



# COUNTY OF HUMBOLDT

For the meeting of: 2/28/2023

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File #: 23-55

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**To:** Board of Supervisors

**From:** Public Works

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**

Fourth Amendment to the Lease Agreement with McKinleyville Community Services District Regarding the Use of the Real Property Located at 1608 Pickett Road, McKinleyville, California

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve, and authorize the Chair of the Board to execute, the attached fourth amendment to the lease agreement with the McKinleyville Community Services District regarding the use of the real property located at 1608 Pickett Road, McKinleyville, California for the period of March 1, 2015 through February 28, 2024; and
2. Direct the Clerk of the Board to return one (1) fully executed original copy of the attached fourth amendment to the lease agreement with the McKinleyville Community Services District to the Department of Public Works - Real Property Division for further processing.

**SOURCE OF FUNDING:**

General Fund (1100-221)

**DISCUSSION:**

On Feb. 25, 2015, the County of Humboldt entered into a lease agreement with the McKinleyville Community Services District (MCSD) regarding the use of the real property located at 1608 Pickett Road, McKinleyville, California as a Humboldt County Sheriff substation. The lease agreement with MCSD was subsequently amended on Feb. 7, 2018, Feb. 23, 2021 and Feb. 15, 2022 in order to extend the term thereof and increase the monthly rental rates set forth therein.

The attached fourth amendment to the lease agreement with the McKinleyville Community Services District will extend the term thereof to Feb. 28, 2024 and increase the monthly rental rates set forth therein to \$216.14 per month based on the Consumer Price Index.

Accordingly, staff recommends that the Board approve, and authorize the Chair of the Board to execute, the attached fourth amendment to the lease agreement with the McKinleyville Community

Services District regarding the use of the real property located at 1608 Pickett Road, McKinleyville, California for the period of March 1, 2015 through Feb. 28, 2024.

FINANCIAL IMPACT:

<b>Expenditures (1100-221)</b>	<b>FY22-23 Adopted</b>	<b>FY23-24 Projected</b>	<b>FY24-25 Projected</b>
Budgeted Expenses	\$2,594.00	\$2,672.00	\$2,752.00
<b>Total Expenditures</b>	<b>\$2,594.00</b>	<b>\$2,369.00</b>	<b>\$2,440.00</b>
<b>Funding Sources (1100-221)</b>	<b>FY22-23 Adopted</b>	<b>FY23-24 Projected*</b>	<b>FY24-25 Projected*</b>
General Fund	\$2,594.00	\$2,672.00	\$2,752.00
<b>Total Funding Sources</b>	<b>\$2,594.00</b>	<b>\$2,672.00</b>	<b>\$2,752.00</b>

*\*Projected amounts are estimates and are subject to change.*

The attached fourth amendment to the lease agreement with the McKinleyville Community Services District increases the monthly rent rate to \$216.14 per month based on the Consumer Price Index. Expenditure appropriations have been included in the approved fiscal year 2022-23 budget for budget unit 1100-221. There is adequate savings in the Services & Supplies category to cover the increase of \$294 in the annual rental rate.

STAFFING IMPACT:

The attached fourth amendment to the lease agreement with the McKinleyville Community Services District will not impact current staffing levels.

STRATEGIC FRAMEWORK:

The recommended actions support the Board of Supervisors' Strategic Framework by providing for and maintaining infrastructure.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to approve the attached fourth amendment to the lease agreement with the McKinleyville Community Services District regarding the use of the real property located at 1608 Pickett Road, McKinleyville, California. However, this alternative is not recommended as it would cause the lease agreement with the McKinleyville Community Services District to go into a month-to-month holdover tenancy after Feb. 28, 2023.

ATTACHMENTS:

1. Fourth Amendment to the Lease Agreement with McKinleyville Community Services District Regarding the Use of the Real Property Located at 1608 Pickett Road, McKinleyville, California

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**PREVIOUS ACTION/REFERRAL:**

Board Order No.: C-13, C-28, C-13, C-16

Meeting of: 2/10/15, 2/06/18, 2/23/21, 2/15/22

File No.: 21-1, 21-810

**FOURTH AMENDMENT  
LEASE AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT  
FOR FISCAL YEARS 2014-2015 THROUGH 2023-2024**

This Fourth Amendment to the Lease Agreement dated February 25, 2015, as amended on February 7, 2018, February 23, 2021 and February 15, 2022, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "LESSEE," and the McKinleyville Community Services District, a special district of the County of Humboldt, State of California, hereinafter referred to as "LESSOR," is entered into on this   1   day of   February  , 2023.

WHEREAS, on February 25, 2015, LESSEE and LESSOR entered into a Lease Agreement for the premises located at 1608 Pickett Road, McKinleyville, California for the purpose of LESSEE operating a law enforcement facility; and

WHEREAS, on February 7, 2018, LESSEE and LESSOR agreed to amend the Lease Agreement in order to extend the term thereof and increase the monthly rental payments required thereunder; and

WHEREAS, on February 23, 2021, LESSEE and LESSOR agreed to amend the Lease Agreement in order to extend the term thereof and increase the monthly rental payments required thereunder; and

WHEREAS, on February 15, 2022, LESSEE and LESSOR agreed to amend the Lease Agreement in order to extend the term thereof and increase the monthly rental payments required thereunder; and

**WHEREAS**, LESSEE and LESSOR now desire to once again amend the Lease Agreement in order to further extend the term thereof and increase the monthly rental payments required thereunder.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. Section 3.1 – Term of the Lease Agreement is hereby amended to read as follows:

3.1 Term.

This Lease shall begin on March 1, 2015 ("Commencement Date") and shall remain in full force and effect until midnight on February 28, 2024 ("Termination Date"), unless extended by a valid amendment hereto or sooner terminated as set forth herein.

2. Section 4.1 – Rent of the Lease Agreement is hereby amended to read as follows:

4.1 Rent.

LESSEE shall pay rent to the LESSOR in the amount of Two Hundred Sixteen Dollars and Fourteen Cents (\$216.14) per month after approval of this Fourth amendment for the remainder of this Lease. This amount is due and payable on the Tenth (10<sup>th</sup>) day of each month of occupancy. This amount is based on the Consumer Price Index (CPI) for all items (1982-84 =100), U.S. City Average, West Cities B-C, as published by the United States Department of Labor, Bureau of Labor Statistics (called "the Index" in this Lease) for the prior calendar year. In calculating this percentage increase, the most current index available on the date of the commencement of the prior term and

the most current Index available immediately receding the date of annual adjustment during the extended term shall be used. November shall be the base month for this adjustment. For purposes of clarity, the rent is calculated as follows:

West-Size Class B/C, Nov. 2022, All Urban CPI = 184.626

West-Size Class B/C, Nov. 2021, All Urban CPI = 172.214

Difference = 184.626 - 172.214 = 12.412

% Difference = 12.412/172.214 x 100 = 7.21%

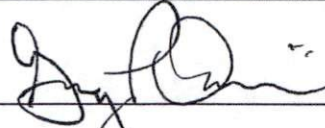
Increase = \$201.60 (previous years rent) x .0721 (7.21%) = \$14.54

New Rent = \$201.60 (previous years rent) + \$14.54 = \$216.14

3. Except as modified herein, the Lease Agreement dated February 25, 2015, as amended on February 7, 2018, February 23, 2021 and February 15, 2022, shall remain in full force and effect. In the event of a conflict between the provisions of this Fourth Amendment and the original Lease Agreement, or any prior amendments thereto, the provisions of this Fourth Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have entered into this Fourth Amendment as of the first date written above.

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT:**

By: 

Date: 2/16/23

Name: Gregory P. Orsini

Title: Board President

**COUNTY OF HUMBOLDT:**

By:   
Steve Madrone, Chair  
Humboldt County Board of Supervisors

Date: 2/28/23

**INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:**

By:   
Risk Management

Date: 02-07-2023