



Board Agenda Item 25

DATE: April 17, 2018

TO: Board of Supervisors

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

SUBJECT: Retroactive Amendment II to Lease Agreement for Sheriff's Substation

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a retroactive Amendment II to Lease Agreement #08-075 with Land Management Opportunities LLC for office space (8,480 square feet) at 5717 E. Shields, Fresno, CA for the Sheriff's substation, increasing the amount of optional Renewal Terms to five (5), thereby extending the term of the Agreement to December 31, 2021, and increasing the Agreement maximum by \$576,000, to a total of \$1,824,000.

There is no increase in Net County Cost associated with the recommended action, which will extend the term of the current lease to December 31, 2021. The recommended lease has an annual cost of \$144,000 and can be terminated by the County providing 180 day prior written notice at any time. The recommended change will enable the Sheriff to occupy the current substation until a decision is made for a new substation site.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. The Sheriff-Coroner will continue to occupy the facility until a determination is made to relocate to another site.

RETROACTIVE AGREEMENT:

The recommended Amendment II is retroactive to January 1, 2018 due to ongoing discussions regarding a new substation. A Request for Qualification was issued on May 26, 2015 for a facility to serve as a new Sheriff's Area 2 Substation. Due to the process of site selection, building design and renewal negotiations, this lease is retroactive.

FISCAL IMPACT:

There is no additional Net County Cost associated with the recommended action. The Sheriff-Coroner will continue to pay rent at the current rate of \$12,000 per month during the term of the lease. Sufficient appropriations and estimated revenues are included in the Sheriff-Coroner's FY 2017-18 Adopted Budget Org 3111 and will be included in future requested budgets.

DISCUSSION:

The Sheriff's substation has been at its current location since 1988 and serves the eastern part of Fresno County.

On February 26, 2008, your Board approved Agreement No. 08-075 with Land Management Opportunities, LLC to renew the lease for the Sheriff's Area 2 substation located at 5717 E. Shields for eight (8) years from January 1, 2008, through December 31, 2015.

On December 15, 2015, your Board approved the First Amendment to Lease Agreement No. 08-075 with Land Management Opportunities, LLC to extend the lease term to December 31, 2016, with a one (1)-year automatic renewal from January 1, 2017 to December 31, 2017 (Renewal Term), and increase the rent to \$12,000 per month effective January 1, 2016, with annual rent of \$144,000.

The Second Amendment will increase the total amount of optional one (1)-year Renewal Terms to five (5), which includes the Calendar Year 2017 Renewal Term, and will extend the term of the Agreement to December 31, 2021. The lease may be terminated as of any date by the County providing at least one hundred and eighty (180) days prior written notice to terminate to Lessor; the notice of termination may be provided by the Director of Internal Services/Chief Information Officer or the Sheriff-Coroner.

On November 4, 2014, your Board authorized staff to issue a Request for Qualifications (RFQ) for a facility to serve as a new Sheriff's Area 2 substation in the Southeastern area of the County. Approval of the recommended action will allow the Sheriff-Coroner to continue to occupy the current substation while discussions continue for a future location for the Sheriff's Area 2 substation.

REFERENCE MATERIAL:

BAI #18 - December 15, 2015

BAI #27 - February 26, 2008

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - 2nd Lease Amendment

CAO ANALYST:

Jeannie Z. Figueroa