



COUNTY OF HUMBOLDT

For the meeting of: 1/14/2020

File #: 19-1800

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

Exercise the Option to Extend the Term of the Lease for 555 H Street, Suites C and D in Eureka

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve exercising the option to extend the term of the lease for 555 H Street, Suites C and D in Eureka with PWM, Inc. and Fred Lundblade for the period beginning March 1, 2020, through February 28, 2021; and
2. Authorize Humboldt County Public Works Real Property Division to send a notice to PWM, Inc. and Fred Lundblade that the county is exercising the option to extend the term of the lease for one (1) additional year.

SOURCE OF FUNDING:

General Fund (1100)

DISCUSSION:

On October 23, 2007, the county entered into a lease agreement with PWM, Inc. and Fred Lundblade (Lessor) for 2,600 square feet of office space at 555 H Street, Suites C and D, in Eureka. The lease term began on March 1, 2008, and ended on February 28, 2013 (Exhibit A - Lease dated October 23, 2007).

On December 11, 2012, the Board approved the first option to extend the lease for a two (2) year term from March 1, 2013, through February 28, 2015 (Exhibit B - First Option).

On December 9, 2014, the Board approved the second option to extend the lease for a two (2) year term from March 1, 2015, through February 28, 2017 (Exhibit C - Second Option).

On February 14, 2017, the Board approved an amendment to the lease to extend the lease for a three (3) year term from March 1, 2017, through February 29, 2020 (Exhibit D - Amendment).

Under the terms of the amendment, the county has the option to extend the lease terms for a one (1)

year term from March 1, 2020, through February 28, 2021, provided written notice is given to the Lessor sixty (60) days prior to the end of the term. Thomas McMurray, on behalf of the Lessors, has permitted the county to submit written notice less than the required sixty (60) days prior to the end of the term (Exhibit E - Correspondence with Thomas McMurray)

The Humboldt County Probation Department is requesting that the Board of Supervisors approve the option to extend the lease terms with PWM, Inc. and Fred Lundblade for one (1) year from March 1, 2020, through February 28, 2021, and authorize the Public Works Real Property Division to send a letter to the Lessors extending the lease terms through February 28, 2021.

FINANCIAL IMPACT:

Beginning April 1, 2020, the monthly lease costs for the two thousand six hundred (2,600) square feet of office space will be Five Thousand Four Hundred Eighty-Three Dollars and Eighty-seven Cents (\$5,483.87) or Two Dollars and Eleven Cents (\$2.11) per square foot. Lease costs for this office space were budgeted for fiscal year 2019-20 in Probation budget unit 235.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing for and maintaining infrastructure.

OTHER AGENCY INVOLVEMENT:

Public Works

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board, at its discretion can elect not to approve exercising the option to extend the lease at 555 H Street, Suites C and D, Eureka; however, this alternative is not recommended because the Probation Department will need to find suitable new office space that is currently not available.

ATTACHMENTS:

- Exhibit A - Lease dated October 23, 2007
- Exhibit B - First Option
- Exhibit C - Second Option
- Exhibit D - Amendment
- Exhibit E - Correspondence with Thomas McMurray

PREVIOUS ACTION/REFERRAL:

- Board Order No.: C-8, C-6, C-12, C-9
- Meeting of: 10/23/07, 12/11/12, 12/09/14, 2/14/17
- File No.: N/A