



COUNTY OF HUMBOLDT

For the meeting of: 4/9/2024

File #: 24-379

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Second Lease Amendment with PWM, Inc. for 605 K Street, Eureka

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve and execute the second lease amendment for 605 K Street, Eureka, (Attachment 1) with PWM, Inc. for continued use as office space through Dec. 31, 2026; and
2. Direct the Chair to return one (1) fully executed copy of the first lease amendment to Public Works - Real Property.

SOURCE OF FUNDING:

Social Services Fund (1160-511)

DISCUSSION:

On March 26, 2013, your Board approved a lease with PWM, Inc. (Lessor) for use of the premises at 605 K Street, Eureka, by the Department of Health and Human Services (DHHS). According to the lease (Attachment 2), the initial term ended on Mar. 31, 2018. The lease gives the county an option to extend the lease, upon the same terms and conditions, for an additional one (1) five (5) year term. On Dec. 12, 2017, your Board approved this five (5) year option to extend the lease until March 31, 2023 (Attachment 2).

On March 21, 2023, the Lessor and county entered into a first lease amendment to extend the termination date from March 31, 2023 to March 31, 2024 (Attachment 3).

The county and Lessor have been mutually working to remove existing Americans with Disabilities Act (ADA) barriers (Attachment 4). However, the ADA barriers that the Lessor is responsible for, will not be removed by the termination of this lease on March 31, 2024. Therefore, the county and Lessor have agreed to amend this lease to extend the term to Dec. 31, 2026. Both the county and Lessor shall remove their respective barriers, shown in Attachment 4, during this term extension and will negotiate

a new lease in 2026.

FINANCIAL IMPACT:

There is an annual Consumer Price Index (CPI) adjust each April 1st. Per the lease, this increase is limited to no more than 5% regardless of CPI. The monthly rent for 605 K Street, effective April 1, 2024, shall be Thirteen Thousand, Six-Hundred Eleven Dollars and Seventy-Six Cents (\$13,611.76). The estimated total rent for the remainder of fiscal year (FY) 2023-24 is Forty-Thousand, Eight-Hundred Thirty-Five Dollars and Twenty-Eight Cents (\$40,835.28). The Department of Health and Human Services - Social Services has sufficient funds in budget unit 1160-511 to continue this lease. Funding to cover the monthly rent is incorporated into the adopted fiscal year 2023-24 budget for Social Services fund 1160511. There is no impact to the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing community-appropriate levels of service, Protecting vulnerable populations, and by creating opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT:

Public Works

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board may decide not to approve this Second Lease Amendment. However, this is not recommended as the lease would go into month-to-month holdover on April 1st, which may endanger the county's tenancy. In addition, there are not any available nearby alternate facilities to relocate this program.

ATTACHMENTS:

- Attachment 1 - Landlord executed 2nd Lease Amendment 605 K St
- Attachment 2 - 605 K St 2013 Lease and 2017 Lease Option
- Attachment 3 - 1st Lease Amendment 605 K Street
- Attachment 4 - ADA Compliance Report 605 K Street
- Attachment 5 - ADA Access Barriers Punchlist

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-14; C-14; D-31
Meeting of: 3/26/2013; 12/12/2017; 3/21/2023
File No.: 23-230