



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 7/7/2026

To: Board of Supervisors

Department or Agency Name(s): Sonoma County Public Infrastructure

Staff Name and Phone Number: Johannes J. Hoevertsz, 707-565-2550

Vote Requirement: Majority

Supervisorial District(s): Fourth

Title:

Office Lease for 450 West 2nd St., Cloverdale; Second Reading

Recommended Action:

Authorize the Director of Sonoma Public Infrastructure to execute a lease agreement with the City of Cloverdale for use of office space in improved building at 450 West 2nd Street, Cloverdale for 30 years with two optional 5-year extensions, for no monetary rent, in form approved by County Counsel.

Executive Summary:

The City of Cloverdale ("City") owns that certain real property located at 450 West 2nd Street, Cloverdale (APN 001-051-023) on which is located a building containing +/- 2,700 square ft. built in the 1940's known as the Scout's Hut (Building). On June 2, 2026, your Board approved funding in the amount of \$333,000 (the "Funding") for the City's improvement of the Building and authorized the publication of a notice of intent for this lease agreement. As a condition to providing said funding, County requires a leasehold interest in the Building for office purposes under a 30-year lease agreement for no monetary rent.

Discussion:

The City desires to improve the Building making renovations to the bathroom, kitchen, HVAC and electrical systems, among other actions. The County agreed to provide the Funding for the renovation of the Building which will be used for general recreational purposes and has provided that County and its elected officials may use a portion of the renovated building for governmental and office purposes. The improved Building also benefits the general public by providing improved access to government services and recreational program enhancements.

City shall provide the balance of costs necessary to complete renovations which total cost is estimated at approximately \$1 million. The Building is centrally located in the heart of Cloverdale and sits within the historic 2nd Street City Park, a community focal point that provides a wide range of recreational amenities. As such, the Building has been identified as a strategic location for City of Cloverdale and County operations.

As a condition to the Funding, the County will be granted a no-rent lease of approximately 150 sq. ft. of office space in the Building. The current state of the facility requires significant structural and interior improvements, including electrical systems, HVAC, ADA compliance, and roof repair before occupancy can occur.

The proposed Lease Agreement (and its companion Funding Agreement previously approved by your Board for improvement of the Building containing the Premises) ensures a long-term understanding between the County and the City, whereby the County secures a long-term location for needed supervisorial office space and provision of government services while simultaneously improving a public asset. The lease terms will include that the County shall not be obligated to pay monetary rent during the 30-year lease term and the City shall perform all maintenance and repairs.

The authorization previously approved by your Board for County to enter into the Funding Agreement with City of Cloverdale contained substantially the following terms:

- Execution of the Lease Agreement is a pre-condition to release of Funding;
- To mitigate the risk of project abandonment or non-performance, the agreement includes a default event requiring the immediate repayment of Funding if the City does not complete all renovations, obtain a Certificate of Occupancy, and make the leased premises available to County by January 1, 2028.

The Department of Sonoma Public Infrastructure now seeks authorization to consummate a lease agreement (“Lease Agreement”) with City of Cloverdale containing substantially the following terms:

- City, as Landlord, will complete improvements of the Building including new renovated office space for use by the County measuring approximately 10 ft by 15 ft with separate entrance;
- Initial lease term is 30 years with two 5-year extension options;
- Lease term to commence upon completion of Building renovations;
- No rent payable by County;
- City pays all utilities; City performs and pays for all maintenance, repair and janitorial;
- County, as Tenant, is responsible for its interior furnishings and equipment; and
- County may terminate without cause in its sole discretion.

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Procedural Authority: Government Code Section 25350 authorizes the Board to approve leases exceeding a 5-year term and a total transaction value exceeding \$50,000 after the publication of a Notice of Intent to lease for three successive weeks. Said publication period has concluded, and Staff recommends consummation of the Lease Agreement.

Prior Board Actions:

06/02/2026 – Board approved: 1. Issuance of Notice of Intent for Lease with City of Cloverdale at 450 2nd St., Cloverdale; 2. The Funding Agreement; and Adopted a Budgetary Resolution to fund the Funding Agreement with the City.

FISCAL SUMMARY

Expenditures	FY 26-27 Adopted	FY 27-28 Projected	FY 28-29 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$333,000		
Total Expenditures	\$333,000		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance	\$333,000		
Contingencies			
Total Sources	\$333,000		

Narrative Explanation of Fiscal Impacts:

There are no rent, utility costs or maintenance and repairs impacts related to this Lease Agreement; any fiscal impacts are minimal and related to furnishing the premises with furniture and office equipment and installation of proximity card access if applicable.

The total \$333,000 is a one-time expenditure from the District 4 Supervisorial annual allocation for district satellite offices from the County Modernization Fund (23027-40803600). Additional appropriations will be requested during Fiscal Year 2026-2027 1st Quarter Consolidated Budget Adjustments.

Narrative Explanation of Staffing Impacts (If Required):

No staffing impacts

Attachments:

Proposed Lease Agreement with City of Cloverdale

Related Items "On File" with the Clerk of the Board:

Notice of Intent to Enter Lease Agreement at 450 W. 2nd Street, Cloverdale