



COUNTY OF HUMBOLDT

For the meeting of: 8/19/2025

File #: 25-398

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

First Amendment to the Lease Agreement with Eureka Old Town, LLC Regarding Use of Office Space and Associated Parking Lots Located at 507 F Street and 510 Fifth Street, Eureka, California

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve, and authorize the Chair of the Board to execute, the attached first amendment to the lease agreement with Eureka Old Town, LLC regarding the use of office space and associated parking lots located 507 F Street and 510 Fifth Street, Eureka, California; and
2. Direct the Clerk of the Board to return one (1) fully executed original copy of the attached first amendment with Eureka Old Town, LLC to the Real Property Division of the Department of Public Works for further processing.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Core Services/Other

Strategic Plan Category: 9999 - Core Services/Other

DISCUSSION:

On Dec. 3, 2024, the Department of Health and Human Services (DHHS) entered into a lease agreement with Eureka Old Town, LLC, formerly known as Kramer Properties, for office space and two (2) associated parking lots located at 507 F Street and 510 Fifth Street, Eureka, California. The monthly rental amount stated in the lease agreement was calculated incorrectly due to the use of an inaccurate Consumer Price Index (CPI). The original amount of Sixty-Nine Thousand, Seven-Hundred Ninety-Two Dollars and Ninety-Three Cents (\$69,792.93) was based on this erroneous CPI.

This first amendment will correct the lease by adjusting the rental amount to Seventy-One Thousand, One Hundred Six Dollars and Forty Cents (\$71,106.40). Additionally, to reconcile the difference in the amounts previously paid, a one-time payment of Ten Thousand, Five Hundred Seven Dollars and Seventy-Six Cents (\$10,507.76) will be made to cover the past due rent for the period from January 2025 through Aug. 2025.

Accordingly, staff recommends that the Board approve, authorize, and execute the attached first amendment to the lease agreement with Eureka Old Town, LLC, regarding the use of office space and the associated parking lots located at 507 F Street and 510 Fifth Street, Eureka, California.

SOURCE OF FUNDING:

Department of Health and Human Services Administration (1160-516)

FINANCIAL IMPACT:

Expenditures (1160-516)	FY25-26 Projected*	FY26-27 Projected*	FY27-28 Projected*
Budgeted Expenses	\$878,716.89	\$894,255.41	\$921,083.06
Total Expenditures	\$878,716.89	\$894,255.41	\$921,083.06
Funding Sources (1160-516)	FY25-26 Projected*	FY26-27 Projected*	FY27-28 Projected*
State/Federal Funds	\$878,716.89	\$894,255.41	\$921,083.06
Total Funding Sources	\$878,716.89	\$894,255.41	\$921,083.06

Projected amounts are estimates and are subject to change.*Narrative Explanation of Financial Impact:**

The monthly lease payments shall be Seventy-One Thousand, One Hundred Six Dollars and Forty Cents (\$71,106.40) with an annual rental increase of three percent (3%) occurring each December. There will be a one-time payment of Ten Thousand, Five Hundred Seven Dollars and Seventy-Six Cents (\$10,507.76) will be made to cover the past due rent for the period from January 2025 through August 2025.

Expenditure appropriations related to the attached first amendment with Eureka Old Town, LLC are included in the approved (FY) 2025-26 budget for DHHS - Administration budget unit 1160-516. The expenditure for this lease is split between Social Services, Behavioral Health and Public Health. The portion for Social Services is included on the County Expense Claim and reimbursed through Federal, State and Realignment funds. The portions charged to Behavioral Health and Public Health are supported through Mental Health Services Act and Realignment funds.

DHHS is managing negative fund balances in fund 1160 - Social Services and fund 1170 - Behavioral Health and reducing the footprint in rented buildings by consolidating additional staff into this location allowing DHHS to vacate other rented spaces.

STAFFING IMPACT:**Narrative Explanation of Staffing Impact:**

Approval of the attached first amendment with Eureka Old Town, LLC will not impact current staffing levels.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may decide not to authorize the first amendment to the lease agreement with Eureka Old Town, LLC for the use of real property located at 507 F Street and 510 Fifth Street, Eureka, California. However, this alternative is not recommended, as the amendment serves to correct an error in the rental payments that Eureka Old Town, LLC is entitled to receive.

ATTACHMENTS:

1. Lease Agreement with Eureka Old Town, LLC Regarding Use of Office Space and Associated Parking Lots Located at 507 F Street, Eureka California and 510 Fifth Street, Eureka, California
2. First Amendment to the Lease Agreement with Eureka Old Town, LLC Regarding Use of Office Space and Associated Parking Lots Located at 507 F Street, Eureka California and 510 Fifth Street, Eureka, California

PREVIOUS ACTION/REFERRAL:

Meeting of: 1/14/03; 12/12/05; 10/19/19; 12/19/2023; 12/03/2024

File No.: N/A, N/A, 18-1263, 23-1651, 24-1506