

AGENDA ITEM NO.  
**D-23**



COUNTY OF HUMBOLDT

For the meeting of: September 20, 2016

Date: August 9, 2016

To: Board of Supervisors

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

*Handwritten signature: Connie Beck*

Subject: Request to Exercise the First 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. Approves the Department of Health and Human Services (DHHS)-Social Services' request to exercise the first 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, 2016 through November 30, 2017;
2. Authorizes Public Works-Real Property Division to send a notice to Lessor that the county is exercising the first option to extend the leases; and
3. Directs the Clerk of the Board to return one executed agenda to Public Works-Real Property Division.

SOURCE OF FUNDING:

Social Services

DISCUSSION:

From 2009 to the present, DHHS has leased three (3) modular units located at 638 W Clark Street, Eureka

Prepared by: Michelle Tucker, ASO

CAO Approval

*Handwritten signature: E. Ashcraft*

REVIEW:	<u>Michelle Tucker</u>	County Counsel	Personnel	Risk Manager	Other
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Fennell Seconded by Supervisor Bass

Ayes Sundberg, Fennell, Lovelace, Bonn, Bass

Nays

Abstain

Absent

PREVIOUS ACTION/REFERRAL:

Board Order No. D-13; C-11; C-3; C-7, C-10

Meeting of: 2/3/09; 4/27/10; 4/26/11; 3/13/2012; 11/04/14

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

Dated: Sept. 20, 2016

By: [Signature]

Kathy Hayes, Clerk of the Board

from Performance Modular, Inc. On November 11, 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. 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. Mental Health-Older Adult program 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:

<b><u>Modular Buildings</u></b>	<b><u>Monthly Rent</u></b>	<b><u>Monthly Sales Tax</u></b>	<b><u>Cost per square foot</u></b>
<b>Building D</b> (60'x60', #191-195) square foot	<b>\$3,600.00</b>	<b>\$297.00</b>	<b>approx. \$1.09 per</b>
<b>Building E</b> (24'x60', #183-184) square foot	<b>\$1,240.00</b>	<b>\$108.50</b>	<b>approx. \$ .93 per</b>
<b>Building G</b> (36'x110', #185-190) square foot	<b>\$3,950.00</b>	<b>\$345.63</b>	<b>approx. \$1.08 per</b>

The total cost of the three Leases is \$9559.13 per month or \$114,709.56 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 2016-17 county approved budget in fund 1160, budget unit 511 – Social Services. There is no impact to the county's General Fund.

Exercising the first 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 first 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.

**ATTACHMENTS:**

Attachment 1: Lease with Performance Modular, Inc. for Modular Unit – Building D, 638 West Clark Street, Eureka

Attachment 2: Lease with Performance Modular, Inc. for Modular Unit – Building E, 638 West Clark Street, Eureka

Attachment 3: Lease with Performance Modular, Inc. for Modular Unit – Building G, 638 West Clark Street, Eureka



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

ARCATA-EUREKA AIRPORT TERMINAL  
McKINLEYVILLE  
FAX 839 3596

AVIATION 839-5401

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

ADMINISTRATION	445-7491	ENVIRONMENTAL SERVICES	445-7741
BUSINESS	445-7652	NATURAL RESOURCES PLANNING	267-9540
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

09/20/2016

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  
EXTENSION**

Dear Don,

This is to notify you that the County of Humboldt is exercising the option to extend the 11/11/2014 lease for three modular units at the above referenced address. The three leases (reference number 1634, 1635 and 1636) are now extended through 11/30/2017. All other conditions of the lease remain the same.

If you have any questions, please feel free to call me at 707-268-2687.

Sincerely,

Erin D. Damm  
Sr. Real Property Agent  
Facilities Division  
1106 2<sup>nd</sup> Street  
Eureka, CA 95501