



Board Agenda Item 67

DATE: June 5, 2018

TO: Board of Supervisors

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

SUBJECT: Amend Lease Agreement for Department of Social Services-Kerman Regional Office

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute First Amendment to Lease Agreement (County No. 17-256/L-312P) with Kerman Shopping Plaza, LLC., for office space located at 15160-15188 W. Whitesbridge Rd, Kerman, for use by the Department of Social Services (DSS), effective the date of occupancy and increasing the overall lease maximum base rent amount by \$68,616 to a total of \$3,103,643 (approximate 8 year primary term).

Approval of the recommended action will correct the square footage as indicated on lease agreement 17-256/L-312P at the DSS Kerman Regional office, which is currently being remodeled for the County's occupancy. The property owner's estimated date for substantial completion of the Premises is December 31, 2018. The original measurement of 10,150 sq. ft. indicated on the lease agreement was a miscalculation by the property owner. The actual square footage of the site is 10,566, resulting in an increase of 416 square feet of rentable office space, with no increase in Net County Cost. This item pertains to a location in District 1.

ALTERNATIVE ACTION(S):

There is no viable alternative action.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The total maximum base rent of the recommended First Amendment for a primary term of approximately 8 years is \$3,103,643, which would include base rents (\$1,742,777) and tenant improvement costs (\$1,360,866). In addition to the base rents, the County shall pay additional rents for common area maintenance, which includes property taxes and insurance. The costs for the Lease Amendment will be offset with State and Federal Social Services funds (\$2,674,975), 2011 Realignment (\$271,047), 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 (\$131,134) and (\$26,487) Net County Cost to fund the General Relief's share of cost. Sufficient appropriations will be included in the FY 2018-19 Recommended Budget for the Department of Social Services, Organization 5610, and will be included in subsequent budgets.

DISCUSSION:

On June 6, 2017, your Board approved Lease Agreement 17-256/312P authorizing the lease of 10,150

square feet of rentable office space located at 15160-15188 W. Whitesbridge, Kerman. This Lease Agreement is for an eight (8) year primary term, with one optional two (2) year extension period with six months' notice prior to the end of the primary term. The square footage provided to the County by the property owner was found to be incorrect and the correct measurement of 10,566 square feet was reported to staff after approval of the June 6, 2017 agenda item, an increase of 416 rentable square feet. The square footage error was discovered as final preparations for the remodel were being completed.

The Department of Social Services (DSS) - Kerman office is currently located in a temporary site located at 15010 W. Whitesbridge while the new office space is being prepared for occupancy. The Kerman office provides public assistance and employment services to an average of 1,879 clients per month from the communities in and around the City of Kerman. From 2014 to present day, the lobby traffic at the Kerman office has increased 23%. DSS programs administered from this office include: CalWORKs cash assistance, CalFresh, Medi-Cal, Homeless Assistance, General Relief, and Employment Services

REFERENCE MATERIAL:

BAI # 18, June 6, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment I to Lease Agreement 17-256/L-312P

CAO ANALYST:

Ronald Alexander