



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C24

For the meeting of: October 24, 2017

Date: September 25, 2017

To: Board of Supervisors

From: William Damiano, ^{CAO} Chief Probation Officer

Subject: Approval of first amendment to lease agreement with PWM, Inc. and Fred Lundblade (Lessors) for office suites B, H & F at 555 H Street, in Eureka

RECOMMENDATIONS:

That the Board of Supervisors:

1. Approves and authorizes the chairperson of the Board to execute the First Amendment to Lease, in duplicate, to extend the lease with Lessor for office space at 555 H Street, in Eureka, for the period beginning November 1, 2017 through October 31, 2019, with the County having options to further extend the lease for two, one-year terms; and
2. Directs the Clerk of the Board to return one original executed amendment to Public Works-Real Property Division for transmittal to Lessor, retaining the second original executed amendment with meeting records.

SOURCE OF FUNDING:

General Fund

Prepared by Elisha Hardison, Legal Office Business Manager CAO Approval *Karen Clower*

REVIEW:	Auditor <i>WBM</i>	County Counsel <i>DA</i>	Personnel _____	Risk Manager _____	Other _____
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

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

Ayes *Sundberg, Bass, Bohn, Wilson*

Nays _____

Abstain _____

Absent *Fennell*

PREVIOUS ACTION/REFERRAL:

Board Order No. C-8, C-15, C-10

Meeting of: 10/23/07, 07/16/13, 9/8/15

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

Dated: 10/24/2017

By: *[Signature]*
Kathy Hayes, Clerk of the Board

DISCUSSION:

On June 24, 2008 the County entered into a lease agreement with Lessor for 2,790 square feet of office space at 555 H Street in Eureka. The lease is for office suites B, H and F. The original lease began on November 1, 2008 and ran for five years. The County also had the option to extend the lease for two additional two-year terms. The County exercised each of these options and the second option is now scheduled to end October 31, 2017.

At this time, the Probation Department seeks approval of an amendment to extend the original Lease agreement, with the same terms and conditions, for two years, beginning November, 2017 and ending October 31, 2019 with options for the County to extend the agreement for two additional, one-year terms.

The Probation Department currently utilizes 555 H Street to house the Adult Services Division. This office is close to 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 Humboldt County Correctional Facility, and other Probation staff assigned to the Community Corrections Resource Center.

At this time, the Probation Department requests that the Board of Supervisors approve the amendment to extend the lease with Lessor for two additional years.

FINANCIAL IMPACT:

With the approval of this amendment and beginning November, 1 2017, the rent cost of the lease will be \$6,270.74 monthly and cost approximately \$2.25 per square foot. If the amendment to extend the Lease is approved, the annual rent cost will increase by three percent (3%) for each year of the lease. The Probation Department has budgeted this rent cost for fiscal year 2017/18 in budget unit 235, and there are no additional impacts to the County general fund. This office space at 555 H Street offers Probation Department staff with a location to work together with other justice agencies to provide appropriate levels of service to the clients that are served.

OTHER AGENCY INVOLVEMENT:

The Auditor has confirmed that there are sufficient funds available to continue the lease.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

At this time no alternatives are suggested. The Board at its discretion can elect not to approve the amendment to extend this lease; however, this is not recommended. Currently, the Probation Department utilizes the office space at 555 H Street for its Adult Division, and if the request to amend the lease is not approved, the Probation Department would have to relocate staff to a new office.

ATTACHMENTS:

1. Original Lease with PWM, Inc. and Fred Lundblade
2. First Amendment to Lease with PWM, Inc. and Fred Lundblade (in duplicate)

FIRST AMENDMENT TO LEASE

This First Amendment to Lease entered into on June 24, 2008, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY, and PWM, Inc., a California Corporation, and Fred Lundblade, an individual, hereinafter collectively referred to as LESSOR, is entered into this 24th day of October, 2017.

WHEREAS, on June 24, 2008, the parties entered into a Lease for the use of the premises at 555 H Street, Suites B, H, and F for the purpose of office space; and

WHEREAS, the initial term of the Lease was from November 1, 2008 through October 31, 2013, with two two-year extension options; and

WHEREAS, COUNTY has exercised both extension options; and

WHEREAS, COUNTY and LESSOR desire to extend the term of the lease;

NOW, THEREFORE, it is mutually agreed as follows:

1. Section 4, TERM OF LEASE, of the Lease is amended to read as follows:
 - A. The current term of this Lease shall be extended for two (2) years, with a new expiration date of October 31, 2019.
 - B. COUNTY has the option to extend this Lease upon the same terms and conditions for two (2), one (1) year terms. Each option may be exercised by COUNTY giving LESSOR written notice of its intent to extend the Lease. The notice shall be in writing and shall be given to LESSOR sixty (60) days prior to the end of the current or extended term.
 - C. Any holding over with LESSOR'S consent beyond the term of this Lease shall be a month to month tenancy, with all the terms and conditions of this Lease.
2. In all other respects the Lease between the parties entered into on June 24, 2008, shall remain in full force and effect.

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FIRST AMENDMENT TO LEASE

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Lease dated June 24, 2008, on the date indicated above.

COUNTY OF HUMBOLDT:

LESSOR: PWM Inc. & Fred Lundblade

BY: Wayne Bass
CHAIRMAN
BOARD OF SUPERVISORS

BY: Thomas J. McMurray Jr.
PWM Inc.

ATTEST:

NAME: THOMAS J. MCMURRAY JR.

PRESIDENT
TITLE
BY: [Signature]
PWM Inc.

NAME: THOMAS J. MCMURRAY JR.

(SEAL)

VICE PRESIDENT
TITLE

BY: [Signature]
CLERK OF THE BOARD

LESSOR: Fred Lundblade

NAME: [Signature]
BY: Fred Lundblade