>	<u>Monthly Sales Tax</u>	<u>Cost per square foot</u>
Building D (60'x60', #191-195)	\$3,600.00	\$306.00	approx. \$0.92 per square foot
Building E (24'x60', #183-184)	\$1,240.00	\$105.40	approx. \$1.07 per square foot
Building G (36'x110', #185-190)	\$3,950.00	\$335.75	approx. \$0.92 per square foot

The total cost of the three Leases is **\$9537.15** per month or **\$114,445.80** annually. It should be noted that the monthly sales tax is subject to change upon modifications by the City of Eureka. These costs are included in the fiscal year 2017-18 county approved budget in fund 1160, budget unit 511 – Social Services for Building D and Building E, and fund 1170, budget unit 477 – Mental Health Services for Building G. There is no impact to the county's General Fund.

Exercising the second option to extend the leases supports the Board's Strategic Framework by continuing to create opportunities for improved safety and health and protecting vulnerable populations.

OTHER AGENCY INVOLVEMENT:

Public Works-Real Property Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve exercising the second option to extend the leases for the three (3) modular units. However, DHHS does not recommend this alternative because these programs would have to find adequate replacement office space to carry on operations.

OTHER AGENCY INVOLVEMENT:

Humboldt County Department of Public Works

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve exercising the second option to extend the leases for the three (3) modular units. However, DHHS does not recommend this alternative because these programs would have to find adequate replacement office space to carry on operations.



ARCATA-EUREKA AIRPORT TERMINAL
McKINLEYVILLE
FAX 839-3596

AVIATION 839-5401

DEPARTMENT OF PUBLIC WORKS

C O U N T Y O F H U M B O L D T

MAILING ADDRESS: 1106 SECOND STREET, EUREKA, CA 95501-0579
AREA CODE 707

PUBLIC WORKS BUILDING
SECOND & L ST., EUREKA
FAX 445-7409

ADMINISTRATION	445-7491	ENVIRONMENTAL SERVICES	445-7741
BUSINESS	445-7652	NATURAL RESOURCES PLANNING	287-9540
ENGINEERING	445-7377	PARKS & TRAILS	445-7741
FACILITY MAINTENANCE	445-7493	ROADS & EQUIPMENT MAINTENANCE	445-7421

CLARK COMPLEX
HARRIS & H ST., EUREKA
FAX 445-7388

LAND USE 445-7205

August 09, 2017

Performance Modular, Inc.
Attn: Don Shoop
9090 Union Park Way, Suite 104
Elk Grove, CA 95624

RE: MODULAR OFFICE SPACE AT 638 W CLARK STREET, EUREKA, CA, LEASE RENEWAL

Dear Don,

This is to notify you that the County of Humboldt desires to renew the leases pertaining to the three modular units at the above referenced address. The three leases (reference number 1634, 1635 and 1636) are set to expire on 11/30/2017. County staff are preparing the requisite Board of Supervisors agenda items and routing documents, and I will be in touch with you once I receive approval from the Board.

If you have any questions, please feel free to call me at 707-268-2667.

Sincerely,

Wes D. Temby
Sr. Real Property Agent
Facilities Division
1106 2nd Street
Eureka, CA 95501