



Board Agenda Item 34

DATE: August 24, 2021

TO: Board of Supervisors

SUBMITTED BY: Margaret Mims, Sheriff-Coroner-Public Administrator
Robert W. Bash, Director, Internal Services/Chief Information Officer

SUBJECT: Retroactive Lease Agreement with Fresno-Air LTD.

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a retroactive Lease Agreement with Fresno-Air LTD., a California Limited Partnership, for approximately 10,933 square feet of combined office and warehouse space, effective July 1, 2021, not to exceed five years and two months, total not to exceed \$511,462; and**
- 2. Approve and authorize the Director of Internal Services /Chief Information Officer, or designee, upon review by County Counsel as to legal form and Auditor-Controller/Treasurer-Tax Collector as to accounting form, to execute an Estoppel Certificate and/or Subordination and Attornment Agreement required by the Lessor, and any other such necessary agreements, certificates, notices, instruments, or documents.**

There is no Net County Cost associated with the recommended actions. Approval of the recommended actions will permit the Sheriff-Coroner-Public Administrator's Office (Sheriff) to remain at its current location, which the Sheriff has occupied since 2011. Approval of the recommended actions will authorize the Director of Internal Services /Chief Information Officer, or designee, to execute any documents required by the lessor, Fresno-Air LTD (Lessor), during the term of the recommended lease. The rent will remain the same as required in the prior lease for July and August (\$7,318.34), \$7,762.43 per month or \$0.71 per square foot for the first year, and will then increase by 2.5% each year thereafter. Janitorial and utility services will be paid separately by the Sheriff. This item pertains to a location in District 3.

ALTERNATIVE ACTION(S):

Your Board may direct staff to pursue other facility options for the Sheriff's operations, which would require a month-to-month lease at the current location until an alternate space is located.

RETROACTIVE AGREEMENT:

The recommended lease agreement is retroactive to July 1, 2021, as a result of extended negotiations.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended Lease Agreement will be funded with budgeted Net County Cost. The monthly rent for July and August 2021 will remain the same rate as required in the prior lease (\$7,318.34). Thereafter, the rent will be \$7,762 per month, an increase of \$444.09 per month from the previous lease, increasing the rent from \$7,318.34 to

\$7,762 (or 6%) per month for the first year. The rent will continue to increase 2.5% annually each September 1, and the Sheriff shall pay for janitorial and utility costs under the recommended lease. In addition to the rent payments, the Sheriff will pay the lessor \$7,202.36 toward Lessor improvements. July and August 2021 rent has been paid with Purchasing sign-off. Sufficient appropriations and estimated revenues will be included in the Sheriff-Coroner-Public Administrator's Org 3111 FY 2021-22 Recommended Budget and in future budget requests.

DISCUSSION:

On September 12, 2016, the Board approved Lease Agreement No. 16-551 with the Lessor for office and warehouse space for the Sheriff's Office. On April 3, 2018, the Board approved the First Amendment to Lease Agreement No. 16-551, increasing the maximum compensation by \$11,130, to allow for tenant improvements at the property.

With your Board's approval of the recommended actions, a new lease term will be approved to continue Sheriff's operations at the same location for another five years and two months. The Sheriff occupies approximately 10,933 square feet, including approximately 5,620 square feet of office space and approximately 5,313 square feet of warehouse space. The Lessor will install carpet and linoleum, paint, and make other improvements as part of the recommended lease. The Sheriff will pay a lump sum payment of \$7,202.36 to the Lessor for these improvements upon lease execution. The total rent to be paid for the five-year, two month term under the recommended lease is \$511,461.60.

REFERENCE MATERIAL:

BAI #26, April 3, 2018
BAI #32, September 12, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Lease Agreement with Fresno-Air LTD

CAO ANALYST:

Sonia M. De La Rosa