



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-16

For the meeting of: August 19, 2014

Date: July 14, 2014
 To: Board of Supervisors
 From: Phillip R. Crandall, Director *RC*
 Department of Health and Human Services-Mental Health
 Subject: First Option to Extend the Lease for 2933 H Street Modular Building

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approves exercising the first option to extend the Lease with Performance Modular, Inc. for the modular building located at 2933 H Street, Eureka, through November 30, 2015.
2. Authorizes the Public Works-Real Property Division to send a notice to Lessor that the County is exercising the first option to extend the Lease; and
3. Directs the Clerk of the Board to return one executed agenda item to the Public Works-Real Property Division.

SOURCE OF FUNDING:

Mental Health Fund

DISCUSSION:

The County has leased the modular building located at 2933 H Street, Eureka since 1993. Originally the

Prepared by Michelle Tucker, Administrative Services Officer CAO Approval *Amey Duser*

REVIEW Auditor <i>MSM</i>	County Counsel	Personnel	Risk Manager	Other
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TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other

PREVIOUS ACTION/REFERRAL

Board Order No. B-1, C-2
 Meeting of 11/18/2008, 10/18/11

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor *Boss* Seconded by Supervisor *Fennell*

Ayes: *Sundberg, Lovelace, Bohn, Fennell, Sas*
 Nays
 Abstain
 Absent

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

Dated: August 19, 2014
 By: *Tracy Damico*
 Kathy Hayes, Clerk of the Board

SCANNED

Lease was with Johnson's Mobile Solutions, who sold the modular building to Performance Modular, Inc. The new Lease (Attachment 1) with Performance Modular, Inc. was entered into on November 18, 2008 (item B-1) with an expiration date of November 30, 2011. On October 18, 2011, the Board approved the First Amendment to Lease to extend the term of the Lease through November 30, 2014. The First Amendment to Lease (Attachment 2) provides two (2) one (1) year options to extend the Lease, under the same terms and conditions, upon 60 days written notice of the County's intent to extend the Lease. The County is responsible for all utilities and janitorial service, and Performance Modular, Inc. is responsible for all costs of tear down and return, with the exception of disconnecting utilities, skirting and tie-downs.

This modular building currently houses the Hope Center, a successful, peer-run center offering wellness and recovery activities for people with a mental health diagnosis. DHHS-Mental Health recommends that the Board approves exercising the first option to extend the Lease with Performance Modular, Inc. for the modular building located at 2933 H Street, Eureka, through November 30, 2015, authorizes the Public Works-Real Property Division to send a notice to Lessor that the County is exercising the first option to extend the Lease, and directs the Clerk of the Board to return one executed agenda item to the Public Works-Real Property Division.

FINANCIAL IMPACT:

The cost of the monthly rent for the modular is \$2605.86, including monthly sales tax, for a total cost of approximately \$3.62 per square foot. Lease expenditures for this modular building have been included in the Fiscal Year 2014-15 budget in DHHS-Mental Health, Mental Health Services Act budget unit 1170-477. There is no impact on the County General Fund.

Approving the first option to extend the Lease supports the Board's Strategic Framework by creating opportunities for improved safety and health and helping to protect vulnerable populations.

OTHER AGENCY INVOLVEMENT:

Public Works-Real Property Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the first option to extend the Lease through November 30, 2015; however, DHHS-Mental Health does not recommend this alternative because the Hope Center would need to find a new location that is closely situated to other DHHS-Mental Health services at 720 Wood Street.

ATTACHMENTS:

Attachment 1: Lease Agreement with Performance Modular, Inc for 2933 H Street modular building.
Attachment 2: First Amendment to Lease with Performance Modular, Inc. for 2933 H Street modular building

ORIGINAL

FIRST AMENDMENT TO LEASE

This Amendment to the Lease entered into on November 18, 2008, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called LESSEE and PERFORMANCE MODULAR, INC., hereinafter called LESSOR, is entered into this 18 day of October, 2011.

WHEREAS, the parties entered into a Lease for the use of the premises at 2933 H Street, Modular Serial Numbers MSWP367055; MSWP367056; MSWP367057, for the purpose of office space; and

WHEREAS, LESSEE and LESSOR desire to extend the initial term of the Lease and to amend the Lease as specified.

NOW, THEREFORE, it is mutually agreed as follows:

1. **TERM** of the Lease is amended to read as follows:

The term of this Lease shall be extended beginning December 1, 2011 and terminating November 30, 2014.

LESSEE has the option to extend this Lease, upon the same terms and conditions, for two (2) one (1) year terms. Each option may be exercised by LESSEE giving LESSOR notice of its intent to extend the Lease. The notice shall be in writing and shall be given to LESSOR sixty (60) days prior to the end of the initial term or any one (1) year term extension.

2. In all other respects the Lease between the parties entered into on November 18, 2008 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Lease dated November 18, 2008, on the date indicated above.

(SEAL)

ATTEST:

CLERK OF THE BOARD

COUNTY OF HUMBOLDT

By Nikki Turner

By Eugene Boss-Vice chair
Chair, Board of Supervisors
County of Humboldt
State of California

LESSOR:

Performance Modular, Inc.

By Donall Shuf

By Jane Piper

Title PRVIDENT

Title Secretary