



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-10

For the meeting of: September 8, 2015

Date: August 19, 2015

To: Board of Supervisors

From: William Damiano, Chief Probation Officer

Subject: Approval of option to extend Lease Agreement with PWM, Inc. and Fred Lundblade for 555 H Street, in Eureka - Suites B, H & F

RECOMMENDATIONS:

That the Board of Supervisors:

1. Approve option to extend the lease with PWM, Inc. and Fred Lundblade for office space at 555 H Street, in Eureka, suites B, H and F for the period beginning November 1, 2015 through October 31, 2017;
2. Direct the Clerk of the Board to return one copy of the executed agenda item to Public Works-Real Property Division; and
3. Authorize the Public Works-Real Property Division to send a letter to PWM, Inc. and Fred Lundblade that the County is exercising the option to extend the Lease for two (2) additional years.

SOURCE OF FUNDING:

General Fund (Probation, Budget Unit 235)

DISCUSSION:

Prepared by Elisha Hardison, Legal Office Business Manager

CAO Approval

Cheryl Dillingham

REVIEW:

Auditor

AE

County Counsel

Personnel

Risk Manager

Other

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Sundberg* Seconded by Supervisor *Bohn*

Ayes *Sundberg, Lovelace, Fennell, Bohn, Bress*
 Nays
 Abstain
 Absent

PREVIOUS ACTION/REFERRAL:

Board Order No. C-8

Meeting of: 10/23/07

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

Dated: Sept. 8, 2015

By: *Kathy Hayes*

Kathy Hayes, Clerk of the Board

On October 23, 2007, the County entered into a Lease with PWM, Inc. and Fred Lundblade for 3,162 square feet of office space, including Suites B, H, and F, at 555 H Street in Eureka. The Lease began on October 31, 2007, and was set for five years and was scheduled to end on October 31, 2013. Under the terms of the Agreement, the County has the option to extend the Lease upon the same terms and conditions for two, two-year terms, if written notice is given to the Lessor sixty days prior to the end of the initial term or any two-year extension. On June 7, 2013, the Board of Supervisors approved to extend this Lease for an additional two years, through October 31, 2015.

In addition to this Agreement, the County entered into a second Lease with PWM, Inc. and Fred Lundblade for the rental of Suites C and D at the 555 H Street location. This Lease started on February 28, 2008 and was for five years. On December 11, 2012, the Board of Supervisors approved to extend this Lease for an additional two years, through February 28, 2015 and on again on November 17, 2014 through February 28, 2017.

The Probation Department currently utilizes the 555 H Street location to house its Adult Division. This office is near the Courthouse and County's Community Corrections Resource Center and provides a location that allows staff the opportunity to work in close proximity of the court, the Sheriff's Department, and other Probation and County employees assigned to the Community Corrections Resource Center.

At this time, the Probation Department requests that the Board of Supervisors approve the option to extend this Lease with PWM, Inc. and Fred Lundblade for two additional years, and authorize the Public Works-Real Property Division to send a letter to the Lessors extending the Lease through October 31, 2017. With the approval of the option, the cost for the first year of the extension will be \$5,910.78 monthly or approximately \$1.87 per square foot. Included as part of the Lease, the Lessor provides janitorial service and six off-street parking spaces. The Lessor has agreed to waive the sixty day notification for lease extension and will accept a thirty day notification.

FINANCIAL IMPACT:

Beginning November 1, 2015, the cost of this Lease will be \$5910.78 monthly or approximately \$1.87 per square foot. If the option to extend the Lease is approved, the annual Lease cost will increase by three percent (3%) again next year. The Probation Department budgeted this cost in its fiscal year 2015/16 budget, and with the approval to extend the Lease, there is no additional impact to the County General Fund. The office at 555 H Street offers Probation Department staff with an excellent location to work with other County Departments and Law Enforcement agencies and supports the Board's Strategic Framework by providing community appropriate levels of service to the probationers the Department serves.

OTHER AGENCY INVOLVEMENT:

The Auditor has confirmed that there are sufficient funds available to continue the Lease. Public Works-Real Property Division has assisted in the preparation of this Board report and is prepared to send a letter to extend the Lease.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

None recommended. The Board at its discretion can elect not to approve the option to extend the Lease; however, this is not recommended. Currently, the Probation Department utilizes the office space at 555 H

Street for its Adult Division, and if this request to extend the Lease is not approved, the Probation Department would have to relocate staff into a new office.

ATTACHMENT:

1. Original Lease with PWM, Inc. and Fred Lundblade