



## Legislation Details (With Text)

**File #:** 2022-1375  
**Type:** Consent Calendar Item      **Status:** Passed  
**File created:** 11/21/2022      **In control:** Public Infrastructure  
**On agenda:** 1/10/2023      **Final action:** 1/10/2023  
**Title:** Lease Amendment for the Sonoma County Archives Storage at 3555 Westwind Boulevard, Santa Rosa  
**Sponsors:** Public Infrastructure, County Administrator  
**Indexes:**  
**Attachments:** 1. Summary Report.pdf, 2. 1-Lease Amendment.pdf

Date	Ver.	Action By	Action	Result
1/10/2023	1	Board of Supervisors	Approved as recommended	Pass

**To:** Sonoma County Board of Supervisors  
**Department or Agency Name(s):** Public Infrastructure; County Administrator's Office  
**Staff Name and Phone Number:** Johannes J. Hoevertsz - Public Infrastructure, 707-565-2550; Nour Maxwell - County Administrator's Office, 707-565-1743  
**Vote Requirement:** Majority  
**Supervisorial District(s):** Countywide

**Title:**  
Lease Amendment for the Sonoma County Archives Storage at 3555 Westwind Boulevard, Santa Rosa

### Recommended Action:

Authorize the Director of Sonoma County Public Infrastructure to execute the First Amendment to Lease with Sonoma County Farm Bureau, as Landlord, for 5,269 square foot of warehouse space at 3555 Westwind Boulevard, Santa Rosa, occupied by the Sonoma County Archives, to extend the existing lease term five (5) additional years, commencing August 1, 2023, at an estimated monthly occupancy cost of \$8,799.23 (\$1.67 per square foot per month), to provide long term, secure storage for Sonoma County Archives while giving the County the right to terminate the lease with 180 days' notice for non-appropriation of funds.

### Executive Summary:

The Director of Sonoma County Public Infrastructure, formerly General Services, in consultation with the County Administrator's Office, requests Board authorization of the proposed Amendment to the Lease at 3555 Westwind Boulevard, consisting of 5,269 rentable square feet and occupied by the Sonoma County Archives. The proposed Amendment will extend the existing lease term five (5) additional years, commencing August 1, 2023 and expiring July 31, 2028, at an estimated monthly occupancy cost of \$8,799.23 (\$1.67 per square foot per month), consisting of an initial monthly rent of \$6,059.35, (\$1.15 per square foot per month) plus an estimated charge for the premises' pro-rata share of building taxes, insurance and maintenance expenses ("NNN expenses") of \$1,317.25 per month (\$.25 per square foot per month) plus utilities and janitorial expenses estimated at \$1,422.63 per month (\$.27/sf/month).

The leasing cost for the 5-year extension term will be higher than the initial 2-year lease term due to: (1) A 4%

increase in rent at commencement of the 5-year extension term, from \$1.11 per square foot per month to \$1.15 per square foot per month; (2) During the 5-year extension term the Landlord will be charging an additional fee to the County representing the County's pro-rata share of the building's taxes, insurance, and common area maintenance costs, commonly referred to as NNN expenses, with this additional fee to be \$.25 per square foot per month for years 1-2, \$.30 per square foot per month for years 3-4, and \$.35 per square foot per month for year 5; (3) Unlike during the initial 2-year term when rent was fixed, during the 5-year extension term base rent will be increased by 3% per year; (4) Unlike the initial 2-year lease term budget, the 5-year extension term budget includes an estimated cost for the County's own utility and janitorial expenses, estimated at \$.27 per square foot per month with an estimated 4% annual increase due to inflation. Factoring in all the expenses listed above, total occupancy cost at commencement of the 5-year extension term will be an estimated \$1.67 per square foot per month, representing a below market occupancy cost for fully conditioned office space in Santa Rosa but a higher occupancy cost than the initial 2-year lease term.

Board approval of the Lease will provide long term, secure storage for the Sonoma County Archives.

**Discussion:**

**Background.** In 1965, Board of Supervisors Resolution No. 65-14021 designated Sonoma County Library the official archives for the County of Sonoma and the City of Santa Rosa. In 1995, the County and Library entered into a license agreement, allowing the County's administration building located at Los Guilicos to be used to house the archives. In 2021, after the Glass Fire burned the area posing a direct threat to the archives, the County and the Library agreed to relocate the County's archives from Los Guilicos to a safer location. As an immediate short-term solution, the Board allocated \$140,000 during the FY 21-22 budget hearings to cover the rent cost for a two-year lease term with Farm Bureau, which is set to expire August 1st, 2023.

In February 2022, the County Administrator's Office, supported by the Department of Sonoma County Public Infrastructure, initiated lease extension discussions with the Sonoma County Farm Bureau, Landlord for 3555 Westwind Boulevard. Negotiations between the County and Landlord continued through October 2022 when lease extension terms and a draft Lease Amendment were tentatively agreed to.

With this Amendment, the County seeks to extend the term of its existing lease at 3555 Westwind Boulevard, Santa Rosa by five (5) additional years to provide long term, secure storage for the Sonoma County Archives. During this five-year period, the County's goal is to work with the Sonoma County Library to identify and implement a permanent storage solution for the County archives. This lease extension will enable the Sonoma County Library to continue to fulfill its role in managing the archives and ensuring patrons' access to these records. While the Library owns some of the material, the bulk of these archives belong to the County, including thousands of County records that the Board of Supervisors designated as archival at the recommendation of the Historical Records Commission. In addition, the Library gets requests from researchers and historians to access these archives, however, most requests for materials come from County Departments.

Approval of the proposed Lease Amendment will allow the Sonoma County Archives secure storage for five (5) additional years, while retaining the County's right to terminate the lease for non-appropriation of funds with 180 days' notice.

**Lease Amendment.** The proposed Lease Amendment between Sonoma County Farm Bureau, as Landlord, and the County of Sonoma, as Tenant, contains the following key provisions:

1. Five (5) year lease extension commencing August 1, 2023, and expiring July 31, 2028
2. Estimated monthly occupancy cost of \$8,799.23 (\$1.67 per square foot per month), consisting of an initial monthly rent of \$6,059.35, (\$1.15 per square foot per month) plus an estimated charge for the premises' pro-rata share of building taxes, insurance and maintenance expenses ("NNN expenses") of \$1,317.25 per month (\$.25 per square foot per month) plus utilities and janitorial expenses estimated at \$1,422.63 per month (\$.27 per square foot per month)
3. Annual base rent increases based upon CPI, not to exceed 4%
4. Premises remains unchanged with no landlord-paid tenant improvements
5. County retains all its existing rights under its current lease including free on-site parking
6. County granted the right to terminate the lease with 180 days' notice for Non-appropriation of Funds.

County staff determined that the negotiated rent represents a fair market rental rate for the location and quality of the office building.

**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 6, 2022, action authorizing the publication of the notice of intent to enter into the proposed lease amendment.

**Strategic Plan:**

N/A

**Prior Board Actions:**

- 12/06/2022 - Declare intent to enter into First Amendment to Lease
- 6/15/2021 - Adoption of the Fiscal Year 2021-22 Budget, including community request # 11 of a one-time \$140,000 funding for the inventory and rehouse of County records at Los Guilicos
- 3/14/1995 - Revocable License Agreement for a portion of the Administration Building located at Los Guilicos, Sonoma Valley, California
- 9/27/1965 - Concurrent resolution with the City of Santa Rosa designating Sonoma County Library the official archives for the County of Sonoma and the City of Santa Rosa

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY22-23 Projected</b>	<b>FY 23-24 Projected</b>	<b>FY 24-25 Projected</b>
Budgeted Expenses		\$105,616	\$109,208
Additional Appropriation Requested			
<b>Total Expenditures</b>		<b>\$105,616</b>	<b>\$109,208</b>
<b>Funding Sources</b>			
General Fund/WA GF		\$105,616	\$109,208
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			

Total Sources		\$105,616	\$109,208
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**Narrative Explanation of Fiscal Impacts:**

There are sufficient funds in the Los Guillicos Archives Capital Projects fund to cover the initial two-year lease term expiring on July 31, 2023.

The total cost of the extended five-year lease is \$578,115. Additional funding and appropriations for the first-year lease amendment will be requested in the FY 23-24 Department of Public Infrastructure Recommended Budget, and every year thereafter until lease expiration date of July 31, 2028. Funding for the lease will be included in the FY 23-24 and future year Non-Departmental Recommended Budget utilizing existing General Fund resources.

Projected annual cost of extended five-year lease:

- Year one \$105,616
- Year two \$109,208
- Year three \$116,106
- Year four \$119,991
- Year five \$127,194

Total Cost \$578,115

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

None

**Attachments:**

Lease Amendment between Sonoma County Farm Bureau as Landlord and the County of Sonoma as Tenant

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

3555 Westwind Boulevard Lease