

Attachment 4 – Third Amendment dated 5-15-18



AGENDA ITEM NO.  
**C7**

COUNTY OF HUMBOLDT

For the meeting of: May 15, 2018

Date: April 12, 2018

To: Board of Supervisors

From: Connie Beck, Director  
Department of Health and Human Services – Mental Health

*Connie Beck*  
4/22/18

Subject: Request to approve the third amendment to the lease at 824 Harris Street, Eureka with Rachel-Jill Hemmert for fiscal years 2018-2023

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the third amendment to the lease at 824 Harris Street, Eureka with Rachel-Jill Hemmert for fiscal years 2018-2023;
2. Direct the Clerk of the Board to return one (1) executed Board agenda item to Public Works-Real Property Division for transmittal to the Lessor.

SOURCE OF FUNDING:

Mental Health Fund

DISCUSSION:

The Department of Health and Human Services (DHHS) - Mental Health Administration offices are located at 824 Harris Street, Eureka. The lease agreement (Attachment 1) with Rachel-Jill Hemmert at 824 Harris Street, Eureka, was executed on June 28, 2005. The Board approved a first amendment to the lease on June 24, 2008 (Attachment 2) which extended the term through June 30, 2010 and provided the option for the

Prepared by Haley Schandelmier AAI

CAO Approval *[Signature]*

REVIEW:	<u>MSM</u>	County Counsel	Human Resources	Other
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT**  
 Upon motion of Supervisor Wilson Seconded by Supervisor Bass

Ayes Bass, Fennell, Sundberg, Bohn, Wilson  
 Nays  
 Abstain  
 Absent

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-6; C-16; C-12; C-7; C-5; C-; C-10;C-12

Meeting of: 6/24/08;4/6/10;3/15/11;3/20/12; 5/21/13;4/21/15;4/26/16; 4/18/17

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 5/15/18  
By: *[Signature]*  
Kathy Hayes, Clerk of the Board

county to extend the lease, upon the same terms and conditions, for three (3) additional one (1) year terms. The three additional terms were approved by the Board and are on file with the Public Works- Real Property Division. On May 21, 2013 the Board approved the second amendment to the lease, (Attachment 3) which extended the term through June 30, 2015 and provided three (3) one (1) year options to extend the lease. The three additional terms were approved by the Board and are on file with the Public Works- Real Property Division. Each option may be exercised by DHHS giving the lessor sixty (60) days written notice of its intent to extend the lease prior to the end of the initial term or any one (1) year term extension.

The second amendment to the lease will expire on June 30, 2018, therefore a third amendment to the lease is necessary as DHHS continues to require office space at this location. The building at 824 Harris Street provides necessary space to house DHHS - Mental Health administrative staff and is located in close proximity to Sempervirens. DHHS recommends that the board approve the third amendment to the lease with Rachel-Jill Hemmert for fiscal years 2018-2023.

FINANCIAL IMPACT:

The cost of rent for this lease will be Three Thousand Twenty Four dollars and Zero Cents (\$3,024.00) per month for approximately 2,016 square feet, at \$1.50 per square foot. This expenditure has been included in the proposed budget for fiscal year 2018-2019, DHHS-Mental Health Administration budget unit 1170-424. There is no impact on the County General Fund.

Approving the third amendment to the lease supports the Board's Strategic Framework by creating opportunities for improved safety and health and helping to protect vulnerable populations.

OTHER AGENCY INVOLVEMENT:

Public Works-Real Property Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the third amendment to the lease, in which case the DHHS - Mental Health administrative offices would have to vacate the premises and find pother suitable location. DHHS does not recommend this alternative.

ATTACHMENTS:

1. Copy of original lease for 824 Harris Street
2. Copy of First Amendment to the lease for 824 Harris Street
3. Copy of Second Amendment to the lease for 824 Harris Street

THIRD AMENDMENT TO LEASE

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This Third Amendment to the Lease entered into on June 28, 2005, and amended on June 24, 2008 and on May 21, 2013, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called LESSEE, and RACHEL-JILL HEMMERT, hereinafter called LESSOR, is entered into this 15 day of May, 2018.

**WHEREAS**, the parties entered into a Lease for the use of the premises at 824 Harris Street, Eureka, California for the purpose of office space; and

**WHEREAS**, LESSEE and LESSOR desire to extend the term of the Lease and to amend the Lease as specified; and

**WHEREAS**, LESSEE and LESSOR agree to adjusting the monthly rent payment and to amend the Lease as specified; and

**WHEREAS**, California Civil Code section 1938 requires commercial property owners to state on every lease executed on or after January 1, 2017, whether or not the subject premises have undergone inspection by a Certified Access Specialist (CASp), and the parties wish to comply with this requirement;

**NOW, THEREFORE**, it is mutually agreed as follows:

1. Section 4, TERM OF LEASE, of this Lease shall be amended to read as follows:

A. This Lease term shall be extended for a period of five (5) years, commencing on July 1, 2018 and ending on June 30, 2023.

B. COUNTY has the option to extend this Lease, upon the same terms and conditions for two (2) five (5) year terms. Each option may be exercised by COUNTY giving LESSOR written notice of its intent to extend the Lease. The notice shall be in writing and shall be given to LESSOR no less than sixty (60) days prior to the end of the initial term or any option term extension.

C. Any holding over with LESSOR'S consent beyond the term of this Lease shall be a month to month tenancy, with all the terms and conditions of this Lease.

2. Section 5, RENT, of this Lease shall be amended to read as follows:

COUNTY shall pay to LESSOR as rent for the leased premises a monthly rental as follows:

Three Thousand, Twenty-four Dollars and Zero Cents (\$3,024.00)

Rent shall be paid in advance on the first day of each month, except in the event that COUNTY'S occupancy shall commence on a day other than the first day of the month, the rent for the first partial month shall be prorated at one-thirtieth (1/30) of the rental rate for each calendar day the premises are ready for occupancy during such month.

THIRD AMENDMENT TO LEASE

3. Section 37, PREMISES INSPECTION BY CERTIFIED ACCESS SPECIALIST, shall be added to the Lease, to read as follows:

The premises have not undergone inspection by a Certified Access Specialist.

A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.


4. In all other respects, the Lease between the parties entered into June 28, 2005, and amended on June 24, 2008 and on May 21, 2013, shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Third Amendment to Lease dated June 28, 2005, and amended on June 24, 2008 and May 21, 2013, on the date indicated above.

**LESSEE: COUNTY OF HUMBOLDT**

**LESSOR: RACHEL-JILL HEMMERT**

BY:   
CHAIRPERSON  
BOARD OF SUPERVISORS

BY:   
Trustee  
TITLE: Rachel Jill Hemmert Trustee  
for Rachel Jill Hemmert  
Family Trust  
property owner

ATTEST:

(SEAL)

BY:   
CLERK OF THE BOARD *Ryan Sharp, Deputy*