



COUNTY OF HUMBOLDT

For the meeting of: 9/26/2023

File #: 23-1255

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Third Lease Amendment with Eureka Old Town, LLC. for Continued Use of 507 F Street, Eureka, for Offices.

RECOMMENDATION(S):

That the Board of Supervisors:

1. That the Board of Supervisors approve and authorize the Chair to execute the Third Lease Amendment to extend the Lease Term at 507 F Street, Eureka with Eureka Old Town (Lessor), LLC. for ninety-two (92) calendar days to Dec. 31, 2023.

SOURCE OF FUNDING:

Department of Health and Human Services (DHHS), Administration (1160-516)

DISCUSSION:

On Jan. 14, 2003, DHHS entered into a Lease with lessor for office space at 507 F Street, Eureka. On Nov. 18, 2003, DHHS entered into a First Lease Amendment with Eureka Old Town, LLC. On Oct. 16, 2013, the Board of Supervisors approved a Second Lease Amendment with the Lessor.

The initial 2003 lease term was for ten (10) calendar years, with two (2) five (5) year options to extend the lease to Sept. 30, 2023.

The county and lessor are working on a new lease agreement for the premises at 507 F Street, Eureka, but have not yet agreed upon a final lease. This Third Amendment is to extend the term of the lease for 507 F Street until Dec. 31, 2023. In the interim, DHHS will soon come to your Board with a new lease for use of 507 F Street, Eureka.

FINANCIAL IMPACT:

Expenditures (1160-516)	FY23-24
Budgeted Expenses	\$197,019

Total Expenditures	\$197,019
Funding Sources (1160-516)	FY23-24 Adopted
State/Federal Funds	\$197,019
Total Funding Sources	\$197,019

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

Narrative Explanation of Financial Impact:

The expense of the Lease for 507 F St. was included in the approved budget for fiscal year (FY) 2023-24 in Fund 1160 Budget Unit 516, DHHS Administration. The monthly lease payments for the extension of the Lease, will increase 3%, from \$63,760.45 to \$65,673.26, resulting in a projected cost of \$197,019. This increase is included in the original Lease which allowed for an annual increase based on the Consumer Price Index (CPI) and capped at 3%.

DHHS Administrative costs are allocated to Public Health, Behavioral Health and Social Services and is funded through Federal, State and Local fund sources.

There is no impact to the General Fund

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

This lease amendment will not impact staffing.

STRATEGIC FRAMEWORK:

This action supports the following areas of your Board’s Strategic Framework.

Core Roles: Create opportunities for improved safety and health

New Initiatives: Provide community-appropriate levels of service

Strategic Plan: 4.3 - Create campus-like county facilities with co-located services that are desirable to work and be in, in consultation with the cities

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board may decide not to approve this Lease Amendment. However, staff recommends the approval of this Amendment to avoid Holdover.

ATTACHMENTS:

Attachment 1 - 1/14/2003 Lease

Attachment 2 - 11/18/2003 First Lease Amendment

Attachment 3 - 10/16/2018 Second Lease Amendment

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PREVIOUS ACTION/REFERRAL:

Board Order No.: C6; C16; C20

Meeting of: 1/14/2003; 11/18/2003; 10/16/2018

File No.: 18-1265