



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-6

For the meeting of: December 11, 2012

Date: November 5, 2012

To: Board of Supervisors

From: William Damiano, Chief Probation Officer

Subject: Approval of option to extend Lease Agreement with PWM, Inc. and Fred Lundblade for 555 H Street, in Eureka

RECOMMENDATIONS:

That the Board of Supervisors:

1. Approve option to extend the lease with PWM, Inc. and Fred Lundblade for office space at 555 H Street, in Eureka, for the period beginning February 28, 2013 through February 28, 2015;
2. Direct the Clerk of the Board to return one copy of the executed agenda item to Public Works-Real Property Division; and
3. Authorize the Public Works-Real Property Division to send a letter to PWM, Inc. and Fred Lundblade that the County is exercising the option to extend the lease for two (2) additional years.

SOURCE OF FUNDING:

General Fund

Prepared by Mark Magladry

CAO Approval Cheryl Dillingham

REVIEW:

Auditor WBM County Counsel _____ Personnel _____ Risk Manager _____ Other _____

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Lavelace Seconded by Supervisor Sundberg
 Ayes Sundberg, Lavelace, Bass, Bohn, Clendenen
 Nays _____
 Abstain _____
 Absent _____

PREVIOUS ACTION/REFERRAL:

Board Order No. C-8

Meeting of: 10/23/07

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

Dated: December 11, 2012
 By: William Damiano
 Kathy Hayes, Clerk of the Board

DISCUSSION:

On October 23, 2007, the County entered into a Lease Agreement with PWM, Inc. and Fred Lundblade for 2,600 square feet of office space at 555 H Street in Eureka. The Lease is for Suites C and D. The Lease agreement began on February 28, 2008 and runs for five years and is scheduled to end on February 28, 2013. Under the terms of the Agreement, the County has the option to extend the Lease upon the same terms and conditions for two, two year terms, if written notice is given to the Lessor sixty days prior to the end of the initial term or any two year extension.

In addition to this Lease, the County has entered into a second Lease with PWM, Inc. and Fred Lundblade for Suites B and H, and part of Suite F, at the 555 H Street location. This Lease started on November 1, 2008 and is also for five years and is scheduled to end on October 31, 2013.

The Probation Department currently utilizes 555 H Street to house the Adult Services Division. This office is close to the Courthouse and County's Community Corrections Resource Center and provides a location that allows staff the opportunity to work in close proximity of the court, the Sheriff's Department, and other Probation staff assigned to the Community Corrections Resource Center.

At this time, the Probation Department requests that the Board of Supervisors approve the option to extend the Lease with PWM, Inc. and Fred Lundblade for two additional years, and authorize the Public Works-Real Property Division to send a letter to the Lessors extending the Lease through February 28, 2015.

FINANCIAL IMPACT:

Beginning April 1, 2013, the rent cost of the Lease will be \$4,567.54 monthly or approximately \$1.75 per square foot. If the option to extend the Lease is approved, the annual rent cost will increase by three percent (3%) again next year. The Probation Department has budgeted this rent cost for fiscal year 2012/13 as an appropriation in Budget Unit 235, with no additional impact to the County General Fund. The office at 555 H Street offers Probation Department staff with an excellent location to work together with other Law Enforcement agencies to provide appropriate levels of service to the probationers they serve.

OTHER AGENCY INVOLVEMENT:

The Auditor has confirmed that there are sufficient funds available to continue the lease.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

None recommended. The Board at its discretion can elect not to approve the option to extend the lease. However, this is not recommended. Currently, the Probation Department utilizes the office space at 555 H Street for its Adult Division, and if the request to extend the lease is not approved, the Probation Department would have to relocate staff to new office.

ATTACHMENT:

1. Original Lease with PWM, Inc. and Fred Lundblade



COUNTY OF HUMBOLDT
PUBLIC WORKS

Real Property Division
1106 Second Street
Eureka, CA 95501-0579

Thomas K. Mattson, Director
Ronda Kime
Senior Real Property Agent
(707) 268-2667 (707) 445-7409 fax

December 12, 2012

PWM, Inc.
PO Box 1032
Eureka, CA 95502 - 1032

Re: 555 H Street, Ste C&D, Lease Extension

Dear Mr. McMurray:

Pursuant to Section 4, TERM OF LEASE, of the lease executed October 23, 2007, this is to notify you that the County of Humboldt is exercising the option to extend the term of the lease through February 28, 2015. All other terms of the lease remain the same.

If you have any questions regarding the lease, please contact me.

Sincerely,

RONDA KIME
Senior Real Property Agent

cc: Mark Magladry, Probation