



## SUMMARY REPORT

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**Agenda Date:** 11/5/2019

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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** General Services, Health Services

**Staff Name and Phone Number:** Caroline Judy, General Services: 707-565-8058; Barbie Robinson, Health Services: 707-565-4777

**Vote Requirement:** Majority

**Supervisory District(s):** 3<sup>rd</sup>

**Title:**

Lease Amendment for Department of Health Services at 1450 Neotomas Avenue, Santa Rosa

**Recommended Action:**

- A) Authorize the General Services Director to execute a Lease Amendment with Cornerstone Properties II<sup>2</sup> S, LLC as Landlord, for a Premises in 1450 Neotomas Avenue, Santa Rosa, vacating 1,381 square feet of Rentable Area located in the basement ("Basement Space") and adding 2,080 square feet of Rentable Area on the first floor of the Building ("Suite 130 Space"); resulting in an increase in the existing monthly rent for the Premises of \$1,984.50 to reflect the 699 square foot increase in Premises area and the higher rent per square foot for Suite 130 Space versus the Basement Space. The goal of the proposed Lease Amendment is to increase operational efficiency at the Department of Health Services by providing its Logistics Group with office space better suited for its tasks and the opportunity for future expansion.
- B) Adopt a resolution adjusting the fiscal year 2019-2020 final budget, appropriating \$20,248 to facilitate \$14,248 in increased facility rental expenditures and \$6,000 in relocation costs within the Department of Health Services. (4/5th Vote Required)

(Third District)

**Executive Summary:**

The Director of General Services, in consultation with the Department of Health Services, requests Board consideration of a Lease Amendment at 1450 Neotomas Avenue that will result in a 699 square foot net increase in a 28,546 square foot Premises to 29,245 square feet ("Premises"). The Premises is currently occupied by Department of Health Services Administration. The goal of the proposed Lease Amendment is to increase operational efficiency at the Department of Health Services by providing the Department's Logistics Group with office space better suited for its tasks and the opportunity for future expansion. The Logistics Group manages Facilities, Fleet, and Security coordination; Shipping and Receiving; Ergonomic and Americans with Disabilities Act (ADA) installations; and supplies for preparedness. The Amendment will not change the term of the existing Lease for the Premises. Board approval of the Lease Amendment will enable the Department of Health Services to increase its efficiency and better serve the public.

This item also requests approval of a resolution adjusting the fiscal year 2019-2020 final budget, appropriating \$20,248 to facilitate \$14,248 in increased facility rental expenditures and \$6,000 in relocation costs within the Department of Health Services.

**Discussion:**

On May 22, 2018 your Board approved the execution of a Lease at 1450 Neotomas Avenue for 28,546 rentable square feet to be occupied by Department of Health Services Administration. The purpose of the Lease was to increase operational efficiency at the Department of Health Services by enabling all operations within Administration to work together under the same roof, occupy space that offers a more efficient open layout for improved intra-department visibility and communications, be in a more centralized location for improved access to all Department of Health Services operations throughout Sonoma County, and enjoy long term stability not available at the Department of Health Services' location on Chanate. Department of Health Services took occupancy of the Premises in January, 2019. The new Premises increased the Department of Health Services' ability to run their operations and serve the public.

In April, 2019, the Department of Health Services identified a need by its Logistics Group for additional space and a better working area than a 1,381 square foot space in the building basement that the Logistics Group had been assigned by the Department of Health Services as part of their leased Premises. The Logistics Group manages Facilities, Fleet, and Security coordination; Shipping and Receiving; Ergonomic and Americans with Disabilities Act (ADA) installations; and supplies for preparedness. There are three full-time staff currently assigned to the Logistics Group.

In May, 2019, General Services initiated discussions with the Landlord to Amend the existing Lease for the Premises that would remove from the Lease the 1,381 square foot Basement Space and add Suite 130, a 2,080 square foot space on the 1<sup>st</sup> floor.

Once the basement space is exchanged for the larger, improved work area of Suite 130, the Department of Health Services' Premises at 1450 Neotomas Avenue will grow by 699 square feet, from 28,546 square feet to 29,245 square feet, and monthly rent will be increase \$1,984.50. This Amendment will be subject to Landlord formerly obtaining possession of Suite 130 Space from a tenant that has already vacated Suite 130. Move costs associated with the Amendment are estimated at \$6,000.

This Amendment to the Lease will provide the Department of Health Services' Logistics Group an additional 699 square feet of space and an improved work area for its Logistics Group, increasing its efficiency and enabling the Department of Health Services to better serve the public.

This item also includes a request for approval of a resolution adjusting the fiscal year 2019-2020 final budget, appropriating \$20,248 to facilitate \$14,248 in increased facility rental expenditures and \$6,000 in relocation costs within the Department of Health Services.

**Procedural Authority:** Government Code Section 25350 requires publication of notice of the Board's intent to enter into a lease 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 October 8, 2019 action authorizing the publication of the notice of intent to enter into the proposed lease amendment.

**Prior Board Actions:**

10-08-19: Declare intent to execute Lease Amendment  
05-22-18: Authorized General Services Director to execute Lease  
04-10-18: Declared intent to enter into Lease

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY 20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses		\$24,896.40	\$25,643.28
Additional Appropriation Requested	\$20,248.71		
<b>Total Expenditures</b>	<b>\$20,248.71</b>	<b>\$24,896.40</b>	<b>\$25,643.28</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other	\$14,248.71	\$24,896.40	\$25,643.28
Use of Fund Balance	\$6,000.00		
Contingencies			
<b>Total Sources</b>	<b>\$20,248.71</b>	<b>\$24,896.40</b>	<b>\$25,643.28</b>

**Narrative Explanation of Fiscal Impacts:**

Increased rent of \$14,248.71 and estimated move costs of \$6,000 will be added to the Department of Health Services FY 19-20 budget via the attached budget resolution. Increased rent for FY 20-21 and FY 21-22 will be included in the appropriate-year Department of Health Services budget.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

Attachment 1: Proposed Amendment

Attachment 2: Budget Resolution

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

None