



COUNTY OF HUMBOLDT

For the meeting of: 10/1/2019

File #: 19-1312

C-16

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

Third Option to Extend the Lease at 430 F Street, Suite B, Eureka

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the exercising of the third option to extend the lease at 430 F Street, Suite B, Eureka with KGK Rentals, LLC through November 30, 2021; and
2. Authorize Public Works - Real Property Division to send a notice to the Lessor that the county is exercising the third option to extend the lease.

SOURCE OF FUNDING:

Social Services Fund (1160)

DISCUSSION:

On November 6, 2012, the Department of Health and Human Services (DHHS) entered into the lease at 430 F Street, Suite B, Eureka, with CUE, LLC for storage space (Attachment No. 1 - Lease). The original term of the lease was through November 30, 2015, and had the option to extend the lease for three (3) two (2) year terms. On September 1, 2015, the Board of Supervisors authorized the first option to extend the lease (Attachment No. 2 - First Option). On September 22, 2017, DHHS was informed that the Lessor had merged with KGK Rentals, LLC and is now and shall remain KGK Rentals, LLC (Attachment No. 3 - Lessor Name Change). On November 14, 2017, the Board of Supervisors authorized the second option to extend the lease (Attachment No. 4 - Second Option).

DHHS is required to retain various documents to comply with State and Federal Regulations. The 430 F Street, Suite B, Eureka location provides the required space for storage of such files and is located near the DHHS Administration offices at 507 F Street, Eureka. In addition, this space provides storage to meet DHHS program needs.

DHHS is therefore requesting continued use of Suite B by having the Board approve exercising the third option to extend the lease with KGK Rentals, LLC through November 30, 2021.

FINANCIAL IMPACT:

Beginning December 1, 2019, the monthly rental expense will increase 2 percent, from \$1,769.00 to \$1,804.00, for Six Thousand Eight Hundred (6,800) square feet, or \$0.26 per square foot, which includes electricity, gas, refuse collection, water and sewer. Funds have been included in Fund 1160, Budget Unit 505-Social Services. There is no specific funding source connected to this lease. All Social Service Branch programs will share the costs associated with this lease. Cost sharing is based off of a percent to total by program formula which is established on a quarterly basis through the County Expense Claim (CEC) submitted to the California Department of Social Services. There is no impact to the 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:

Your Board could choose not to approve exercising the third option to extend the lease. However, this is not recommended as there are no other suitable locations for storage in proximity to 507 F Street.

ATTACHMENTS:

- Attachment No. 1 - Lease
- Attachment No. 2 - First Option
- Attachment No. 3 - Lessor Name Change
- Attachment No. 4 - Second Option

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-7, C-8, C-10
Meeting of: 11/06/12, 9/01/15, 11/14/17
File No.: 19-1312



COUNTY OF HUMBOLDT

Master

File Number: 19-1312

File ID: 19-1312	Type: Informational Report	Status: Passed
Version: 1	Agenda Section: Consent	Department: Public Works
Subject:		File Created: 09/03/2019
Title: Third Option to Extend the Lease at 430 F Street, Suite B, Eureka		Final Action: 10/01/2019

Internal Notes:

Agenda Date: 10/01/2019

Agenda Number: 16.

Sponsors:

Enactment Date:

Attachments: Staff Report, Attachment No. 1 - Lease, Attachment No. 2 - First Option, Attachment No. 3 - Lessor Name Change, Attachment No. 4 - Second Option

Enactment Number:

Recommendation:

Public Notice Date:

Drafter: tdeage1@co.humboldt.ca.us

Effective Date:

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Board of Supervisors	10/01/2019	approved				Pass
	Action Text: A motion was made by Supervisor Wilson, seconded by Supervisor Fennell, that the recommendations be approved. The motion carried by the following vote: Aye: 5 Supervisor Bohn, Supervisor Fennell, Supervisor Bass, Supervisor Wilson and Supervisor Madrone						

Text of Legislative File 19-1312

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Agenda Section: Consent

SUBJECT:

Third Option to Extend the Lease at 430 F Street, Suite B, Eureka
..end



DEPARTMENT OF PUBLIC WORKS
COUNTY OF HUMBOLDT
MAILING ADDRESS: 1106 SECOND STREET, EUREKA, CA 95501-0579
AREA CODE 707

On-line
Web: co.humboldt.ca.us

Public Works Building Second & L St., Eureka Fax 445-7409		Clark Complex Harris & H St., Eureka Fax 445-7388	
Administration	445-7491	Natural Resources	445-7741
Business	445-7652	Natural Resource Planning	267-9540
Engineering	445-7377	Parks	445-7651
Facility Management	445-7621	Roads	445-7421
		Land Use	445-7205

October 1, 2019

Cara King
Property Manager – Lease Administration
KGK Rentals, LLC
1589 Myrtle Avenue
Eureka, CA 95409

Re: 430 F St – Option 3 term extension

Dear Cara:

This is to notify you that the County of Humboldt is exercising the lease's third and final option to extend the lease term at 430 F Street, Eureka.

This notice will extend the lease through and including November 30, 2021. All other terms and conditions of the lease will remain in effect.

Thank you,

Tom deAge
Sr. Real Property Agent