



General Services Agency

COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

LARRY MICARI
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: July 9, 2024 – **REVISED**

Public Hearing Required	N/A
Scheduled Public Hearing w/Clerk	N/A
Published Notice Required	N/A
Advertised Published Notice	N/A
Meet & Confer Required	N/A
Budget Transfer (Aud 308) attached	N/A
Personnel Resolution attached	N/A
Agreement(s) attached	Yes

CONTACT PERSON: Maria Benavides-Lopez PHONE: 559-205-1124

SUBJECT: Amendment to Lease Agreement No. 30089 with Fairway Properties, LLC

REQUEST(S):

That the Board of Supervisors:

1. Approve an amendment to Lease Agreement No. 30089 with Fairway Properties, LLC, for property located at 520 E. Tulare Ave. and 942 S. Santa Fe St., Visalia, for tenant improvements to the Premises in the amount of \$363,044, effective July 9, 2024.
2. Authorize the Chair of the Board to sign the amendment.

SUMMARY:

On September 18, 2012, the County entered into Lease Agreement No. 25690 for the construction and lease of office space for the Health and Human Services Agency (HHSA) at 520 E. Tulare Ave., known as the Visalia Adult Integrated Clinic (VAIC), and 942 S. Santa Fe St., known as the Alcohol and Other Drug Prevention, Treatment, and Recovery (AOD), in the City of Visalia. The lease called for a seven (7) year term effective upon completion of the improvements with the Joe and Cora Gong Family Limited Partnership, a California Limited Partnership, and the Tom and Sarah Gong Family Limited Partnership, a California Limited Partnership. On November 25, 2014, the title of the real property was transferred to Fairway Properties, LLC now referred to as the Lessor. A vicinity map of the property is attached as Exhibit A to this Agenda Item.

On June 14, 2016, Agreement No. 25690 was amended to include the construction of two exam rooms. The County reimbursed the Lessor for the construction costs. On January 10, 2017, Agreement No. 25690 was amended so that the County could reimburse the Lessor for the cost of building permits obtained when the exam rooms were constructed. On September 30, 2020, the lease expired and was in holdover status while a new lease was negotiated.

SUBJECT: Amendment to Lease Agreement No. 30089 with Fairway Properties, LLC
DATE: July 9, 2024

On February 23, 2021, the County entered into Lease Agreement No. 30089 with Fairway Properties, LLC. The lease was for an initial five (5) year term, with two (2) five (5) year options to renew, effective upon Board approval.

The proposed lease amendment allows for improvements to the Premises, including the installation of new flooring, alterations to the caged parking area, and adjustments to lighting and HVAC in preparation for the addition of artificial interior walls.

FISCAL IMPACT/FINANCING:

The lease costs will be \$76,860.60 per month / \$1.89 per sq ft. (\$922,327.20 annually) and subject to an annual 2% increase. Upon completion of the tenant improvements, County will reimburse the Lessor for the improvements in the amount of \$363,044. The County is responsible for payment of utilities and services furnished to the Premises.

The Budget Account Line that will be used to reimburse the improvements is 001-142-3334-7066. Funding sources will be through the Health and Human Services Agency's (HHSA) State and Federal allocations. There is no Net County Cost to the General Fund.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's Strategic Business Plan includes the Quality of Life Initiative to promote public health and welfare. Board approval of the lease agreement will help fulfill this initiative by ensuring supportive services for the HHSA clients located in Tulare County.

ADMINISTRATIVE SIGN-OFF:

/s/Brooke Sisk

Brooke Sisk
General Services Agency Director

Cc: County Administrative Office

Attachments: Amendment to Agreement No. 30089
Exhibit A - Vicinity Map