



## COUNTY OF SONOMA

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

### SUMMARY REPORT

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**Agenda Date:** 12/6/2022

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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** Sonoma County Public Infrastructure; Human Services

**Staff Name and Phone Number:** Johannes J. Hoevertsz, Public Infrastructure, 707-565-2550; Angela Struckmann, Human Services, 707-565-5802

**Vote Requirement:** 4/5th

**Supervisory District(s):** all

**Title:**

Lease Amendment for Human Services Department at 3725 Westwind Boulevard, Santa Rosa

**Recommended Action:**

- A) Authorize the Director of Sonoma County Public Infrastructure to execute a Second Amendment to Lease with 3725 WESTWIND SR LLC as Landlord, at 3725 Westwind Boulevard, Santa Rosa, to add an additional 5,856 rentable square feet of office and breakroom space ("Suite 230") to the County's existing Lease in the building, for additional monthly rent of \$11,419.20 plus utilities, with the Lease term ending on May 31, 2027.
  - B) Adopt a budget resolution approving adjustments to the FY22/23 Human Services Department Budget in the amount of \$315,857. (4/5<sup>th</sup> Vote Required)
- (4/5<sup>th</sup> Vote Required)

**Executive Summary:**

**Purpose.** The Director of Sonoma County Public Infrastructure (SPI), formerly Transportation & Public Works/General Services, in consultation with the Human Services Department, requests Board authorization of the proposed Second Amendment to the lease at 3725 Westwind Boulevard, Santa Rosa, a premises currently occupied by the Human Services Department Adult & Aging Division. The proposed Amendment will increase the size of the premises by 5,856 rentable square feet (from 32,347 square feet to 38,203 square feet), through the addition of a second floor Suite 230, with the amendment effective on or about March 1, 2023. The proposed Amendment will provide the Department with additional, fully furnished office and conference room space to better enable its Adult & Aging Division to offer its many programs, services and resources that support independence and quality of life for older adults and their families; children, youth and adults living with disabilities; military veterans, and in-home caregivers.

**Discussion:**

In July 2022, the Human Services Department, supported by the Department of General Services, initiated lease expansion discussions with their Landlord to take over a portion of office space in the building on the second floor that Department of Child Support Services was terminating from their lease due to State funding cuts ("Suite 230"). The space offers a fully furnished expansion opportunity for Human Services Department's

operations that are located on the first floor. Negotiations between the County and Landlord continued through September 2022 when lease expansion terms for a proposed Second Amendment were agreed to, subject to Board approval.

**Lease Amendment.** The proposed Second Amendment to Lease between 3725 WESTWIND SR LLC, as Landlord, and the County of Sonoma, as Tenant, contains the following key provisions:

1. Addition of 5,856 rentable square feet in Suite 230 to the County's existing Lease of 32,347 rentable square feet, increasing total Lease area to 38,203 rentable square feet.
2. \$11,419.20 increase in the existing Lease monthly rent, from \$71,248.18 per month to \$82,667.38 per month (\$2.16/SF/Month) plus utilities.
3. Prior to the Commencement Date the Landlord will make the following improvements to Suite 230: (i) Demise Premises and install four (4) private offices, (ii) Make any necessary repairs and adjustments to existing Building systems serving the Premises; (iii) Professionally clean the carpets; (iv) Patch and touch up the paint if necessary; and (v) Provide County with report from an airflow assessment.
4. The County will reimburse the Landlord 50% of the cost of tenant improvements, with County reimbursement to the Landlord to exclude the cost of demising Suite 230, with total County reimbursement to the Landlord not to exceed \$61,919.
5. County owned furniture, fixtures and equipment left in premises by the previous County tenant (Department of Child Support Services) shall remain in place for ongoing use by the Human Services Department.
6. All other terms and conditions of the existing Lease will apply to the expanded lease premises, including the existing Lease's 5/31/27 expiration date and 3% annual rent increases.

With the addition of Suite 230 to the existing Lease premises, the Lease's rent per square foot per month will decrease from its current \$2.20/SF/Month for 32,347 rentable square feet to \$2.16/SF/Month for 38,203 rentable square feet to reflect the lower rental rate SPI staff negotiated for Suite 230's 5,856 rentable square feet.

**Project Costs and Construction Schedule.** The total relocation cost to the Human Services Department is estimated to be \$134,919, consisting of \$10,000 for moving costs, \$48,000 for cabling and ISD support, \$15,000 for proximity card installations, and \$61,919 for tenant improvements.

**Procedural Authority.** Government Code Section 25350 requires publication of notice of the Board's intent to enter into a lease or lease amendment for three successive weeks prior to execution of the lease agreement where it is valued at more than \$50,000.

Publication occurred pursuant to the Board's November 8 action authorizing the publication of the notice of intent to enter into the proposed lease amendment.

**Strategic Plan:**

N/A

**Prior Board Actions:**

11/08/22 – Declare intent to enter into Second Amendment to Lease

01/10/17 – Authorize General Services Director to execute First Amendment to Lease

12/08/16 – Declare intent to enter into First Amendment to Lease

12/05/06 – Authorize General Services Director to execute Lease

11/07/06 – Declare intent to enter into Lease

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY22-23 Projected</b>	<b>FY 23-24 Projected</b>	<b>FY 24-25 Projected</b>
Budgeted Expenses		\$141,494.21	\$145,739.04
Additional Appropriation Requested	\$180,938.38		
<b>Total Expenditures</b>	<b>\$180,938.38</b>	<b>\$141,494.21</b>	<b>\$145,739.04</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	\$46,019.38	\$141,494.21	\$145,739.04
Fees/Other			
Use of Fund Balance	\$134,919		
Contingencies			
<b>Total Sources</b>	<b>\$180,938.38</b>	<b>\$141,494.21</b>	<b>\$145,739.04</b>

**Narrative Explanation of Fiscal Impacts:**

HSD is requesting to add appropriations for the project and construction costs of \$134,919 plus four months of rent for Suite 230 of \$46,019.38. In addition, HSD will request to increase budget appropriations of \$134,919 to transfer realignment fund balance to HSD operating fund. Future rent expenditures will be included in future annual budget requests. The funding source for the expanded lease cost will be primarily funded via state and federal revenues. Total new annual office lease cost, inclusive of Suite 230, estimated to be \$1,038,053.98 for FY22-23, \$1,024,323.34 for FY23-24, \$1,055,053.04 for FY24-25, \$1,086,704.63 for FY 25-26, and \$1,023,471.61 for FY 26-27 (11 months only before Lease expiration date). Per the terms of the existing Lease, rent is increased by 3% every year on June 1, and the Lease expires on May 31, 2027, unless extended by one or both of the Lease's two, 5-year extension options. The attached budget resolution includes additional budget adjustments above the \$180,938 cited in the fiscal table in order to transfer funds from HSD's 1991 Realignment Special Revenue Fund into its Adult and Aging Division operating section.

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

- 1 – Second Amendment to Lease Amendment between 3725 WESTWIND SR LLC as Landlord and the County of Sonoma as Tenant
- 2 – Budget Resolution

**Related Items “On File” with the Clerk of the Board:**

- 1 – 3725 Westwind Boulevard Lease
- 2 – 3725 Westwind Boulevard First Amendment to Lease
- 3 – 3725 Westwind Blvd - Estimated Annual Leasing Budget