



COUNTY OF HUMBOLDT

For the meeting of: 8/18/2020

File #: 20-939

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT

Approval of Lease at 404 H Street, Eureka

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve and authorize the Chair of the Board to execute a lease for 404 H Street, Eureka;
2. Authorize the Probation Department to submit a one-time payment of \$1,991 for increases in janitorial fees; and
3. Direct the Clerk of the Board to return one (1) executed original of the lease to Public Works Real Property for transmittal to the Lessor.

SOURCE OF FUNDING:

Law Enforcement Services (3741)

DISCUSSION:

The Community Corrections Resource Center (CCRC) presently has operations at 404 H Street, Eureka to serve adult offenders with an array of rehabilitative and correctional program services. The use is pursuant to an expired lease that is on a month to month tenancy holdover term.

A new, proposed lease has been prepared. It includes the following changes from the original lease (Attachment No. 1 - Lease).

- a. The lease term is for three (3) years, with the option to extend the term at three (3) - one (1) - year intervals, this option is contingent on staff moving into a newly constructed Reentry Resource Center.
- b. The cleaning checklist outlining janitorial tasks is amended to include disinfecting high touch areas as a result of COVID - 19 (Exhibit B - Cleaning Checklist)
- c. Janitorial fees, at county expense, are separated from the monthly rent calculations and are to be paid as an individual monthly fee. This fee not subject to annual rent increases.

d. Beginning on February 1, 2019, monthly janitorial fees had increased from \$745 to \$834 (Exhibit C - Increase No. 1). Beginning on March 1, 2020, monthly janitorial fees had increased again, from \$834 to \$884 (Exhibit D - Increase No.2). It is proposed to pay the Lessor a one-time fee of \$1,991 to cover the increases from February 1, 2019 thru August 1, 2020 in janitorial fees, due on the commencement date of the Lease. On September 1, 2020, janitorial fees in the amount of \$884 are proposed to be payed monthly pursuant to the new Lease. The fee amount may be subject to increases, not to exceed \$999.

e. Off Street parking of six (6) stalls for staff and public will no longer be offered by the Lessor. Therefore, a proposed monthly rent reduction in the amount of \$196 is to take effect on September 1, 2020. Comparable parking lease rent at 2nd and H is \$196. The Lessor will pay for new sign placements as shown on Exhibit E to enforce the no off street parking.

f. The Independent Licensed Architect (ILA) has performed an Americans with Disabilities Act (ADA) Compliance assessment of the premises and determined a list of barriers needing removal to bring the premises in compliance with the ADA (Exhibit F - Barrier List) and (Exhibit G - ADA Access Compliance Assessment by SZS Engineering). Certain barriers will be removed by the county since they were originally installed by the county. The remaining barriers will be removed by the Lessor. It is proposed to give the Lessor until June 30, 2022, to remove the remaining barriers, subject to a Certified Access Specialist (CASp) or licensed architect inspection denoting the premises being in compliance with the ADA. If the remaining barriers are not remediated and the premises is not in compliance with the ADA, then it is proposed to have the county remove these barriers and subtract all associated county costs from the monthly rent in a prorated amount not to exceed 12 months from the date of the premises being in compliance with the ADA.

FINANCIAL IMPACT:

The current monthly rent is \$7,902.85, ending on November 30, 2020. This rent includes monthly janitorial fees of \$745.

Effective September 1, 2020, the proposed new monthly rent will be \$7,345.00, or \$1.00 per square foot as a result of the following adjustments: a) subtract \$745 current amount billed for janitorial fees, b) add \$217.15 rent increase to market rates, c) add \$166.00 all risk insurance, d) subtract \$196 loss of off-street parking. Rent will increase 2% every year, effective December 1 of every term year.

Effective September 1, 2020, it is proposed to pay a one-time janitorial fee of \$1,991, representing the janitorial fees increases from February 2019 to and including August 2020.

Effective September 1, 2020, it is proposed to pay a monthly janitorial fee payment of \$884.00, in addition to the new monthly rent of \$7,345.00, bringing the total to \$8,229.00 per month, \$1.12 per square foot. This fee will not be subject to the annual 2% rent increases.

Total of monthly payments for the initial three (3) year term of the Lease and the three (3) - one (1)-

year option terms totals \$643,791.32 (Attachment No. 2 - 404 H Rent and Fee Totals). Lease payment for fiscal year 2020-21 totals \$99,124.00. Sufficient funds have been budget in 3741-294 Probation Realignment budget. Any increase in janitorial fees during said terms will be subject to your Board's approval of a First Amendment to Lease. There will be no impact to the general fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing for and maintaining infrastructure.

OTHER AGENCY INVOLVEMENT:

Public Works

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board may elect not to approve the lease, and to continue a month to month tenancy holdover period. However, this is not recommended as the Lessor can terminate the month to month tenancy for any reason and therefore force the staff to vacate and delay operations and thus, prevent the Community Corrections Resource Center from accomplishing their services.

ATTACHMENTS:

- Attachment No. 1 - Lease
- Attachment No. 2 - Rent and Fee Totals
- Exhibit A - Premises
- Exhibit B - Cleaning Checklist
- Exhibit C - Increase No. 1
- Exhibit D - Increase No. 2
- Exhibit E - Signs
- Exhibit F - Barrier List
- Exhibit G - ADA Access Compliance Assessment by SZS

PREVIOUS ACTION/REFERRAL:

- Board Order No.: C-20, C-15, C-16, D-8, C-23
- Meeting of: 12/06/11, 2/07/12, 9/25/12, 9/22/15, 10/16/18
- File No.: 18-1301