



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-10

For the meeting of: April 5, 2016

Date: March 3, 2016

To: Board of Supervisors

From: Connie Beck, Director *CB*
Department of Health and Human Services

Subject: First Amendment to Lease at 2440 Sixth Street, Eureka with Humboldt Partners

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approves the first amendment to lease with Humboldt Partners at 2440 Sixth Street, Eureka for office space for Department of Health and Human Services (DHHS)-Children and Family Services for the period of April 15, 2016 through July 31, 2022;
2. Authorizes the Chair of the Board to sign two (2) originals of the first amendment to lease; and
3. Directs the Clerk of the Board to return one (1) executed original of the first amendment to lease to the Public Works-Real Property Agent for transmittal to Lessor.

SOURCE OF FUNDING:

Social Services Fund

DISCUSSION:

On April 14, 2015 (item C-9), the Board approved the lease with Humboldt Partners at 2440 Sixth Street,

Prepared by Michelle Tucker, ASO

CAO Approval

E. Quinlan Hayes

REVIEW:

Auditor

MBH

County Counsel

Human Resources

CB

Other

TYPE OF ITEM:

☒ Consent

☐ Departmental

☐ Public Hearing

☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. C-9

Meeting of: 4/14/15

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Fennell* Seconded by Supervisor *Bass*

Ayes *Sundberg, Fennell, Lovelace, Bahn, Bass*

Nays

Abstain

Absent

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

Dated: *April 5, 2016*

By:

Kathy Hayes, Clerk of the Board

Kathy Hayes

Eureka for office space for DHHS-Children and Family Services for the period of August 1, 2015 through July 31, 2022. The leased premises currently include approximately 46,947 square feet at 2440 Sixth Street plus off-street parking areas.

Pursuant to DHHS' Strategic Plan and AB315 integrated initiative, DHHS has relocated its Children and Family Services' (CFS)-Child Welfare Services offices, programs and staff (including CWS Ongoing, CWS Adoptions and Placement, CWS Emergency Response, Family Connection Center), that were previously located at Koster Street and Second and D streets, to the 2440 Sixth St. (former Humboldt Bank Plaza) site. DHHS is currently in process of relocating CFS-Children's Mental Health programs and staff from Koster Street and 1711 Third Street to 2440 Sixth Street. Thereafter, the special supplemental nutrition program for Women, Infants, and Children (WIC), Nurse-Family Partnership, and Safe Care program offices will also relocate from 317 Second Street.

DHHS requires additional office space to accommodate staff at 2440 Sixth Street, 2430 Sixth Street, and 2426 Sixth Street. The proposed first amendment to lease will increase leased space from 46,946 square feet to 62,234 square feet, of real property, plus off-street parking areas located at 2440 Sixth Street, 2430 Sixth Street and 2426 Sixth Street, Eureka. This is a full-service lease. The owner is responsible for payment of janitorial services, all utilities, and building maintenance costs. DHHS is responsible for payments for its communication costs. The monthly cost for the lease will increase from \$65,725.80 to \$88,656.30.

The site is in close proximity to Humboldt County Child Support Services and the Open Door Clinic. The co-location of DHHS children's services enhances clients' service delivery. Therefore, DHHS recommends the Board approves the first amendment to lease with Humboldt Partners.

FINANCIAL IMPACT:

The monthly rental cost for the amended lease will be Eighty-Eight Thousand Six Hundred Fifty-Six Dollars and Thirty-Cents (\$88,656.30) or approximately \$1.42 per square foot for 62,234 square feet. Commencing on August 1, 2016, and continuing each year thereafter during the initial term and each extended term of this Lease, annual rent shall be adjusted by the percentage increase or decrease in the revised Consumer Price Index for all items (1982-1984 = 100) U.S. City Average, West Cities Size B-C, as published by the United States Department of Labor, Bureau of Labor Statistics (called the Index in this Lease) for the prior calendar year. In calculating this percentage increase or decrease, the most current Index immediately preceding the date of annual adjustment during the term or extended term shall be used. In the event the Index is unavailable, is no longer published, or is calculated on a significantly different basis following the date of this Lease, the most comprehensive official Index published which most closely approximates the rate of inflation shall be substituted in place of the Index. May 2015 shall be the base month for this adjustment. On adjustment of the rent in accordance with this paragraph, Lessor shall execute a letter stating the adjustment. Regardless of the CPI percentage change, the increase or decrease for any one year will be no more than five percent (5%). This expenditure has been included in the approved budget for fiscal year 2015-16 in Fund 1160, Budget Unit 511. There is no impact to the County General Fund.

Approving this first amendment to lease supports the Board's Strategic Framework by managing resources to ensure sustainability of services any creating opportunities for improved health and safety, and protecting vulnerable populations.

OTHER AGENCY INVOLVEMENT:

Public Works-Real Property Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to approve this first amendment to lease; however, this is not recommended because DHHS would need to find alternative suitable office space and parking space.

ATTACHMENTS:

1. Lease at 2440 Sixth Street, Eureka with Humboldt Partners
2. First amendment to lease at 2440 Sixth Street, Eureka with Humboldt Partners (2 originals)

FIRST AMENDMENT TO LEASE

This Amendment to the Lease entered into on April 14, 2015, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called COUNTY and HUMBOLDT PARTNERS, hereinafter called LESSOR, is entered into this 5th day of April, 2016.

WHEREAS, the parties entered into a Lease for the use of the premises at 2440 Sixth Street, Eureka, California, for the purpose of office space for the Department of Health and Human Services; and

WHEREAS, COUNTY and LESSOR desire to increase the square footage of the leased space and to amend the Lease as specified.

NOW, THEREFORE, it is mutually agreed as follows:

1. Paragraph 1, PREMISES, of the Lease is amended to read as follows:

LESSOR leases to COUNTY and COUNTY leases from LESSOR the following described premises located in Eureka, County of Humboldt, State of California:

Approximately 62,234 square feet, of the real property, building and parking areas located at 2440 Sixth Street, 2430 Sixth Street and 2426 Sixth Street, Eureka, California, also known as APN 022-252-022, as shown on Exhibit A, which is attached hereto and incorporated herein.

2. Paragraph 5, RENT, of the Lease is amended to read as follows:

Beginning on April 15, 2016, COUNTY shall pay to LESSOR as rent for the leased premises a monthly rental as follows:

Eighty Eight Thousand Six Hundred Fifty Six Dollars and Thirty Cents (\$88,656.30)

Rent shall be paid in advance on the first day of each month, except in the event that COUNTY's occupancy shall commence on a day other than the first day of the month, the rent for the first partial month shall be prorated at one-thirtieth (1/30) of the rental rate for each calendar day the premises are ready for occupancy during such month.

Commencing on August 1, 2016, and continuing each year thereafter during the initial term and each extended term of this Lease, annual rent shall be adjusted by the percentage increase or decrease in the revised Consumer Price Index for all items (1982-1984 = 100) U.S. City Average, West Cities Size B-C, as published by the United States Department of Labor, Bureau of Labor Statistics (called "the Index" in this Lease) for the prior calendar year. In calculating this percentage increase or decrease, the most current Index immediately preceding the date of annual adjustment during the term or extended term shall be used. In the event the Index is unavailable, is no longer published, or is calculated on a significantly different basis following the date of this Lease, the most comprehensive official Index published which most closely approximates the rate of inflation shall be substituted in place of the Index. May 2015 shall be the base month for this adjustment. On

adjustment of the rent in accordance with this paragraph, Lessor shall execute a letter stating the adjustment. Regardless of the CPI percentage change, the increase or decrease for any one year will be no more than five percent (5%). In no event shall rent be less than Eighty Eight Thousand Six Hundred Fifty Six Dollars and Thirty Cents (\$88,656.30) per month.

3. In all other respects the Lease between the parties entered into on April 14, 2015 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Lease dated April 14, 2015, on the date indicated above.

(SEAL)
ATTEST:
CLERK OF THE BOARD

COUNTY OF HUMBOLDT


By 

By 
Chair, Board of Supervisors
County of Humboldt
State of California

LESSOR:
HUMBOLDT PARTNERS

By 

Title Partner

By 

Title Partner



EXHIBIT A