



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 2/9/2021

To: Sonoma County Board of Supervisors

Department or Agency Name(s): General Services; Agriculture/Weights & Measures; and University of California Cooperative Extension

Staff Name and Phone Number: Caroline Judy, General Services, 565-8058; Andrew Smith, Agriculture/Weights & Measures, 565-3837; Stephanie Larson, University of California Cooperative Extension, 565-3442

Vote Requirement: Majority

Supervisory District(s): Fourth

Title:

Lease extension for Agriculture/Weights & Measures and University of California Cooperative Extension, 133 Aviation Boulevard, Suites 109 and 110, Santa Rosa

Recommended Action:

Authorize the Clerk to publish a notice, declaring the Board's intention to enter into a lease amendment with Airport Business Center, for 21,397 sq. ft. of office/warehouse space leased by the Department of Agriculture/Weights & Measures and the University of California Cooperative Extension, located at 133 Aviation Boulevard, Suites 109 and 110, Santa Rosa, to: 1) exercise County's option to extend the lease term for an additional five years through November 30, 2026; 2) abate rent for the first full three months of the lease extension option, saving the County approximately \$134,899 total in lease rent payments; and 3) provide for additional tenant improvements to provide additional security to the Premises, at a cost of approximately \$50,000, to be performed at landlord's sole cost and expense.

(Fourth District)

Executive Summary:

This matter involves the proposed extension of the lease between Airport Business Center (Landlord) and the County Agriculture/Weights & Measures (AWM) and the University of California Cooperative Extension (UCCE), for use of 21,397 sq. ft. of warehouse/office space located at 133 Aviation Boulevard, Suites 109 and 110 in Santa Rosa (Premises). AWM and UCCE have occupied the leased Premises since October 2002, and the lease expires on November 30, 2021. There are three lease extension options to extend the term of the Lease, each for a period of five years.

Staff has requested the Landlord perform tenant improvements to the exterior of the Premises to provide additional security for the Departments' fleet vehicles and the exterior of the Premises, which have been subject to theft and vandalism for over ten years. A significant increase in activity has been observed over the past 5 years. The Landlord has agreed to install electronic gates and security cameras, and will continue to provide security patrol, as

requested, at Landlord’s sole cost and expense. The approximate cost for these proposed tenant improvements is \$50,000. In exchange, the County would exercise its option to extend the term for an additional five years through November 30, 2026, and the Landlord has agreed to abate rent for the first three months of the option period (December 2021 through February 2022), saving the County a total of approximately \$134,899 for the three-month period.

Discussion:

The Departments of Agriculture/Weights & Measures (WM) and the University of California Cooperative Extension (UCCE) have provided program services, from this leased location at 133 Aviation Boulevard in Santa Rosa, since October 2002, sharing 21,397 sq. ft. of office and warehouse space. The lease is with the Airport Business Center (Landlord). The Premises are divided as follows:

<u>Department/Suite</u>	<u>Rent/month</u>	<u>FTE’s</u>	<u>% Premises</u>	<u>Office SF</u>	<u>Warehouse SF</u>	<u>Total SF</u>
AWM / Suite 110	\$27,920.34	39	64%	9,594	4,100	13,694
UCCE / Suite 109	\$15,716.44	15	36%	5,603	2,100	7,703
Totals	\$43,656.78	54	100%	15,197	6,200	21,397

The lease expires on November 30, 2021, and there are three lease options to extend the term, each for a period of five years. Currently, the departments pay a total combined rent of \$42,385 per month (\$1.98 per sq. ft.)(\$508,622 per year), subject to 3% annual increases. Lease extensions are brought for Board consideration approximately one year prior to expiration given the time required to identify a new location, negotiate a lease and make tenant improvements should a determination be made to relocate.

The departments have requested Landlord provide additional security for the Premises due to reoccurring vandalism to its County fleet by trespasses at the rear parking area, and vagrancy occurring outside the building. In response, the Landlord requested County exercise its 5-year lease option in exchange for the requested tenant improvements.

Approximately 75% of AWM staff work in the field at least 50% of their time. Those AWM staff working in the field need ongoing office space due to the administrative work associated with field inspections.

With the COVID health pandemic, all but approximately five AWM staff are working in the office at least part-time. Many of those staff not working in the office full-time have childcare or other issues preventing them from being available full-time.

With the reduction of staff working in the office, AWM has been focusing on essential services. There are many programs that are not being done because of staffing reductions. Post-COVID, AWM will resume full services.

Staff worked with the departments to consider opportunities for consolidating the two suites. Based upon these discussions staff do not believe that merging the UCCE and AWM office space is a viable option due to differences in their service delivery models. While the clientele for the departments is similar, the service delivery programs and operations for each of the two departments are specialized and differ enough that combining the two offices is not viable. The two departments has specialized program needs. These program needs include management of UCCE's three volunteer programs: the UC Master Gardener Program of Sonoma County (with 300+ volunteers), the Sonoma County 4-H program (adult volunteers and youth members totaling over 500 individuals), and the new UC Master Food Preserver Program of Sonoma County (approximately 15 volunteers and growing). Throughout the business day, many of the clients involved in these programs come into the office for meetings, trainings, and to pick up or drop off materials. The UCCE office operates with an "open door" for these volunteers, while the AWM office operates "by appointment" and has a more structured work environment. AWM and UCCE each have specific security measures in place that address the very different programming each department provides to the community.

During the COVID pandemic many programs and educational opportunities that UCCE offers to the community are now virtual events; however, several programs and/or trainings are still being held in person following COVID safety protocols. These programs require hands-on, in-person trainings for successful outcomes. UCCE will be transitioning more programs back to in-person events once it is deemed safe to do so. The success of offering virtual programming during the COVID-19 pandemic, has provided evidence of the success of this format, but having in-person offerings both in the office and in the field will be important to bring back to the community and provide more robust training programs.

In addition, specialized equipment has been installed in AWM workspaces and would be difficult to move and recertify. The proximity of office space to the warehouse and two nearby storage facilities (Century Court and Airport Boulevard) is critical to operations. AWM also has a fleet of 40 vehicles, which require secure parking.

AWM anticipates growth and additional space needs in the future due to the expansion of cannabis responsibilities.

Agriculture/Weights & Measures:

The Department of Agriculture/Weights & Measures (AWM) is a regulatory agency whose primary responsibility is the enforcement of local and state laws and regulations related to agriculture and consumer protection. Major agricultural program responsibilities include: Pesticide Regulation, Pest Exclusion and Plant Quarantines, Certified Farmers Markets, Vineyard and Orchard Development, and Organic Agriculture Regulations, among others. On the Weights and Measures side, the Device Inspection Program requires the inspection and testing of all commercial weighing and measuring devices in the County. Additional programs under

the Weights and Measures Division include the Price Verification program, which audits all businesses using a Point of Sale (POS) system or ‘scanner’. Clients include most agricultural operations in the County as well as any business that uses commercial weighing or measuring devices or a POS system.

University of California Cooperative Extension.

In Sonoma County, the UC Cooperative Extension (UCCE) is at the forefront of change, working to preserve agriculture, helping communities shape wise public policy, and strengthening community development and leadership in youth and adults. Program areas include:

Viticulture, Specialty Crops, Livestock and Range Management, Integrated Pest Management, 4-H Youth Development, Master Gardeners, Master Food Preservers, Dairy, Sudden Oak Death, Forestry, Environmental Horticulture and Food Systems. Additionally, the UCCE department has an Agriculture Ombudsman who assists the agriculture community throughout the County covering a wide variety of services and topics.

Funding. A significant portion (70%) of the AWM’s budget for FY 2020-2021 is comprised of State and Federal revenue and licenses/fines/charges for services. Approximately 30% of the departmental budget is based on General Fund contribution. Lease rent is funded out of General Fund and revenues received for departmental services. UCCE overhead costs are covered through the County’s General Fund.

Proposed amendment. Staff have negotiated terms for a fourth amendment to the Lease (“Amendment”), as follows:

- Premises: No change.
- Term: The Amendment confirms the County’s exercise of its third extension option of December 1, 2021 through November 30, 2026.
- Rent: If the Amendment is approved, the rent payments of \$44,966 per month for the first three (3) months of the option period (December 2021 through February 2022) will be abated, saving County approximately \$134,899 in lease rent payments during FY21-22. The current rent of \$42,385 per month (\$1.98 per sq. ft.) approximates fair market value for available office/warehouse space, within a 35-mile radius of this location. The average lease rate for similar-sized buildings is \$1.73 psf, and rent rate for Santa Rosa range from \$1.65 to \$2.15 psf modified full-service.
- Improvements: Tenant improvements include installation of two electronic gates, servicing the front and rear parking areas, and enclosing County’s parking areas (please see attached Site Plan). The Landlord will also install security cameras at the entrance to the Premises and at the exit of the building, which cameras will be able to capture vehicle license plate

numbers. The total cost for these tenant improvements is approximately \$50,000, which will be performed at Landlord's sole cost and expense. In addition, the Landlord will continue to provide security patrol, as requested, by County, at Landlord's sole cost and expense.

Termination: County may terminate the Lease with 240 days' notice for non-appropriation of funding for the rental payments and/or the program or agency for which the Premises are leased, without penalty. County may also terminate the Lease for relocation to the future County Government Center, with 365 days' notice in advance of completion of the County Government Center).

County Comprehensive Facilities Plan. The 2012 County Comprehensive Facility Plan (CCFP) recommended bundling services and the provision of "drop in" facilities, which could be created with other County departments and governmental agencies based on customer/client affinities and program similarities.

Recent comprehensive space planning surveys were conducted for the new County Government Center to update and/or validate the 2012 CCFP findings, and in these recent findings, AWM and UCCE indicated a continued need for specialized workspaces. It is important that AWM and UCCE have specialized warehouse space in close proximity to the office and offsite storage space, space for fleet vehicles, and suitable parking due to the frequency of oversized vehicles driven by stakeholders. In addition, staff commuting via SMART train, and the proximity to the SMART train station is important. The AWM and UCCE partner with the Sonoma County Farm Bureau, Sonoma County Viticulture Technical Group, North Coast Regional Water Quality Control Board, the Sonoma County Animal Shelter, and the Sonoma County Water Agency, who are in close proximity to the Premises. The co-location of AWM and UCCE at 133 Aviation provides additional convenience, as a one-stop location, for the public seeking services from both agencies, and for collaboration between the departments on related projects.

The CCFP also recommended "drop-in" offices for County departments to reduce travel and 'home' office space allocation for field-based staff. AWM maintains drop-in offices in Petaluma and Sonoma, at 11 English Street and 19722 Eighth Street, respectively. Both the Sonoma and Petaluma offices conduct business with customers from those areas of the county on a regular basis. These offices are provided in part to reduce travel time for its clients, visitors and staff, and to reduce greenhouse gas emissions. The Sonoma office provides client services on Tuesdays and Thursdays from 1:30pm – 2:30pm, with flexibility based on volume. Services at the Petaluma office are available by appointment. (The County Clerk-Recorder-Assessor, the Courts, and the District 2 Supervisor also provide client services at the Petaluma location.)

In addition, the Sonoma and Petaluma offices are utilized by AWM field staff to perform research and prepare documents in between appointments in those areas of the County. AWM does not pay lease rent for the use of either office space. AWM experiences the busy season from December through February, where the department serves approximately six clients per day at these remote offices.

The AWM and UCCE warehouse/office facilities situated at 133 Aviation Boulevard in north Santa Rosa, were originally built to suit in October 2002 to provide specialized workspaces for program operations, including warehouse space, fleet parking and specialized equipment. The location is adjacent to Highway 101 and the SMART train facility, and is accessible and convenient for AWM and UCCE community partners and stakeholders for meetings, workshops and training frequently hosted by AWM and UCCE. The Premises are also in close proximity to the Weights & Measures heavy equipment storage area on Century Court, and the AWM storage area on Ordinance Road, both of which are located off of Airport Boulevard, to the west of the Premises.

In addition, UCCE has two large volunteer programs, the 4-H Youth Development Program and the UC Master Gardeners, with members attending meetings at the Premises, and who also provide services to the community at the Premises. The warehouse space is a critical component of UCCE, with UCCE advisors storing research materials and equipment as well as providing a space for the two volunteer programs and the supplies for multiple projects in and around the community.

The lease has 148 allocated parking spaces, which provides needed parking for community meetings and volunteer programs. The parking area also accommodates oversized vehicles frequently driven by the agriculture community and can accommodate AWM's 40+ fleet vehicles, including those that haul trailers.

The AWM and UCCE departments are being considered for relocation into the future County Government Center, for the possibility of bundling services with shared clients and visitors, co-locating AWM and UCCE with Regional Parks and potentially the Agricultural Preservation & Open Space District. If your Board approves the proposed extension of the Lease, the County may terminate this lease with 240 days' notice to the Landlord, without penalty, which would allow these programs to be consolidated into the new County Government Center should that be desirable by the Board.

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, and the lease agreement is valued at more than \$50,000. If your Board takes the requested actions, this matter will return to the Board on or after March 2, 2021, for consideration and consummation of the proposed Amendment in line with the Government Code.

Prior Board Actions:

11/17/15—Authorized General Services Director to execute Third Amendment

11/27/07—Authorized the General Services Director, or his Deputy, to exercise lease option

10/08/02—Authorized the Board Chair to execute Lease, and authorized the General Services Director to modify certain documents and execute change orders for tenant improvements

07/21/98—Approved County Administration Center Space Strategy in concept (2-day workshop)

FISCAL SUMMARY

	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Expenditures			
Budgeted Expenses	517,523.56	398,149.83	549,040.76
Additional Appropriation Requested			
Total Expenditures	517,523.56	398,149.83	549,040.76
Funding Sources			
General Fund/WA GF	285,673.00	219,778.71	303,070.50
State/Federal	198,729.05	152,889.53	210,831.65
Fees/Other	33,121.51	25,481.59	35,138.61
Use of Fund Balance			
Contingencies			
Total Sources	517,523.56	398,149.83	549,040.76

Narrative Explanation of Fiscal Impacts:

The monthly total rent for the Premises is split between the Departments, according to their prorata share of space: AWM pays 64%, and UCCE pays 36% of rent. AWM's rent is paid 70% through State and Federal revenues, and funds received for licenses, fines, and charges for services; and 30% through General Fund. AWM's funding derives from a varied number of sources including unclaimed gas tax, state contracts with the Department of Pesticide Regulations, programmatic contracts with California Department of Food and Agriculture, which also includes funding from the State Division of Measurement Standards for our weights and measures work. UCCE's portion of the rent is paid 100% through the department's General Fund. For FY20-21, there is no change in rent as a result of this action. For FY21-22, County will have a rental savings of

\$134,899, as rent will be abated for three months. Three percent (3%) fixed adjustments to rent are consistent with CPI increases for the Bay Area, which have been between 2-4% over the last 5 years.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Attachment 1 – Notice of Intent

Attachment 2 – Site Plan

Attachment 3 – Copy of proposed Amendment

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

None