



COUNTY OF HUMBOLDT

For the meeting of: 11/12/2019

File #: 19-1553

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

Lease at 555 H Street, Eureka, Suite A

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize Public Works Real Property Division to send a notice to PWM. Inc. and Fred Lundblade that the county is continuing the lease on a month to month tenancy holdover period under all the terms and conditions of the lease; and
2. Authorize the increase of lease payment amounts to continue during the holdover period pursuant to the terms of the lease.

SOURCE OF FUNDING:

2011 Public Safety Realignment (1100-294)

DISCUSSION:

On October 6, 2015, the county entered into a lease agreement with PWM. Inc. and Fred Lundblade ("Lessor") for seven hundred twenty (720) square feet of office space at 555 H Street, Eureka, Suite A for a period beginning December 1, 2015, through November 30, 2018, with annual rent increases of 3 percent throughout the duration of the lease and its options to extend (Attachment No. 1 - Lease). The monthly rent amount was One Thousand Ninety-Four Dollars and Forty Cents (\$1,094.40) or One Dollar and Fifty-two Cents (\$1.52) per square foot.

On October 16, 2018, the county exercised its First Option to extend the lease for a period beginning on December 1, 2018 through November 30, 2019 (Attachment No. 2 - Lease Option No.1). The monthly rent amount was One Thousand One Hundred Ninety-Five Dollars and Eighty-Eight Cents (\$1,195.88) or One Dollar and Sixty-Six Cents (\$1.66) per square foot.

A prerequisite of exercising the county's one (1) year option to extend the lease to November 30, 2020, requires the Lessor to provide a facility that complies with the Americans with Disability Act (ADA) and other accessibility requirements. The premises have been surveyed by the Independent License Architect (ILA) as part of the Consent Decree with the United States Department of Justice

(Attachment No. 3 - ADA Access Compliant Assessment). The Lessor has been informed of the existing accessibility barriers that must be removed.

The monthly rent will increase during the holdover period to One Thousand Two Hundred Thirty-One Dollars and Seventy-Six Cents (\$1,231.76) or One Dollar and Seventy-One Cents (\$1.71) per square foot with annual 3 percent rent increases pursuant to the terms and conditions of the October 6, 2015, lease.

The Probation Department recommends that your Board authorize continuance of the lease on a month to month tenancy period as described in the lease until either the premises comply with the ADA and other accessibility requirements and a new lease can be negotiated or until alternate office space can be found.

FINANCIAL IMPACT:

Beginning December 1, 2019, the monthly lease costs for the premises consisting of seven hundred twenty (720) square feet will increase by 3 percent to One Thousand Two Hundred Thirty-One Dollars and Seventy-Six Cents (\$1,231.76) or One Dollar and Seventy-One Cents (\$1.71) per square feet.

On August 19, 2015, the Community Corrections Partnership (CCP) Executive Committee approved the ongoing payment of this lease from 2011 Public Safety Realignment funds. The funds for this lease were included in the fiscal year 2019-20 budget for the Probation Department's Realignment budget unit 294, therefore no supplemental budget is required at this time. There will be no additional impact to the county General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by managing our resources to ensure sustainability of services.

OTHER AGENCY INVOLVEMENT:

Public Works - Real Property Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board at its discretion, can elect not to authorize continuance of the lease on a month to month tenancy period, however this alternative is not recommended because the Probation Department will need to find suitable new office space that is currently no available.

ATTACHMENTS:

Attachment No. 1 - Lease

Attachment No. 2 - Lease Option No. 1

Attachment No. 3 - ADA Access Compliant Assessment

PREVIOUS ACTION/REFERRAL:

Board Order No.: 10/06/15, 10/16/18

Meeting of: C17, C22

File #: 19-1553

File No.: 18-1293