



SUMMARY REPORT

Agenda Date: 8/6/2019

To: Board of Supervisors and Board of Commissioners of the Community Development Commission
Department or Agency Name(s): Sonoma County Community Development Commission; Sonoma County General Services Department
Staff Name and Phone Number: Benjamin Wickham; 707-565-7542
Vote Requirement: 4/5th
Supervisory District(s): All

Title:

2150 West College Property Lease

Recommended Action:

Board of Commissioners:

- (1) Approve Sonoma County Community Development Commission to enter into a net lease agreement (Lease) with Sonoma County General Services Department to occupy a service building and to access parking at 2150 W College Avenue, Santa Rosa.
- (2) Authorize the Executive Director of the Commission to execute all documents related to this lease.
- (3) Authorize the Commission to commit up to \$275,000 in budgeted County Fund for Housing (CFH) funds to complete all repairs and maintenance necessary to re-commission the service building; these funds will be reimbursed to the Commission.

Board of Supervisors:

- (1) Authorize the Director of Sonoma County General Services Department to execute all documents related to this Lease and to execute future amendments and associated documents required for the extension and operation of the lease, as reasonably requested by Regional Parks and Probation staff, and in consultation with County Counsel, which are consistent with the essential terms of the original lease.
- (2) Adopt a resolution authorizing the budgetary transfer of Fleet Accumulated Outlay (ACO) funds in the amount of \$408,650; \$133,650 of which will be used to relocate equipment and personnel from central yard at County Center to the 2150 W College Avenue site and \$275,000 will be used to reimburse the Commission for repairs and tenant improvements necessary to re-commission the service building. (4/5)

Executive Summary:

Approval of this item will authorize a 16-month lease of the property at 2150 West College Avenue (West College) between Sonoma County Community Development Commission (Commission) and Sonoma County General Services Department (GSD); with the option to extend for up to an additional 12 months if the site developer, USA Properties Fund, is unable to complete the entitlements process during the initial term. The arrangement will:

- (a) Provide improved security by way of occupying vacant property during the completion of due diligence and entitlements process, and until commencement of the construction of housing on the property by USA Properties Fund; and
- (b) Provide interim space for Sonoma County Regional Parks Department (Regional Parks) and Sonoma County Probation Department (Probation) to store and stage equipment and personnel that were formerly located on the central yard at County Center while these departments develop a plan for a permanent site; and
- (c) These arrangements will provide the departments involved with a cost-effective interim solution to personnel, vehicle, and equipment staging and storage needs while saving the Commission in security and site maintenance costs at West College.

Discussion:

The Commission purchased the former Sonoma County Water Agency headquarters at 2150 West College Avenue in 2017 as part of an effort to leverage and maximize local investments to support affordable housing development. On December 11, 2018 the Board approved the selection of USA Properties Fund (USA Properties) to develop housing on the site. Following the execution of an Exclusive Right to Negotiate Agreement with the Commission in February 2019, USA Properties has embarked on a process of extensive due diligence on the site while negotiating a development agreement with the Commission. USA Properties must complete both a thorough due diligence process, followed by the entitlement process through the City of Santa Rosa Planning Department prior to taking title to the property. In the meantime, the Commission continues to have full responsibility for the West College property.

Since taking ownership of West College, significant and ongoing trespassing, vandalism, theft and unauthorized overnight loitering at the site has become of increasing concern to the Commission, causing safety risks, overburdening staff and resulting in high carrying costs.

On February 26, 2019 the Board of Supervisors approved multiple recommendations relating to parking on the County Campus in order to provide sufficient parking for employees and the public as a result of displacement due to the construction of the new Courthouse. This plan includes the relocation of the Probation and Regional Parks maintenance yards offsite to make room for a new Fleet Motor Pool parking lot.

Leasing a portion of the site to GSD for use by Probation and Regional Parks will provide an effective solution to both the Commission's desire to better control the property and these departments' need for an alternate location for operations and equipment.

Although bringing the portion of the property subject to the lease up to code will require some investment, staff analysis (as discussed below) shows this arrangement to be a cost-effective alternative for all parties. The Commission intends to cover the up-front costs of re-commissioning the site, estimated not to exceed \$275,000. The Commission will be using County Fund for Housing (CFH) dollars to fund activities, and then will subsequently be reimbursed by GSD using Fleet ACO funds. General Services will be responsible for the

relocation of Probation and Regional Parks equipment and personnel to the West College property, as well as any cleanup necessary on the vacated lot. Staff estimate this will cost \$133,650.

The amount of cost savings realized by the Commission due to Probation and Regional Parks keeping the site active, providing site security and handling general maintenance, estimated to be \$3,000 per month, and will be fully credited as an offset against the base rent on a monthly basis. The Agreement will be a net lease (base rent net to Owner, Tenant responsible for utilities, insurance and general maintenance). The Agreement stipulates a 16-month total lease term with monthly base rent payments of \$3,000, which will be fully credited back to the Tenant. The amount of monthly base rent credit is based on the Commission's average expenditures keeping the property secure over the past budget year.

A meeting between representatives of Probation, Regional Parks, and the Commission revealed that using the West College property could be mutually beneficially to all parties involved. Probation and Regional Parks would benefit from having a short-term landing site; the Commission would benefit from having tenants on site to stem the increasing costs of protecting the site from transient occupation, rampant theft and vandalism.

Key benefits of the proposed lease arrangements at West College:

- Probation and Regional Parks' presence on the site will establish a higher level of site security on the property, preventing transient camping and incursions onto the property, which have proved very costly to manage.
- Exposure to site vandalism and theft will lessen considerably with night lighting restored and grounds maintained to allow security site lines for surveillance.
- Site appearance will improve, fostering better community relations with the neighborhood in preparation for the future housing development planned for this property.
- Probation and Regional Parks will have an additional 16 months to work with GSD and associated agencies in finding a suitable permanent yard site.
- Provides all County departments involved in the site development time to determine budget allocation and design criteria for a future permanent yard site.

Board of Commissioners:

- (1) Approve Sonoma County Community Development Commission to enter into a net no-cost lease agreement (Lease) with Sonoma County General Services Department to occupy a service building and to access parking at 2150 W College Avenue, Santa Rosa.
- (2) Authorize the Executive Director of the Commission to execute all documents related to this lease.
- (3) Authorize the Commission to commit up to \$275,000 in budgeted County Fund for Housing (CFH)

funds to complete all repairs and maintenance necessary to re-commission the service building; these funds will be reimbursed to the Commission by GSD.

Board of Supervisors:

- (1) Authorize the Director of Sonoma County General Services Department to execute all documents related to this Lease and to execute future amendments and associated documents required for the extension and operation of the lease, as reasonably requested by Regional Parks and Probation staff, and in consultation with County Counsel, which are consistent with the essential terms of the original lease.
- (2) Adopt a resolution authorizing the budgetary transfer of Fleet Accumulated Outlay (ACO) funds in the amount of \$408,650; \$133,650 of which will be used to relocate equipment and personnel from central yard at County Center to the 2150 W College Avenue site and \$275,000 will be used to reimburse the Commission for repairs and tenant improvements necessary to re-commission the service building. (4/5)

Prior Board Actions:

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses	\$408,650		
Additional Appropriation Requested			
Total Expenditures	\$408,650	0	0
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance	\$408,650		
Contingencies			
Total Sources	\$408,650	0	0

Narrative Explanation of Fiscal Impacts:

The Commission will spend approximately \$275,000 of CFH funds to complete the re-commissioning and rehabilitation needed to bring facilities to operations. General Services will reimburse the Commission for their tenant improvement costs. General Services will also spend approximately \$133,650 to relocate Probation and Regional Parks to the West College site and to clean the vacated lot to prepare for the new Fleet Motor Pool parking lot. Funding will come from available Fleet ACO funds. The monthly lease cost of \$3,000 is fully offset by the Commission's monthly credit for security cost savings. However, Probation and Regional Parks will be responsible for any additional ongoing costs related to this Lease, including utilities and

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maintenance. After the initial term of the Lease, any future costs associated with any lease extension shall be the direct responsibility of Probation and Regional Parks.

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:

- 1) Draft Lease Agreement between Commission (Landlord) and GSD (Tenant)
- 2) Schedule of Repairs and Maintenance Item and costs
- 3) Budget Resolution

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

N/A