



COUNTY OF HUMBOLDT

For the meeting of: 10/9/2018

File #: 18-1263

To: Board of Supervisors

From: Public Works

SUBJECT:

Request to Approve the Second Option to Extend the Lease with A&K Investments, LLC for 510 Fifth Street, Eureka

RECOMMENDATION(S):

That the Board of Supervisors approve exercising the second option to extend the lease at 510 Fifth Street, Eureka with A&K Investments, LLC through December 31, 2023; and authorize Public Works - Real Property Division to send a notice to lessor that the county is exercising the second option to extend the lease through December 31, 2023.

SOURCE OF FUNDING:

Public Health Fund

DISCUSSION:

On December 13, 2005 (item C-14), the Department of Health and Human Services (DHHS) entered into a lease (Attachment 1) with A&K Investments, LLC for office space at 510 Fifth Street, Eureka for a period of 8 years, commencing January 1, 2006. Under the terms of the lease agreement, the county has the option to extend the lease, upon the same terms and conditions, for two 5-year terms by giving a 90-day written notice to the lessor. On August 13, 2013 (C-15), the Board approved exercising the first option to extend the lease at 510 Fifth Street, Eureka with A&K Investments, LLC through December 31, 2018.

This location provides suitable office space that is large enough to accommodate DHHS - Public Health Financial Services staff. Therefore, DHHS - Public Health, recommends the Board approve exercising the second option to extend the lease at 510 Fifth Street, Eureka with A&K Investments, LLC, through December 31, 2023.

FINANCIAL IMPACT:

The monthly lease costs for 1,786 square feet is estimated at \$3,667, or \$2.05 per square feet - assuming the Consumer Price Index (CPI) percent change will be 3 percent. Regardless of the CPI percent change, the increase or decrease for any one year shall be no more than 3 percent. In addition, the lessor pays for water/sewer, refuse collection, monthly alarm system and janitorial services. The current monthly rent is included in the approved budget for Fiscal Year 2018-2019 in Fund 1160, Budget Unit 516 - Administration. There is no impact on the county General Fund.

The recommended action conforms to the Board of Supervisors' core roles of providing for and maintaining infrastructure.

OTHER AGENCY INVOLVEMENT:

Public Works - Real Property Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the second amendment to the lease; however, this alternative is not recommended because DHHS would need to find suitable new office space large enough to accommodate DHHS - Public Health Financial Services.

ATTACHMENTS:

Attachment 1: Lease for 510 Fifth Street with A&K Investments, LLC

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PREVIOUS ACTION/REFERRAL:

Board Order No.: C-14, C-15

Meeting of: 12/13/05, 8/13/13