



## Legislation Details (With Text)

**File #:** 2021-0076  
**Type:** Consent Calendar Item      **Status:** Agenda Ready  
**File created:** 3/2/2021      **In control:** General Services  
**On agenda:** 3/2/2021      **Final action:**  
**Title:** Lease amendment for Economic Development Board, 141 Stony Circle, Santa Rosa  
**Sponsors:** General Services, Economic Development Board  
**Indexes:**  
**Attachments:** 1. Summary Report.pdf, 2. Att1-Site Plan.pdf, 3. Att2-Lease Amendment.pdf

Date	Ver.	Action By	Action	Result
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**To:** Sonoma County Board of Supervisors  
**Department or Agency Name(s):** General Services / Economic Development Board  
**Staff Name and Phone Number:** Caroline Judy, General Services, 565-8058; Sheba Person-Whitley, 565-7191  
**Vote Requirement:** Majority  
**Supervisorial District(s):** Fourth

**Title:**  
Lease amendment for Economic Development Board, 141 Stony Circle, Santa Rosa

**Recommended Action:**  
Authorize the General Services Director to execute a lease amendment with North Bay Realty Holdings, LLC, for the Economic Development Board, located 141 Stony Circle, Santa Rosa, Suite 130, to 1) extend the term through October 6, 2022, and provide for a one-year option to extend the term through October 6, 2023; 2) reduce the premises and revise the Economic Development department rent - from \$12,214 to \$3,262 per month through October 6, 2021; 3) provide for minor tenant improvements; and 4) provide a right of first expansion for Suites 110 and 120, if additional office space is needed in the future. (Fourth District)

**Executive Summary:**  
This matter involves the reduction of leased Premises and a proposed extension of the term for the lease between North Bay Realty Holdings, LLC (Landlord) and the Sonoma County Economic Development Board (EDB), for office space located at 141 Stony Circle in Santa Rosa (Premises). EDB has occupied the leased Premises since August 2013, which houses EDB, the Creative Sonoma Arts Program, the Bilingual Business Assistance Program, and the Workforce Investment Board Business Services Program.

**Discussion:**  
**Background.** This item seeks Board approval for the proposed extension of the lease between North Bay Realty Holdings, LLC (Landlord) and the Sonoma County Economic Development Board (EDB), for office space located at 141 Stony Circle in Santa Rosa (Premises), which EDB has leased since August of 2013. EDB, the Creative Sonoma Arts Program, the Workforce Investment Board Business Services Program, and the Bilingual Business Assistance Program are housed at this location. Together, these services provide for county-wide economic development, business retention and expansion, and workforce development to the benefit of local

businesses and residents.

In September 2020, during the budget approval process, your Board reduced the Economic Development Board's budget appropriations by a total of \$117,578; \$83,968 of which was allocated for the lease of Suites 110 and 120.

On September 11, 2020, EDB subsequently terminated its lease of Suites 110 and 120 (effective December 10, 2020), reducing its office footprint by approximately 75%, and retaining Suite 130, comprised of 1,747 sq. ft., for EDB staff of 17 FTE's. County' ISD-IT equipment had been set up in a server closet in Suite 120, and the equipment has since been relocated to a separate room comprised of 101 sq. ft. (Room 14) adjacent to Suite 130, for EDB's sole use. The proposed amendment provides for leasing back of Room 14, for the ISD/IT equipment and office equipment and storage, combined with the reduced Premises. (Please see Attachment 1, Site plan.) EDB's programs continue to be offered in the reduced Premises. EDB staff has been teleworking since mid-March 2020 as a result of the Covid19 pandemic. In addition, over the last couple of years, several fellowships positions have been discontinued, the cannabis program was moved to the CAO's office, and a time-limited position expired. Once it has been deemed safe for staff and visitor re-entry into facilities, daily staffing levels will be reduced by having a hybrid of in-person and telework, as well as utilizing conference room space from other departments when needed.

**Proposed Lease Amendment.** The terms for the proposed amendment to the lease are as follows:

Premises: 1,848 sq. ft., located at 141 Stony Circle, Suite 130, Santa Rosa

Term: Lease is extended through October 6, 2022 with one, 1-year option to extend through October 6, 2023.

Rent: \$3,262 per month (\$1.76 per sq. ft.) through October 6, 2021, subject to 3% annual increases. The \$1.76 psf rental rate is at market rate, which

is between \$1.60 to \$2.25 psf for comparable office space for lease, in Santa Rosa.

Tenant

Improvements: Minor tenant improvements, performed by Landlord at Landlord's sole cost and expense, to switch out the door hardware of Room 14, to separate Room 14 from Suite 120 and integrate Room 14 into Suite 130, providing a secure space for ISD-IT equipment.

Right of

Expansion EDB will have a first right of expansion into Suites 110 and/or 120, if these suites becomes available, at the same terms and rent as the current Premises.

Termination: EDB may terminate the lease, if funding for the Premises or program is significantly reduced or withdrawn, or for any reason, with 90 days' prior written notice to the Landlord.

**Funding:** Funding for the rent costs is paid through the Transient Occupancy Tax Fund (EDB's operating) budget. EDB operating funds will cover the cost of Room 14 (expansion space), which now houses the IT equipment, just as EDB paid for the space that housed the IT equipment in Suite 120 (previously leased by

EDB).

**Procedural Authority.** 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 for this transaction has been published for the required period pursuant to the Board’s action on February 9, 2021.

**Prior Board Actions:**

- 02/09/21-Declared intent to enter into subject Amendment to lease
- 11/14/14-Authorized General Services Director to execute 1<sup>st</sup> Amendment to lease
- 10/21/14-Declared intent to enter into 1<sup>st</sup> Amendment to lease
- 07/30/13-Authorized General Services Director to execute lease
- 06/25/13-Declared intent to enter into lease with Madalyn, LLC

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 20-21 Adopted</b>	<b>FY21-22 Projected</b>	<b>FY 22-23 Projected</b>
Budgeted Expenses	\$85,717	\$39,728	\$41,121
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$85,717</b>	<b>\$39,728</b>	<b>\$41,121</b>
<b>Funding Sources</b>			
General Fund/WA GF	\$85,717	\$39,728	\$41,121
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$85,717</b>	<b>\$39,728</b>	<b>\$41,121</b>

**Narrative Explanation of Fiscal Impacts:**

The total rent for FY20-21 is decreasing by \$61,000 and will result in an annual savings of over \$112,000 beginning with FY21-22. The cost to relocate the ISD/IT infrastructure into Room 14 was \$6,460, which was funded by existing budget appropriations for ISD Special Projects.

<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 - Site Plan

Attachment 2 - Copy of amendment

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

None