



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 7/9/2024

To: Sonoma County Board of Supervisors

Department or Agency Name(s): Public Infrastructure; Auditor-Controller/Treasurer-Tax Collector

Staff Name and Phone Number: Johannes J. Hoevertsz, SPI – 707-565-2550; Erick Roeser, ACTTC – 707-565-3295

Vote Requirement: Majority

Supervisory District(s): All

Title:

Lease Amendment for Auditor-Controller-Treasurer-Tax Collector, 433 Aviation Boulevard, Suite 120, Santa Rosa

Recommended Action:

Authorize Clerk of the Board to publish a notice declaring the intent of the Board of Supervisors to execute a proposed lease amendment, in form substantially as attached hereto and as approved by County Counsel, with the Sonoma County Employees Retirement Association (Landlord), for premises located at 433 Aviation Boulevard, Suite 120, Santa Rosa. The proposed amendment would extend the lease term for five years, through September 30, 2029, establish rent at \$5,702 per month, subject to annual increases of \$0.05 per sq. ft., and provide two, one-year options to further extend the lease term through September 30, 2031.

Executive Summary:

This matter involves a proposed lease extension for the Sonoma County Auditor-Controller/ Treasurer-Tax Collector (hereinafter, ACTTC or the Department), which occupies leased office space at 433 Aviation Boulevard, Suite 120, Santa Rosa. The ACTTC Payroll Division has leased these premises since October 2020, and provides internal support for all 27 County departments and 5 Special Districts/Agencies and maintains and supports the Payroll module of the Countywide Human Resources Information System and Kronos timecard system. The current lease is between ACTTC and the Sonoma County Employee's Retirement Association, and the lease expires on September 30, 2024. The proposed lease amendment would extend the lease term through September 30, 2029, provide two, one-year lease options to further extend the lease term through September 30, 2031, and revise the rent.

Discussion:

In October 2020, the ACTTC entered into a lease ("Lease") with the Sonoma County Employee's Retirement Association ("SCERA" or "Landlord") for 2,851 square feet of office space at 433 Aviation Boulevard, Suite 120, in north Santa Rosa ("Premises"). The current lease expires on September 30, 2024, and the current rent is \$5,559.45 per month (\$1.95 psf). This item seeks Board approval to publish a notice declaring the Board's intention to amend the Lease. The proposed amendment would extend the lease term for five years through September 30, 2029, provide for two, 1-year lease options to further extend the term through September 30, 2031, and specifies rent for the extended term. The Premises are occupied by the ACTTC Payroll Division,

which is comprised of 11 employees whose duties include processing roughly 4,700 bi-weekly paychecks and providing related support and guidance to all 27 County departments and 5 Special Districts/Agencies.

Proposed Amendment. Staff has negotiated terms for the proposed first amendment to the lease (“Amendment”), as follows:

- Premises: No change. Suite 120, 433 Aviation Boulevard, in north Santa Rosa. (Please see attached floor plan and map.)
- Term: The lease term is extended for five years through September 30, 2029. County will have two, 1-year options to further extend the lease term through September 30, 2031.
- Rent: \$5,702 per month or \$68,424 per year (\$2.00 per sq. ft.), effective October 1, 2024, subject to \$0.05 per sq. ft. annual increases. The \$2.00 psf rental rate is below market rate, which is between \$2.05 per sq. ft. to \$3.80 per sq. ft. for available office space in the north Santa Rosa/Airport area.

Funding. Funding for the lease rent cost is paid through General Fund support.

Procedural Authority. Government Code Section 25350 requires two (2) Board actions, which includes publication of a notice of intent for the County to lease real property as tenant where the lease agreement is valued at more than \$50,000. If your Board takes the requested action, this matter will return to the Board on or after August 13, 2024, for consideration and consummation of the proposed lease amendment in line with the Government Code.

Strategic Plan:
N/A.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?
No

Prior Board Actions:

03/10/20: Directed the General Services department to facilitate the Auditor-Controller-Treasurer-Tax Collector’s Payroll division relocation

FISCAL SUMMARY

Expenditures	FY 24-25 Adopted	FY 25-26 Projected	FY 26-27 Projected
Budgeted Expenses	\$67,996.35	\$69,706.95	\$71,417.55
Additional Appropriation Requested			
Total Expenditures	\$67,996.35	\$69,706.95	\$71,417.55

Funding Sources			
General Fund/WA GF	\$67,996.35	\$69,706.95	\$71,417.55
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$67,996.35	\$69,706.95	\$71,417.55

Narrative Explanation of Fiscal Impacts:

The above impacts represent annual lease rent for the Premises, for FY24-25, FY25-26 and FY26-27. Monthly rent of \$5,559.45 under the current lease is effective through September 30, 2024 (lease expiration). The monthly rent of \$5,702. for the proposed lease extension begins October 1, 2024.

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

- 1 – Notice of Intent
- 2 – Site Plan
- 3 – Copy of Proposed Lease Amendment

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

None.