



Board Agenda Item 52

DATE: April 13, 2021

TO: Board of Supervisors

SUBMITTED BY: Delfino Neira, Director, Department of Social Services
Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Lease of Parking Space for Department of Social Services

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a lease with Pontiac Parking Solutions LLC, for use by the County's Department of Social Services, effective the date the agreement is executed not to exceed ten years, total not to exceed \$1,209,033.**
- 2. Authorize the Director of Internal Services/Chief Information Officer or his/her representative, to approve and execute a Memorandum of Lease for the premises, as well as any Estoppel Certificate and/or Subordination and Attornment Agreement required by the Lessor, and any other such necessary agreements, certificates, notices, instruments, or documents, subject to the approval of the County Counsel's Office as to legal form and, if applicable, as to accounting form by the County Auditor-Controller/Treasurer-Tax Collector.**

Approval of the recommended actions will authorize the County to enter into a ten-year lease for approximately 600 parking stalls for the Department of Social Services. The lease maximum compensation amount for the first years rent is \$105,456, with no increase in Net County Cost. This includes a base rent of \$1.00 and annual operating expenses of \$105,455. The actual operating expenses will be reconciled via an end-of-year true up process. If the County's share of the actual operation costs exceeds the County's prior payments, the County shall pay the deficiency to the lessor as additional rent. If the County's payments for the calendar year exceed the County's actual share of the operation costs, the County may offset the excess against any future operation costs payments. This item pertains to a location in District 3.

ALTERNATIVE ACTION(S):

Your Board could direct the Department of Social Services to pursue other parking options for the Department of Social Services Clovis Campus. However, it would result in a lost opportunity for parking adjacent to the Department of Social Services' Clovis Campus.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The total cost of the recommended Lease (\$1,209,033) will be fully offset with State and Federal Social Services Allocations (\$1,046,244), and 2011 Realignment (\$102,431) in lieu of State General Funds for Child Welfare Services, and Adult Protective Services Programs that were realigned to counties through Assembly Bill (AB) 118, 1991 Social Services Realignment (\$51,288), and the required Net County Cost (\$9,070) which offsets the General Relief Program share of cost. Sufficient appropriations and estimated revenues are available in the FY 2020-21 Adopted Budget for the Department of Social Services, Org 5610, and will be included in subsequent budget requests.

DISCUSSION:

The Department of Social Services (DSS) strategic plan places emphasis on enhancing Department performance and improving client experiences. A key component as part of this strategic plan is streamlining business and client service functions to increase efficiency and operational effectiveness. Approval of the recommended lease is essential for DSS to implement its strategic plan.

DSS is a client-based service organization that previously occupied 26 buildings in metro-Fresno. During the past three years DSS has consolidated operations to a single campus in Clovis. This has allowed for greater operational efficiency, streamlined service delivery, and enabled DSS to provide higher quality of services to the residents of Fresno County.

The additional parking stalls being created as part of this lease will ensure that DSS has an adequate number of parking stalls available to meet ongoing business and operational requirements. The location of this parking lot is ideal as it is situated adjacent to the DSS Client Services building.

The recommended 10-year lease provides that the lessor shall be responsible for providing all maintenance of the premises, and the County shall be responsible for providing security patrols, and if the County desires, installation of any video monitoring devices at the premises.

The recommended lease provides that the County shall pay the lessor's actual operating costs to the lessor on a monthly basis, including real estate taxes, insurance, and all maintenance-related expenses incurred by the lessor and allocable to the premises. Within 90 days after the end of each calendar year, the lessor shall furnish to the County a statement covering the calendar year just expired, showing by cost category the actual operation costs incurred for that year, and the monthly payments made by the County during that year for the operation costs. If the County's share of the operation costs exceeds the County's prior payments, the County shall pay the deficiency to the lessor as additional rent. If the County's payments for the calendar year exceed the County's actual share of the operation costs, provided the County is not in arrears in its rent payments, the County may offset the excess against any future operation costs payments.

REFERENCE MATERIAL:

BAI #12, February 25, 2020
BAI #45, December 12, 2017
BAI #58, September 26, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Lease Agreement

CAO ANALYST:

Yussel Zalapa