



COUNTY OF HUMBOLDT

For the meeting of: 10/2/2018

File #: 18-1143

To: Board of Supervisors

From: DHHS: Administration

SUBJECT:

Request to Approve Sublease with United Parcel Service, Inc. for Property at 790 West Clark Street in Eureka

RECOMMENDATION(S):

That the Board of Supervisors authorize the Chair of the Board to execute the attached Sublease, in duplicate, with United Parcel Service, Inc. for a portion of county leased property at 790 West Clark Street, Eureka; direct the Clerk of the Board to return one (1) executed Sublease to Public Works - Real Property Division for transmittal to United Parcel Service, Inc. and one (1) copy of the executed Sublease to the Department of Health and Human Services - Social Services Branch; and direct the Clerk of the Board to transmit one (1) copy of the executed agenda item to Public Works - Real Property Division.

SOURCE OF FUNDING:

Social Services Fund

DISCUSSION:

On April 11, 2006 (item C-7), the Department of Health and Human Services - Social Services Branch entered into a Lease with Fred Lundblade for office and warehouse space located at 790 W. Clark Street in Eureka for a monthly rent of \$3,180. On March 15, 2011 (item C-10), the Board of Supervisors approved a First Amendment to Lease with Fred Lundblade to modify the term of the lease to three (3) years, with two (2) options to extend at one (1) year each. On February 9, 2016 (item C-17), the Board of Supervisors approved a Second Amendment to Lease with Fred Lundblade to modify the term of the lease for three (3) years, with two (2) options to extend at one (1) year each, and to increase the monthly rent from \$3,180 to \$3,235.

United Parcel Service, Inc. (UPS) operates a packaging loading center next door to 790 W. Clark Street. The holiday season creates a need for additional trucks to handle the additional package deliveries. UPS had approached the County with a request to temporarily use the parking stalls below the awning driveway at 790 W. Clark Street for these additional trucks. The use will allow more packages to be loaded and unloaded in the proximity of their center. On November 7, 2017 (Attachment 1), the Board of Supervisors approved a sublease with UPS for this use.

UPS is now requesting another sublease (Attachment 2) for the same use. The sublease term would begin on November 12, 2018, and end on January 12, 2019. Rents paid by UPS will be passed through in rent to the Lessor. The county will not make any profit from the proposed sublease. The use by UPS will not affect the county's use of the premises. The Lessor approved and authorized (Attachment 3) the county to sublease a portion of the premises to the UPS.

Staff is requesting your Board's approval and authorization to enter into the proposed sublease with UPS (Attachment 4).

FINANCIAL IMPACT:

Approving the sublease at 790 West Clark Street, Eureka will offset expenditures in the amount of Three Thousand Nine Hundred Thirty Two Dollars and Six Cents (\$3,932.06) in Fund 1160, Budget Unit 511 for fiscal year 2018-2019. A budget adjustment is not necessary as the revenue will offset expenditures previously approved in the fiscal year 2018-2019 budget process. There is no anticipated impact to the county's General Fund.

This is in alignment with the Board's Strategic Framework by providing for and maintaining infrastructure and safeguarding public trust.

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OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the sublease for UPS. However, that is not recommended as the sublease supports Board Core Role of supporting business, workforce development and creation of private-sector jobs. The sublease also complies with the landlord's request to support the neighbor in their time of need.

ATTACHMENTS:

1. Attachment 1: November 7, 2017 Board Agenda Item for prior UPS sublease
2. Attachment 2: UPS request for sublease
3. Attachment 3: Authorization from Fred H. Lundblade to enter Sublease with UPS
4. Attachment 4: Proposed sublease with UPS

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-7; C-10; C-17

Meeting of: 4/11/06; 02/09/16; 11/07/17