



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: June 29, 2021- **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: 5592051124

SUBJECT: Amendment to Tulare County Agreement No. 23812

REQUEST(S):

That the Board of Supervisors:

1. Approve an Amendment to Tulare County Agreement No. 23812 with Fairway Properties, LP for the lease of 34,266 sq ft of office space and non-exclusive use of the parking area located at 1845 N. Dinuba Blvd., Visalia for an initial five-year term effective June 26, 2021 and ending June 25, 2026 with monthly lease costs in the amount of \$51,399. This agreement is retroactive due to the time required to process necessary paperwork.
2. Find that the Board had the authority to enter into the proposed agreement as of June 26, 2021 and it is the County's best interest to enter into this agreement as of this date.
3. Authorize the Chair of the Board to sign the Amendment.

SUMMARY:

The County entered into Lease Agreement No. 23812 on November 17, 2008 for the construction and lease of office space for the Health and Human Services Agency (HHSA) at 1845 N. Dinuba Blvd., in the City of Visalia, County of Tulare, commonly known as the Visalia District Office. The initial term of the lease was seven (7) years, effective upon County's possession of the site, dated June 26, 2009. A vicinity map of the property is attached as Exhibit 1.

A First Amendment to Lease Agreement was approved by the Board on June 14, 2016, removing the 90-day notice requirement, and exercising the first option to renew, extending the term of the lease for five (5) years through June 25, 2021. Currently, the rental rate is \$63,908.19 per month, or \$1.87 per sq ft. As the current lease term is

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ending, the parties now wish to amend the lease agreement.

The proposed Amendment to the Lease Agreement would extend the term of the lease for five (5) years with two (2), five (5) year options to renew. Monthly lease costs will be reduced to \$51,399 or \$1.50 per sq ft. Further, the Lessor agrees to complete a remodel of the interior of the building and will replace the roof at Lessor's cost. This will occur at any time within the initial or other renewal terms, subject to both parties negotiating a possible adjustment in the rental rate.

FISCAL IMPACT/FINANCING:

The proposed rental rate of \$51,399 monthly, or \$616,718 annually, will increase annually every July by two percent (2%). The County will pay for all utilities and services furnished to the Premises, with the exception of utilities and services for the parking areas. All building maintenance fees and parking areas are the Lessor's responsibility. Funding will be through HHSA's State and Federal allocations.

Budget Account Lines: 001-142-4030-7062 80.00%
001-142-4032-7062 20.00%

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 Quality of Life to promote the health and welfare of the public. Board approval of this matter will help fulfill this initiative by ensuring continued supportive services for Health and Human Services customers.

ADMINISTRATIVE SIGN-OFF:

/s/Brooke Sisk

Brooke Sisk
General Services Agency Director

Cc: County Administrative Office

Attachments: Exhibit 1 - Vicinity Map
Second Amendment to Lease Agreement