



Board Agenda Item 35.3

DATE: January 27, 2026

TO: Board of Supervisors

SUBMITTED BY: Raymond T. Hunter, Director, General Services Department
Sally Gomez, County Librarian

SUBJECT: Retroactive Lease Agreement with Apotek Moderna LLC

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute a retroactive Lease Agreement with Apotek Moderna LLC for approximately 5,800 square feet of library space and tenant improvements, located at 1399 Draper Street, Kingsburg, California 93631 to be occupied by the Library, effective January 1, 2026, which includes a two-year base term with one optional one-year extension, total not to exceed \$656,261;**
2. **Authorize the Director of the General Services Department, or their designee, to approve and execute, upon review and approval as to legal form by County Counsel, an Estoppel Certificate, and Subordination and Non-Disturbance Agreement relating to the recommended Lease Agreement, if County is so requested by Lessor, to sign such documents; and**
3. **Authorize the Director of General Services, or their designee, to approve and execute (or accept, as applicable), (a) upon review and approval as to legal form by County Counsel, a Memorandum of Lease, and any notices, instruments, certificates, and documents, relating to the consummation of the recommended Lease Agreement, and (b) any notices and documents relating to the County's administration of the leased premises under the recommended Lease Agreement.**

There is no Net County Cost (NCC) associated with the recommended action, which will allow the Library to utilize approximately 5,800 square feet of library space located at 1399 Draper Street, Kingsburg, California 93631, for library use. This item pertains to a location in District 4.

ALTERNATIVE ACTION(S):

Your Board may direct the Library and General Services Department to pursue alternative facility options or proceed without the facility improvements; however, doing so would forgo a location that best serves the Kingsburg community. The proposed improvements are essential to ensure the library meets the needs of the community.

RETROACTIVE AGREEMENT:

The recommended Lease Agreement is retroactive to January 1, 2026, as a result of extended contract

negotiations.

FISCAL IMPACT:

There is no NCC associated with the recommended action. The Lease maximum of \$656,261 will be fully offset by restricted Measure B library sales tax and property tax revenues. Tenant improvements are included in the Lease maximum at an estimated cost of \$350,000. The tenant improvements will be paid over the two-year base term of the Lease and amortized at a 6% interest rate for a total of \$372,293

Sufficient appropriations and estimated revenues are included in the Library Org 75112015 FY 2025-26 Adopted Budget and will be included in subsequent Recommended Budget requests for the duration of the Lease term.

DISCUSSION:

The Library has leased the building at 1399 Draper Street in Kingsburg for the Kingsburg Branch since 1999. The Kingsburg Branch occupies 5,800 square feet of space at the site. This includes 5,000 square feet for library use and 800 square feet for basement storage space. The recommended actions are to renew the Lease for a two-year term and provide an optional one-year renewal term.

On April 27, 2021, the Board approved a retroactive lease agreement with Apotek Moderna LLC, for the office and storage space at 1399 Draper Street for use by the Library, effective January 1, 2021, through December 31, 2025, with a total not to exceed \$270,768.

The recommended Lease Agreement includes lessor improvements in the amount of \$350,000, which are to be completed by June 30, 2026. The Library reviewed the improvements for alignment with public library operational use and identified additional changes, including lighting, exterior facia upgrades, flooring, electrical, HVAC, and related items. The recommended Lease includes Additional Rent for tenant improvements \$350,000 amortized over the two-year term at a 6% interest rate.

REFERENCE MATERIAL:

BAI #32, April 27, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Lease Agreement with Apotek Moderna LLC

CAO ANALYST:

Amy Ryals