File #: 22-41, **Version:** 1

To:	Board of Supervisors
From:	Public Works
Agenda Section:	Consent

SUBJECT:

First Amendment to the Commercial Lease with KHM Humboldt Properties, LLC for the McKinleyville Center, 1615 Heartwood Drive, McKinleyville, California

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve, and authorize the Chair of the Board to execute, the attached first amendment to the commercial lease with KHM Humboldt Properties, LLC for the McKinleyville Center at 1615 Heartwood Drive, McKinleyville, California; and
2. Direct the Clerk of the Board to return one (1) fully executed original copy of the attached first amendment to Commercial Lease with KHM Humboldt Properties, LLC to the Department of Public Works - Real Property for further processing.

SOURCE OF FUNDING:

Social Services Fund (1160); Public Health Fund (1175); Mental Health Fund (1170).

DISCUSSION:

On March 1, 2016, your Board authorized the Department of Public Works - Real Property ("Public Works") to issue a Request for Proposals for approximately 13,000 square feet of needed commercial space for a proposed One Stop Access Center ("Center") in McKinleyville, California. The Center provides the Department of Health and Human Services ("DHHS") with a wide range of program-related services.

On Nov. 6, 2018, the Board authorized and approved a commercial lease with KHM Humboldt Properties, LLC ("Landlord") to provide DHHS with approximately 13,400 square feet of new commercial space through owner construction of a new building. A condition of the commercial lease is for the Landlord to have its architect calculate and verify the actual square footage of the building upon completion. The recalculated square footage of the building results in an increase of 36 square feet from the estimated amount of 13,400 square feet. Monthly rent is therefore increased from the estimated amount of $30,686 to $30,768.44 to match the recalculated square footage. The attached first amendment to the commercial lease addresses the above-referenced changes in square footage and rental costs as well as other needed changes and clarifications.

Accordingly, staff recommends that the Board, approve and authorize the Chair of the Board to execute, the attached first amendment to the commercial lease for the McKinleyville Center at 1615 Heartwood Drive, McKinleyville, California.

FINANCIAL IMPACT:
Funding to accommodate the updated monthly rent amount of $30,768.44, an increase of $82.44 monthly, at the McKinleyville Center will be budgeted in Social Services Fund 1160511, Mental Health 1170424, and Public Health 1175416 based upon square footage utilization. A supplemental rental payment in the amount of $332.50 will be made upon execution of the attached first amendment to the commercial lease for the McKinleyville Center at 1615 Heartwood Drive, McKinleyville, California. The recommended actions will not impact the Humboldt County General Fund.

STRATEGIC FRAMEWORK:
The recommended actions support the Board of Supervisors' Strategic Framework by providing for and maintaining infrastructure, creating opportunities for improved safety and health and supporting business and workforce development.

OTHER AGENCY INVOLVEMENT:
None

ALTERNATIVES TO STAFF RECOMMENDATIONS:
The Board could decide not to approve the attached first amendment to the commercial lease for the McKinleyville Center at 1615 Heartwood Drive, McKinleyville, California. However, this is not recommended for the reasons stated above.

ATTACHMENTS:
1. First Amendment to Commercial Lease
2. Exhibit A - Gross Building Area
3. Exhibit F - Acknowledgement of Commencement Date
4. Exhibit H - Janitorial Services Required
5. Exhibit J - 2018 Lease 1615 Heartwood McKinleyville
6. Exhibit K - Supplemental Rental Amount

PREVIOUS ACTION/REFERRAL:
Board Order No.: C-13, I-1, C-23
Meeting of: 3/01/16, 11/08/16, 11/06/18
File No.: 18-1384