



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 8/13/2024

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 the Director of the Sonoma County Public Infrastructure Department to execute a proposed lease amendment, attached hereto and 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:

The Sonoma County Auditor-Controller/ Treasurer-Tax Collector (“ACTTC,” or “the Department”) currently 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; it also 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 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 specify the rent for the lease extension.

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 per sq. ft.). This item seeks Board authorization to extend the lease and for the Director of the Sonoma County Public Infrastructure to execute a proposed amendment to the Lease, extending the lease term for five years through September 30, 2029, provide for two, one-year lease options to further extend the term through September 30, 2031, and specify 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, The notice of intent for this matter has been published for the required notice period pursuant to the Board’s action on July 9, 2024, and in accordance 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:

07/09/24: Declared intent to execute the proposed lease amendment

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

FISCAL SUMMARY

	FY 24-25 Adopted	FY 25-26 Projected	FY 26-27 Projected
Expenditures			
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:

he 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). Monthly rent of \$5,702 pursuant to the proposed lease amendment begins October 1, 2024. Lease rent is paid through the General Fund net cost for the Department (ACTTC).

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

- 1 – Floor Plan and Map
- 2 – Copy of Proposed Lease Amendment

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

None.