# Legislation Text

**File #:** 2022-0107, **Version:** 1

**To:** Sonoma County Board of Supervisors
**Department or Agency Name(s):** General Services
**Staff Name and Phone Number:** Johannes J. Hoevertsz, 707-565-3585
**Vote Requirement:** Majority
**Supervisorial District(s):** Third

**Title:**
License Agreement for the Redwood Credit Union, 370 Administration Drive, Santa Rosa

**Recommended Action:**
Authorize the Interim General Services Director to execute a license agreement between the County and the Redwood Credit Union, for the licensee's use of an ATM pad site, located at 370 Administration Drive, within the County Administration Center, in Santa Rosa, for a term of 3 years through November 29, 2024, with 3, one-year options to extend through November 29, 2027; with annual rent of $2,914, subject to increase as set forth in the proposed agreement; and authorize the General Services Director to execute future amendments and associated documents required for administration of the agreement, in consultation with County Counsel, which are consistent with the essential terms of the original agreement and do not extend the term of the agreement. (Third District)

**Executive Summary:**
This matter involves a proposed license agreement with the Redwood Credit Union, for their automatic teller machine (ATM) at 370 Administration Drive, at the County Administration Center. The license agreement allows RCU to continue to utilize an approx. 81 sq. ft. improved concrete pad site at the north end of the building to provide ATM banking services to County visitors and staff at the County Administration Center. Due to anticipated development of the County Center, the agreement is for a short term of three years, expiring in November 2024, with 3 one-year options to extend through November 2027, and discretionary termination rights that may be exercised with 60 days' notice.

**Discussion:**
In November 2006, County acquired the real property located at 370 Administration Drive, Santa Rosa, from the Redwood Credit Union (RCU). County acquired the RCU facility to provide office flex space for County departments. Pursuant to the property purchase agreement, the County executed a license agreement with RCU to leaseback property comprised of approx. 81 sq. ft. located on the exterior side of the building, and housing the automatic teller machine operated by RCU. RCU maintains and operates the ATM facility, which provides ATM banking services to visitors and County staff at the County Administration Center. The previous agreement with RCU expired on November 29, 2021 and therefore Staff is seeking approval of a new agreement for a limited duration that will continue the operation for the short term. Staff has negotiated a new agreement with RCU agreement, with the following terms:

Term: Commencing November 30, 2021 and expiring on November 29, 2024. The agreement provides

three, 1-year options for a total term through November 30, 2027.

Annual Rent: $2,914 per year ($243 month, or $2.99 per sq. ft.). Rent is adjusted by 3-1/2% each year of the license term. In addition to rent, RCU is responsible for PGE and phone services related to the ATM facility.

Termination: Either County or RCU may terminate the agreement with 10 days' written notice, for cause; the non-terminating party will have 30 days from the 10-day notice to cure the cause, except in case of a security problem in which the 30-day cure period does not apply. Either party may terminate the agreement for any reason, with 60 days' notice.

This proposed, short-term arrangement will allow continued use of an ATM that is conveniently located on the County campus. The low rent is based on a reasonable estimate of fair market value given the small space of the licensed premises and limited value to any private party. Any other use of the area would be infeasible for a short-term agreement because the licensee has the right to remove the ATM at the end of occupancy and start-up costs for another party would be prohibitive to any short-term arrangement. The new agreement provides for County's discretionary termination, which may be used for development of the County Center.

**Strategic Plan:**
N/A.

**Prior Board Actions:**
None

**FISCAL SUMMARY**

| **Expenditures** | **FY 21-22 Adopted** | **FY22-23 Projected** | **FY 23-24 Projected** |
|---|---|---|---|
| Budgeted Expenses | $2,914 | $2,972 | $3,075 |
| Additional Appropriation Requested | | | |
| **Total Expenditures** | **$2,914** | **$2,972** | **$3,075** |
| **Funding Sources** | | | |
| General Fund/WA GF | | | |
| State/Federal | | | |
| Fees/Other | $2,914 | $2,972 | $3,075 |
| Use of Fund Balance | | | |
| Contingencies | | | |
| **Total Sources** | **$2,914** | **$2,972** | **$3,075** |

**Narrative Explanation of Fiscal Impacts:**
The FY21/22 revenues and expenditures are included within the General Services current year budget. Future year revenues and expenditures will be included during the budget adoption process.

**Staffing Impacts:**

| Position Title (Payroll Classification) | Monthly Salary Range (A-I Step) | Additions (Number) | Deletions (Number) |
|---|---|---|---|
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**Narrative Explanation of Staffing Impacts (If Required):**
None.

**Attachments:**
1 - Site Plan
2 - Copy of proposed license agreement

**Related Items "On File" with the Clerk of the Board:**
None.