



COUNTY OF HUMBOLDT

For the meeting of: 3/21/2023

File #: 23-230

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

First Amendment to the Lease Agreement with PWM, Inc. Regarding the Use of the Real Property Located at 605 K Street, Eureka, California

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve, and authorize the Chair of the Board to execute, the attached first amendment to the lease agreement with PWM, Inc. regarding the use of the real property located at 605 K Street, Eureka, California; and
2. Direct the Clerk of the Board to return one (1) fully executed original copy of the attached first amendment to the lease agreement with PWM, Inc. to the Real Property Division of the Department of Public Works for further processing.

SOURCE OF FUNDING:

Social Services Fund (1160511)

DISCUSSION:

On March 26, 2013, The Humboldt County Board of Supervisors (“Board”) approved a lease agreement with PWM, Inc. regarding the use of the real property located at 605 K Street, Eureka, California. Pursuant to the terms and conditions of the lease agreement with PWM, Inc., the initial term ended on March 31, 2018. The lease agreement gave the county an option to extend the term, upon the same terms and conditions, for an additional five (5) years. On Dec. 12, 2017, the Board approved this five (5) year option to extend the lease agreement until March 31, 2023).

The County of Humboldt and PWM, Inc. have been mutually working to remove existing Americans with Disabilities Act (“ADA”) barriers. However, the ADA barriers will not be removed by the termination of the lease agreement on March 31, 2023. Therefore, the County of Humboldt and PWM, Inc. have agreed to amend this lease to extend the term to March 31, 2024. Both the County of Humboldt and PWM, Inc. shall remove their respective ADA barriers during this term extension and will negotiate a new lease in 2024.

FINANCIAL IMPACT:

The current monthly rent for 605 K Street is \$12,646.28. There is an annual Consumer Price Index (“CPI”) adjustment on April 1, 2023. This increase is limited to no more 5% regardless of CPI. The estimated total rent for the remainder of fiscal year (FY) 2022-23 is \$39,835.77. The estimated total rent for FY 2023-24 is \$119,507.31. The Department of Health and Human Services - Social Services has sufficient funds in budget unit 1160511 to continue the lease agreement with PWM, Inc. for the period of April 1, 2023 through March 31, 2024. As a result, approval of the attached first amendment to the lease agreement with PWM, Inc. will not impact the Humboldt County General Fund.

STRATEGIC FRAMEWORK:

The recommended actions support the Board of Supervisors’ Strategic Framework by protecting vulnerable populations, creating opportunities for improved safety and health and providing community-appropriate levels of service.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to approve attached first amendment to the lease agreement with PWM, Inc. regarding use of the real property located at 605 K Street, Eureka, California. However, this is not recommended as the lease would go into month-to-month holdover on April 1, 2023, which may endanger the County of Humboldt’s tenancy.

ATTACHMENTS:

1. First Amendment to the Lease Agreement with PWM, Inc. Regarding Use of the Real Property located at 605 K Street Eureka California
2. Lease Agreement with PWM, Inc. Regarding Use of the Real Property located at 605 K Street Eureka California and 2017 Lease Option
3. ADA Compliance Report 605 K Street

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-14; C-14

Meeting of: 3/26/2013; 12/12/2017

File No.: 16-1567; 17-2755