



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 3/7/2023

To: Sonoma County Board of Supervisors

Department or Agency Name(s): Public Infrastructure / Office of Equity

Staff Name and Phone Number: Johannes J. Hoevertsz – Public Infrastructure, 707-565-2550 / Alegria De La Cruz – Office of Equity, 707-565-8709

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

New Lease for Office of Equity, 111 Santa Rosa Avenue, Suite 202, Santa Rosa

Recommended Action:

Authorize the Public Infrastructure Director to execute the proposed lease with Landlord 111 Santa Rosa, LLC, for office space at 111 Santa Rosa Avenue, Suite 202, in downtown Santa Rosa, for the Office of Equity.

Executive Summary:

This matter involves a proposed lease for the Office of Equity (OOE) to relocate from its current premises in downtown Santa Rosa. OOE has been leasing the existing premises since January 2021, and the lease term expired January 30, 2023. That lease is in a month-to-month holdover.

The proposed lease will allow for OOE to move to a larger office space at 111 Santa Rosa Avenue, also in downtown Santa Rosa, for a three-year term with an option to extend.

Since its establishment in August 2020, OOE has expanded from 3 full-time positions, adding 3 full-time time-limited positions, plus 1-2 summer interns, and the current leased premises are inadequate to house the expanded department and program work. The current location does not currently have enough working stations for the existing team and does not have any available meeting or training spaces for the free use of the OOE. Therefore, the majority of the OOE team continues to telework due to the lack of space in the current premises, and to hold larger convenings and trainings in other spaces. It is critical for the OOE to have a space to continue to develop and nourish relationships with community members and community-based organizations and to support its ongoing work with County staff through the Core Team. The proposed new location at 111 Santa Rosa Avenue will provide the needed office space for the basic operation of the 6 FTE's, and will also provide the convening space to host community meetings, as well as with organizational partners supporting the community and enriching the OOE's work, and Core Team members.

Discussion:

This item seeks Board authorization for the Director of Public Infrastructure to execute the proposed lease between 111 SR, LLC (the Landlord) and the County, to provide adequate office space for the OOE, at 111 Santa Rosa Avenue, Suite 202, Santa Rosa.

OOE has leased office space at 50 Santa Rosa Avenue, Suite 330, in Santa Rosa since January 2021. The current premises are comprised of 857 sq. ft. of office space, originally leased to provide space for 3 full-time positions. The lease term for 50 Santa Rosa Avenue expired on January 30, 2023, and the lease is in month-to-month holdover status. The current monthly rent is \$1,415 (\$17,478 per year).

The proposed new lease will provide the needed space to accommodate the increased staffing for the OOE, comprised of the Director, Program Manager, 3 Department Analysts, an Administrative Aide, and rotating interns to administer the OOE program services.

Proposed Lease. The terms for the proposed Lease are as follows:

Premises: Suite 202, comprised of 2,418 rentable sq. ft. at 111 Santa Rosa Avenue, Santa Rosa.

Term: Three (3) years, with one, 2-year option.

Rent: \$5,471.40 per month (\$2.20 psf), subject to 3% annual increases. The \$2.20 psf rent rate is at market rate, which is between \$1.80 per sq. ft. to \$2.25 per sq. ft. for comparable office space for lease in Santa Rosa.

Rent Abatement: Rent abatement for the first 3 months of the term, for a total savings of \$16,414.

Improvements: Minor tenant improvements include removal of walls to provide a more open floor plan that will allow for increased flexibility for additional meeting and training space, as needed. Landlord will perform these tenant improvements at Landlord's sole cost and expense.

Termination: County may terminate the lease if funding for the Premises or program is reduced or withdrawn, or for any reason, with 180 days' prior written notice, to the Landlord and subject to payment of the Lease Termination Fee as stated in the Lease.

Funding: The one-time move costs associated with the new Lease include ISD/IT work, office equipment and furnishings, and move management to provide Wi-Fi connectivity and furnish the new premises for occupancy. OOE has sufficient appropriations in FY22-23 to cover these one-time move costs of \$60,000.

OOE will continue to pay monthly rent for its current lease at 50 Santa Rosa Avenue, of \$1,415 per month, until the new Premises at 111 Santa Rosa Avenue are ready for occupancy, projected to be in June 2023. The proposed new lease will abate rent for the first 3 months, a savings of \$16,414. Future ongoing lease rent costs will be paid out of the department's annual operating budget.

Public Notice Requirement. Government Code Section 25350 requires the Board to publish a notice of its intent to enter into a lease valued in excess of \$50,000 for three (3) consecutive weeks prior to consummation of the proposed lease. The notice of intent as to the proposed lease has been published for the required notice period pursuant to the Board's action on February 7, 2023, and in accordance with the Government Code.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Racial Equity and Social Justice

Goal: Goal 4: Engage community members and stakeholder groups to develop priorities and to advance racial equity.

Objective: Objective 1: Establish a process for engagement and collaboration with community members and stakeholder groups, and launch a community engagement strategy by the end of 2022 with a focus on racial equity.

Pillar: Racial Equity and Social Justice

Goal: Goal 4: Engage community members and stakeholder groups to develop priorities and to advance racial equity.

Objective: Objective 2: Collaborate with community members and stakeholder groups to develop racial equity strategies for County emergency response, economic recovery and resiliency planning efforts.

Pillar: Racial Equity and Social Justice

Goal: Goal 4: Engage community members and stakeholder groups to develop priorities and to advance racial equity.

Objective: Objective 3: Begin implementing strategies for regular community engagement to guide racial equity efforts.

Prior Board Actions:

02/07/23: Declared intent to enter into a lease with 111 Santa Rosa, LLC, for office space, at 111 Santa Rosa Avenue, Suite 202, Santa Rosa, for the Office of Equity

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY23-24 Projected	FY 24-25 Projected
Budgeted Expenses	\$62,830	\$65,657	\$67,627
Additional Appropriation Requested			
Total Expenditures	\$62,830	\$65,657	\$67,627
Funding Sources			
General Fund/WA GF	\$62,830	\$65,657	\$67,627
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			

Total Sources	\$62,830	\$65,657	\$67,627
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Narrative Explanation of Fiscal Impacts:

The one-time move costs of \$60,000 for FY22-23 is for the following expenses: \$36,000, budgeted for ISD/IT equipment installation and setup; and for the one-time cost of \$24,000, budgeted for Furniture, Fixtures and Equipment and move management, to be completed by County ISD, and the County Public Infrastructure project move management, respectively.

In addition, for FY22-23, rent for the months of April and May 2023 is budgeted for the current leased Premises at 50 Santa Rosa of \$2,830 (\$1,415 per month X 2 months). The lease rent and the one-time move costs will be funded by the Department's approved operating budget.

The future lease rent costs for the new Lease are projected for FY 23-24 (\$65,657) and FY 24-25 (\$67,627). Future ongoing lease rent costs will be paid out of the Department's operating budget.

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

- 1 – Site Plan
- 2 – Copy of proposed Lease

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

None.