



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 8/6/2019

To: Sonoma County Board of Supervisors
Department or Agency Name(s): General Services
Staff Name and Phone Number: Marc McDonald, 707-565-3468
Vote Requirement: Majority
Supervisorial District(s): 2nd

Title:

License Amendment to provide 10th District, State Assemblyman Marc Levine a district office for his constituents, located in a County-owned building at 11 English Street, Petaluma

Recommended Action:

- A) Authorize the General Services Director to execute a Seventh Amendment to License Agreement with the Assembly Committee on Rules of the California State Assembly for 150 sq. ft. of office space utilized by Assemblyman Marc Levine, located at 11 English Street, Petaluma to extend the term through December 31, 2020, and to provide the tenant an option to extend term through June 30, 2021, for the rental of \$100 (\$0.67 per sq. ft.) per month; and to execute future amendments to extend the term, provided the continued use does not interfere with the use of the premises by County, and in a form approved by County Counsel; and
- B) Make findings pursuant to Government Code Section 25526.6 that the subject premises located at 11 English Street, Petaluma, is not needed by the County, that the Agreement serves a public purpose, and that use by Assemblyman Marc Levine will not interfere with the use of the premises by County. The office leased by Assemblyman Marc Levine is centrally located in Petaluma, which is equally accessible to constituents throughout the 10th Assembly District, comprised of various communities in Marin and Sonoma Counties.

(Second District)

Executive Summary:

This item seeks Board approval to authorize the General Services Director to execute an amendment to a License Agreement with the Assembly Committee on Rules, California State Assembly (State), for 150 sq. ft. of office space at 11 English Street, Petaluma. This office is currently used by State Assemblyman Levine. State staff has requested an extension through December 31, 2020, with a six-month option to further extend through June 30, 2021. Rent would be held flat at \$100 per month.

As the proposed rent is less than fair market value, staff requests that the Board make findings pursuant to Government Code Section 25526.6 that the subject property located at 11 English Street, Petaluma, is not

needed by the County, the Agreement serves a public purpose, and that use by the Assembly Committee on Rules, California State Assembly, will not interfere with the use of the premises by County. Assemblyman Levine uses this office location to meet with constituents of the 10th Assembly District, which serves communities in Marin and Sonoma Counties, and the co-location of County, City and State governmental functions at 11 English Street, Petaluma, provides an easy access point for the constituents for whom they serve.

Staff have worked with the Petaluma City Manager to evaluate current needs and occupancy of the County owned portions of the city hall building. Through these discussions staff learned of the City's desire to utilize portions of the County owned space in order to alleviate substandard and inefficient space utilization in the City owned portion of the building. The extension of the lease agreement for the office used by Assemblyman Levine will not impact the potential reallocation of space in the building.

Discussion:**Background**

On January 12, 1954, pursuant to the Joint Exercise of Powers Act (Government Code 6500-6513) and the Joint Projects Act (Government Code Sections 51700-51703), the County of Sonoma and the City of Petaluma entered into an agreement for the construction, maintenance, repair and operation of a new public building in the City of Petaluma to house City and County offices. In consideration of County's contribution toward the acquisition of the land and construction of the new 16,980 sq. ft. of office building, the City of Petaluma and the County agreed to allocate portions of the building for their respective and exclusive use. In addition, the County and the City agreed that the use and operating costs of common areas would be shared by the parties. On April 12, 1971, the County transferred its interest in the 1954 building to the City of Petaluma. The parties also agreed to jointly construct the 12,468 sq. ft. expansion space (Addition 1) to the Petaluma City Hall. Under the terms of the agreement, the parties agreed to allocate 6,400 sq. ft. of Addition 1 to the County and 3,598 sq. ft. to the City, with 2,470 sq. ft. allocated to common areas.

On June 12, 1972, the County and the City entered into an agreement describing the terms for maintenance, repair and operation of Addition 1. The City performs maintenance, repairs and operating support for Addition 1, and the County reimburses the City for its pro-rata share of these services.

On November 5, 2007, the County executed a license agreement ("Agreement"), with the Assembly Committee on Rules, California State Assembly, a standing committee of the California State Legislature ("State"), to use approximately 300 sq. ft. of office space at 11 English Street, Petaluma ("Premises") under a term that expired on December 31, 2008. This space is utilized by Assemblyman Marc Levine.

On January 27, 2009, your Board authorized execution of a 1st amendment, which extended the term through December 31, 2010, and increased the rent for the extension period. Subsequently, General Services Director executed the 2nd and 3rd amendments, whereby the terms were extended through December 31, 2012 and

December 31, 2014, respectively, and rent was increased for each of the extension periods.

In 2014, State staff requested a reduction of the State Premises from 300 sq. ft. to 150 sq. ft., and a reduction of rent. On January 6, 2015, pursuant to delegated authority provided through Board of Supervisors Ordinance No. 6087, the General Services Director executed a 4th amendment, extending the term through December 31, 2016, reducing the State Premises from 300 sq. ft. to 150 sq. ft., and concurrently reducing rent from \$537 per month to \$277 per month for year 1, with a 3% increase to \$285 per month for year 2, of the 2-year extension.

In 2016, the State staff considered closing the Petaluma office, could no longer justify the payment of \$285 per month (\$1.90 per sq. ft.) for the State Premises, and requested a rent reduction to \$100 per month (\$0.67 per sq. ft.). On December 13, 2016 and March 7, 2017, your Board authorized execution of the 5th and 6th amendments to the Agreement, whereby the term of the Agreement was extended through December 3, 2018, a 6-month option was added to further extend the Agreement through June 30, 2019, and rent was reduced from \$285 to \$100 per month.

Proposed Amendment. On October 24, 2018, State staff exercised its 6-month option, to extend the term through June 30, 2019. State staff has requested an additional extension through December 31, 2020. Staff has prepared an amendment with the proposed terms as follows:

Premises:	No change: 150 sq. ft., located at 11 English Street, Petaluma
Term:	Extended through December 31, 2020, with a six-month option to extend the term through June 30, 2021.
Rent:	\$100 per month, or \$0.67 per sq. ft. Current rental rates for available office space in Petaluma, range from \$1.50 to \$2.25 per sq. ft. See Public Interest section below. Termination: Either party may terminate the Agreement with 30 days' notice.

Public Interest. Government Code Section 25526.6 allows the County Board of Supervisors to grant or otherwise convey an easement, license or permit for use to the state, or to any county, city, district or public agency or corporation, or to any public utility corporation any real property of the County, upon a finding by the Board that the conveyance is in the public interest and that the interest in land will not substantially conflict or interfere with the use of the property by the County.

Current rental rates for available office space in Petaluma, range from approximately \$1.50 to \$2.25 per sq. ft. As the proposed rent for the subject Amendment would be less than fair market rent, staff requests that the Board make findings pursuant to Government Code Section 25526.6 that the subject property located at 11 English Street, Petaluma, is not needed by the County, the Agreement serves a public purpose, and that use by the Assembly Committee on Rules, California State Assembly, will not interfere with the use of the premises by County.

Assemblyman Levine uses this office location to meet with constituents of the 10th Assembly District, which serves communities in Marin and Sonoma Counties. State services include outreach visits to neighborhood groups, schools and service organizations; assistance with grant applications; consumer protection information, information regarding homeowner, senior citizen, disabled and renter tax relief programs; and information about disaster preparedness. In addition, the co-location of County, City and State governmental functions provides an easy access point for the constituents for whom they serve.

The City's interest in potential occupancy of the County owned portions of the building will not interfere with the continued use of the office space leased by Assemblyman Levine.

Prior Board Actions:

03/17/17-Authorized the General Services Director to execute 6th amendment

12/13/16-Authorized the General Services Director to execute 5th amendment

01/11/11-Authorized the General Services Director to execute 2nd amendment

01/27/09-Authorized General Services Director, or his Deputy, to execute 1st amendment

FISCAL SUMMARY

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

Narrative Explanation of Fiscal Impacts:

State Assembly Committee on Rules (Assemblyman Levine) pays Monthly rent of \$100 X 12 months (July through June) = \$1,200 per year. Lease revenues have been anticipated in the FY 2018-19 Budget and will be included in the FY 2019-20 and 2020-21 Budgets.

Staffing Impacts:

Agenda Date: 8/6/2019

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

Attachment 1: Copy of proposed Amendment.

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

None.