



## SUMMARY REPORT

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**Agenda Date:** 1/14/2020

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**To:** Sonoma County Board of Supervisors

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

**Staff Name and Phone Number:** Caroline Judy, General Services-707-565-8058; David Koch, Probation-707-565-2732

**Vote Requirement:** Majority

**Supervisory District(s):** Countywide

**Title:**

Approval of Probation Department Office Lease at 3333 Mendocino Avenue, Suite 230, Santa Rosa - Execute

**Recommended Action:**

- A) Authorize the Director of the General Services Department to execute the attached lease with SR Stony Point DE LLC, for office space at 3333 Mendocino Avenue, Suite 230, Santa Rosa, California.
- B) Delegate authority to the Director of the General Services Department to exercise the three (3)-year option pursuant to said Lease, subject to availability of funding for rents and costs for such extensions.

**Executive Summary:**

**Purpose.** The Director of General Services, in consultation with the Probation Department, requests Board consideration of a Lease at 3333 Mendocino Avenue, Suite 230, for 1,719 rentable square feet to be occupied by the Probation Department's Adult Services Pre-trial Unit. The proposed Lease will increase operational efficiency for the Probation Department's Pre-trial Services by enabling the Unit to occupy a Premises that offers an efficient, open layout and existing, high quality improvements well suited for Pre-trial client service needs. Board approval of the Lease will enable the Department of Probation to increase their ability to effectively run their operations and serve the public.

**Discussion:**

The Probation Department's Adult Services' Pre-trial Program will be relocating to the proposed Premises at 3333 Mendocino Avenue, Suite 230, Santa Rosa.

In September of 2019, the Probation Department, supported by the Department of General Services, initiated a search for office space located within walking distance of the County Hall of Justice, with the goal of identifying suitable space to meet the Probation Department's Adult Services' Pre-trial Program's anticipated administrative operations.

The Probation Department's Adult Services Pre-Trial Program seeks to expand from its current site at 600 Administration Drive, Santa Rosa. The expansion is made possible through the Judicial Council of California 2-year Pre-Trial Pilot Program grant awarded to the local Superior Court and Probation, approved by the Board on October 22, 2019.

In October of 2019, the General Services Department initiated lease negotiations on behalf of the Probation Department at 3333 Mendocino Avenue, a building located close to Probation's current operations and walking distance to the County Hall of Justice. The initial term will be two (2) years and expire on January 31, 2022. The County will have one (1) three (3) year option to further extend the lease term to 2025. The Premises, Suite 230, will consist of 1,719 rentable square feet of Class A office space on the second floor of the building. The initial monthly rent will be Three Thousand Five Hundred Ninety-Two and 71/100 Dollars (\$3,592.71), (\$2.09 per square foot of Rentable Area per month), with annual rent escalations of three percent (3%). All tenant improvements to the Premises are to be provided by the landlord at the landlord's sole expense. The lease may be terminated (subject to payment of stipulated termination fees) by the County at any time due to non-appropriation of funds or discontinuance of the program for which the space is leased.

Your approval of the proposed Lease will allow the Probation Department to utilize the 2-year grant it received to grow its Adult Services Pre-Trial Program, while meeting the Probation Department's need to have the Program located within walking distance of the County Hall of Justice. It allows the Probation Department uninterrupted operations in its new Premises at 3333 Mendocino Avenue, Suite 230, for up to five (5) years, while giving the Probation Department the flexibility to terminate the lease at any time due to non-appropriation of funds, and enabling the Probation Department's Adult Services Pre-Trial Program to occupy a Premises well suited to its operational needs, thereby increasing its operational efficiency and improving its effectiveness in serving the Public.

**Lease Agreement.** The proposed Lease Agreement between SR Stony Point DE LLC, as Landlord, and the County of Sonoma, as Tenant, contains the following key provisions:

1. Two (2) year initial lease term, commencing on or around March 1, 2020 (depending on Landlord's completion of tenant improvements)
2. One (1) option that will extend the term an additional three (3) years at a rental rate set at 100% of the then-prevailing market rate (and subject to 3% annual escalation), enabling the County to maintain control of the Premises through February 28, 2025. The extension option is subject to written notice from the County at least 9 months prior to the end of the initial term.
3. Premises total 1,719 rentable square feet.
4. Rent is Three Thousand Five Hundred Ninety-Two and 71/100 Dollars (\$3,592.71), (\$2.09 per square foot of Rentable Area per month).
5. Annual rent escalations of three percent (3%)
6. On-site parking spaces are provided free of charge.
7. Landlord will provide certain tenant improvements at the Landlord's sole cost.
8. Lease may be terminated by the County at any time due to non-appropriation of funds. Termination fee is set forth in the Lease and equals unamortized tenant improvement and closing costs.

County staff, determined that the negotiated rent, lease terms and Landlord's Tenant Improvements contribution represent an acceptable fair market rental rate for the location and is consistent with rates and lease terms of other office tenants in the area.

**Project Costs.** The total relocation cost to be incurred by the Probation Department is estimated to be seventy-two thousand four hundred dollars (\$72,400), consisting of forty-four thousand (\$44,000) for refurbished furniture, eighteen thousand four hundred (\$18,400) for cabling and ISD support, and ten thousand (\$10,000) for proximity card installation.

Excluding the cabling, the ISD and proximity card installation costs referenced above that will be the responsibility of the County, Landlord is to complete all tenant improvements, at the landlord's sole expense, with estimated completion in February, 2020.

Rental costs for the first year total \$43,112.52, and \$44,405.90 for the second year.

**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 December 17, 2019 action authorizing the publication of the notice of intent to enter into the proposed lease amendment.

**Prior Board Actions:**

December 17, 2019: Declare intent to execute Lease Amendment

October 22, 2019: Board approved budget and position change Resolutions, and authorized Probation to enter into an agreement with the Sonoma County Superior Court to implement the Judicial Council's Pretrial Pilot Program Grant.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses	\$86,770.84	\$43,543.65	\$29,603.93
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$86,770.84</b>	<b>\$43,653.65</b>	<b>\$29,603.93</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	\$86,770.84	\$43,543.65	\$29,603.93
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$86,770.84</b>	<b>\$43,543.65</b>	<b>\$29,603.93</b>

**Narrative Explanation of Fiscal Impacts:**

The Pretrial Pilot Program grant includes \$375,583 in appropriations, which will cover all moving and leasing costs through June 30, 2021. Probation will continue to work with the County Administrator on a long-term sustainability funding plan for Pretrial Services occurring after June 30, 2021, including the potential for state

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funding pending the outcome of the California State Senate Bill 10 (Bail Reform) Referendum vote in November 2020.

<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 - Lease Agreement between SR Stony Point DE LLC as Landlord and the County of Sonoma as Tenant

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

None