



SUMMARY REPORT

Agenda Date: 3/1/2022

To: Sonoma County Board of Supervisors

Department or Agency Name(s): General Services, Human Services

Staff Name and Phone Number: Johannes J. Hoevertsz, General Services: 707-565-3585; Angela Struckmann, Human Services: 707-565-6990

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Lease for Human Services Department at 5345 Skylane Blvd, Santa Rosa

Recommended Action:

Authorize the interim General Services Director to execute a Lease with 5330 ORH LLC, as Landlord, for 7,000 square feet of warehouse and office space at 5345 Skylane Blvd, Santa Rosa, for the Human Services Department Operations Section, for a lease of five (5) years, commencing May 1, 2022 and expiring April 30, 2027, with an initial monthly rent of \$9,450 (\$1.35/sf/month).

Executive Summary:

General Services department staff, in consultation with Human Services Department (HSD) leadership, requests Board consideration of a Lease at 5345 Skylane Blvd, Santa Rosa, consisting of 7,000 rentable square feet of air-conditioned warehouse and office space, to be occupied by the Human Services Department's Operations Section. The proposed Lease will meet the Department's growing storage and distribution needs for office equipment, furniture, and supplies, as well as serve as a disaster logistics facility supporting the county's Emergency Operations Center (EOC) Care & Shelter unit.

Discussion:

In March, 2021, County General Services, on behalf of Human Services, initiated a search for air-conditioned warehouse space in the Airport area with the purpose of relieving constraint problems HSD was experiencing at its existing warehouse facilities that was negatively affecting its operating efficiency. Negotiations between the County and Landlord commenced in September 2021 and continued through December 2021, when lease terms and a draft Lease was agreed upon. The proposed five year lease term, with a five year option exercisable at the County's discretion, will allow HSD uninterrupted use of an air-conditioned office/warehouse facility to efficiently support their day-to-day operations and emergency response through April 30, 2032.

Lease Terms. The proposed Lease between 5330 ORH LLC, as Landlord, and the County of Sonoma, as Tenant, contains the following key provisions:

1. Five (5) year lease commencing May 1, 2022 and expiring April 30, 2027
2. Initial monthly rent of \$9,450, (\$1.35/sf/month) Gross
3. County pays for its utilities

4. County's pro-rata share of common area maintenance (CAM) expenses is included in monthly rent
5. 3% fixed annual rent escalation
6. County has one option to extend the term five additional years, through 4/30/32, with the initial rent in option period to be set at 3% higher than previous year's rent
7. Prior to commencement of lease, landlord is to remove at landlord's cost a partial wall in the warehouse area
8. County retains right to terminate the lease with 270 days written notice in the event of non-appropriation of funds or if HSD elects to occupy space in a new County Government Center

Project Costs and Construction Schedule.

All tenant improvements are to be completed by landlord at landlord's expense.

Tenant Relocation Costs are estimated to be:

Move Cost: \$10,000

ISD/Cabling Cost: \$10,000

Furniture Cost: \$30,000

Total Relocation Cost: \$50,000

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 January 25, 2022 action authorizing the publication of a notice of intent to enter the proposed Second Lease Amendment.

Strategic Plan:

N/A

Prior Board Actions:

01/25/22 Declare intent to enter into Lease

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Budgeted Expenses	\$68,900	\$113,967	\$117,386
Additional Appropriation Requested			
Total Expenditures	\$68,900	\$113,967	\$117,386
Funding Sources			
General Fund/WA GF			
State/Federal	\$68,900	\$113,967	\$117,386
Fees/Other			
Use of Fund Balance			
Contingencies			

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Total Sources	\$68,900	\$113,967	\$117,386
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Narrative Explanation of Fiscal Impacts:

The FY21-22 Lease expenditures are included within the HSD current budget and future year rent expenditures will be included during the budget adoption process.

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:

Lease between 5330 ORH LLC as Landlord and the County of Sonoma as Tenant

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

None