



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C10

For the meeting of: November 14, 2017

Date: October 25, 2017

To: Board of Supervisors

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

*for Connie Beck
10/25/17*

Subject: Second Option to Extend the Lease at 430 F Street, Suite B, Eureka

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approves exercising the second option to extend the lease at 430 F Street, Suite B, Eureka with KGK Rentals, LLC through November 30, 2019;
2. Authorizes Public Works – Real Property Division to send a notice to the Lessor that the County is exercising the second option to extend the Lease; and
3. Directs the Clerk of the Board to return one executed agenda item to Public Works – Real Property Division.

SOURCE OF FUNDING:

Social Services Fund

[Handwritten signature]

Prepared by Haley Schandelmier, AAIL

CAO Approval

REVIEW:

Auditor [Signature]

County Counsel

Human Resources

Other

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Fennell Seconded by Supervisor Wilson

Ayes Sundberg, Fennell, Eass, Bohn, Wilson

- Nays
- Abstain
- Absent

PREVIOUS ACTION/REFERRAL:

Board Order No. C-7, C-8

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

Meeting of: 11/6/2012, 9/1/2015

Dated: 11/14/17

By:

[Signature]
Kathy Hayes, Clerk of the Board

DISCUSSION:

On November 6, 2012, the Department of Health and Human Services (DHHS) entered into the Lease at 430 F Street, Suite B, Eureka with CUE, LLC for storage space. The original term of the Lease was through November 30, 2015 and had the option to extend the lease for three (3) two (2) year terms. On September 1, 2015 the Board of Supervisors authorized the first option to extend the Lease (Attachment 1). On September 22, 2017 DHHS was informed that the Lessor had merged with KGK Rentals, LLC and is now and shall remain KGK Rentals, LLC (Attachment 2).

DHHS is required to retain various documents to comply with State and Federal Regulations. The 430 F Street, Suite B, Eureka location provides the required space for storage of such files and is located near the DHHS Administration offices at 507 F Street, Eureka. In addition, this space provides storage to meet DHHS program needs.

Therefore, it is recommended that the Board approves exercising the second option to extend the Lease at 430 F Street, Suite B, Eureka with KGK Rentals, LLC through November 30, 2019.

This item is coming to the Board late due to administrative oversight.

FINANCIAL IMPACT:

Beginning December 1, 2017 the monthly rental expense will be One Thousand Seven Hundred and Thirty-Four Dollars (\$1,769.00). The leased space is six thousand eight hundred (6,800) square feet and covers charges associated with gas, refuse collection, electricity, water and sewer supplied to and used by the building. The cost comes to \$0.26 per square foot per month or \$3.12 per square foot annually.

The lease is for a period of three (3) years with three (3) two (2) year options to extend. The costs associated with this lease are included in the approved Fiscal Year 2017-2018 Budget; in Fund 1160, Budget Unit 511. There is no impact on the County General Fund.

Exercising the second option to extend the Lease will support the Board's strategic framework by providing for and maintaining infrastructure and safeguarding public trust.

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 Lease. This is not recommended as DHHS would need to find another suitable location for storage.

ATTACHMENTS:

1. Lease at 430 F Street, Suite B, Eureka with CUE, LLC
2. Executed First Option to Extend the Lease at 430 F Street, Suite B, Eureka
3. Memo regarding name change of Lessor

ATTACHMENT 1

LEASE AT 430 F STREET, SUITE B, EUREKA WITH CUE, LLC