



Agenda Date: 6/5/2007
Agenda Placement: 6X

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Michael Stoltz for Robert Peterson - Director
Public Works
REPORT BY: Nancy Oweyong, STAFF SERVICES ANALYST I , 253-4603
SUBJECT: Lease Agreement for 1710 Soscol Avenue Suites 1,3, and 4

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign an agreement with MKD Soscol Partner, LP for an annual rental fee of \$266,811 for the term July 1, 2007 to June 30, 2010 with annual cost of living increase of three percent for space located at 1710 Soscol Avenue that provides office space for the Napa County Agricultural Commissioner and the University of California Cooperative Extension.

EXECUTIVE SUMMARY

The County of Napa has leased the space at 1710 Soscol Avenue since 1998. The current lease expires on June 30, 2007. The new lease agreement commences July 1, 2007 for a three year term expiring on June 30, 2010 with an annual rental rate of \$266,811. The lease amount for the second and third year shall be adjusted at 3% annually.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Agricultural Commissioner for an annual rental fee of \$193,602 U.C. Cooperative Extension for an annual rental fee of \$73,209
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County of Napa has leased the space since 1998. New space would have to be found to provide office space for the Agricultural Commissioner and U.C. Cooperative Extension.
Is the general fund affected?	Yes

Future fiscal impact: The term of the lease is for 3 years.
Consequences if not approved: The Agricultural Commissioner and U.C. Cooperative Extension would have to relocate.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County of Napa has leased space for the Agricultural Commissioner and U.C. Cooperative Extension programs, at this location since July 1, 1998 through Lease Agreement No. 3399 (followed by Amendment Nos. 1, 2, 3 and 4); and on July 10, 2001 through Lease Agreement No. 4506 (followed by Amendment No. 1), with the Norman and Else Madsen 1992 Revocable Trust; and on May 30, 2003 through Lease Agreement No. 6009, with F & F Soscal Associates, LLC.

Because all the foregoing lease agreements have expired, a new lease has been negotiated with MKD Soscol Partners, LP, the current property management firm for these facilities. The current lease is \$1.91 a square foot and will increase to \$1.99 a square foot for the first year. Comparable office space is going for approximately \$2.25 to \$2.50 a square foot.

The term of the lease agreement commences on July 1, 2007 for a three year term expiring on June 30, 2010 with a monthly rental rate of \$22,234.27. The monthly rental amount shall be automatically adjusted annually to reflect a three percent (3%) increase. Utilities and maintenance charges will be billed on a pro-rata basis.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi