



Board Agenda Item 45

DATE: July 18, 2023

TO: Board of Supervisors

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

SUBJECT: Lease Agreements at 770 E. Shaw Ave

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a Lease Agreement with JCM Farming, Inc. for approximately 11,704 square feet of office space located at 770 E Shaw Ave Suites 300, 301, 302, 303, and 304 Fresno, CA 93710 for use by the Sheriff Civil Unit (CU Lease), effective as of the first date of occupancy; not to exceed seven consecutive years, which includes a five-year initial term and two optional one-year extensions, total not to exceed \$1,345,222;**
- 2. Approve and authorize the Chairman to execute a Lease Agreement with JCM Farming, Inc. for approximately 3,537 square feet of office space located at 770 E Shaw Ave Suite 330 Fresno CA, 93710 for use by the Sheriff public records act request unit (PRA Lease), effective as of the first date of occupancy, not to exceed seven consecutive years, which includes a five-year initial term and two optional one-year extensions, total not to exceed \$407,038; and**
- 3. Approve and authorize the Director of Internal Services/Chief Information Officer, or his or her designee to approve and execute a written acknowledgement for the first date of occupancy, future tenant estoppel certificates, Memorandum of Lease, and any future Subordination, Non-disturbance, and Attornment Agreements (“SNDAs”) or Subordination and Non-disturbance Agreements (“SNDs”), with the Lessor and its lender, as well as any instruments, certificates, or notices, requested by the Lessor, each of which is necessarily-related to the SNDAs or SNDs, as applicable, and the Director determines to be in the best interest of the County, and is approved by County Counsel as to legal form and by the Auditor-Controller/Treasurer-Tax Collector as to accounting form.**

There is no additional Net County Cost associated with the recommended action, which will permit the Sheriff's Office (Sheriff) to utilize approximately a total of 15,241 square feet of office space for their Civil Unit office and their public records act (PRA) request office. These items pertain to a location in District 2, however the impact is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct the Sheriff and the Internal Services Department (ISD) to pursue other facility options; however, this would result in foregoing a location that best aids the persons served and fulfills the needs of the Sheriff.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions.

The CU Lease rent is \$14,630 per month for 11,704 square feet of office space at \$1.25 per square foot for the first year and will increase by 3% per square foot for each additional year. The total cost for rent during the potential seven-year term is \$1,345,222. This recommended lease agreement also includes \$50,000 for tenant improvements.

The PRA Lease rent is \$4,422 per month for 3,537 square feet of office space at \$1.25 per square foot for the first year and will increase by 3% per square foot for each additional year. The total cost for rent during the potential seven-year term is \$407,038.

Utility costs are not included in the monthly rent as both the CU Lease and the PRA Lease will be charged \$0.20 per square foot per month. The CU Lease utility cost per month will be \$2,341, which will be an annual charge of \$28,090, approximately \$196,628 for the potential seven-year term. The PRA Lease utility cost per month will be \$708, which will be an annual charge of \$8,489, approximately \$59,422 for the potential seven-year term.

Sufficient appropriations are included in the Sheriff's Org 3111 FY 2023-24 Recommended Budget and will be included in the subsequent budget requests.

DISCUSSION:

The Sheriff Civil Unit office has leased and occupied 8,265 square feet of office space, suites 300 - 303, since September 2018 under lease agreement D-18-775, which was executed on July 17, 2018, under the delegated authority of the Director of Internal Services/Chief Information Officer. The Civil Unit now requires additional space for the execution of civil processes such as handling judgements from court, filing evictions, and addressing homeless encampments. The new proposed CU Lease totals 11,704 square feet of office space and includes an additional \$50,000 for tenant improvements to remodel the additional space.

The Sheriff's Public Records Unit also has a need for a designated space for their PRA request office and sufficient space is available in suite 330. The PRA lease totals 3,537 square feet of office space and meets the current needs of the department.

Approval of the first recommended action will allow the Sheriff's Civil Unit to continue to occupy and provide services at 770 E. Shaw Ave, Suites 300-303, and will allow them to expand these services into Suite 304, effective upon the first date of occupancy for a potential seven-year term, which include an initial five-year agreement with two optional one-year extensions, total rent not to exceed \$1,345,222.

Approval of the second recommended action will allow the Sheriff's PRA unit to relocate services to 770 E. Shaw Ave, Suite 330, effective upon the first date of occupancy for a potential seven-year term, which include an initial five-year agreement with two optional one-year extensions, total rent not to exceed \$407,038.

Approval of the third recommended action will approve and authorize the Director of Internal Services/Chief Information Officer or his or her designee, to execute a memorandum of lease and written acknowledgement for the first date of occupancy for each of the leases, and to execute any SNDA, SND, or related documents at the lessor's request, with the approval of County Counsel and the Auditor-Controller/Treasurer-Tax Collector.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - CU Lease Agreement
On file with Clerk - PRA Lease Agreement

CAO ANALYST:

Ahla Yang