



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 6/6/2017
Agenda Placement: 6W

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Public Works

REPORT BY: Julie Kirk, Staff Services Analyst II - 259-8603

SUBJECT: Amendment No. 7 to Lease Agreement No. 170067B-17 (formerly Agreement No. 4313) for the Records Center

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign Amendment No. 7 to Lease Agreement No. 170067B-17 (formerly Agreement No. 4313) with Rockwater, LLC for continued use of space located at 994 Kaiser Road, known as the Records Center, increasing the monthly rental fee to \$8,959 for a new maximum of \$107,508 in Fiscal Year 2017-2018 and extending the term through June 30, 2019 with an option for County to terminate the lease after June 30, 2018 by providing Lessor with ninety (90) days written notice.

EXECUTIVE SUMMARY

Since July 1, 2000 the County has leased 7,624 square feet of warehouse and office space located at 994 Kaiser Road for its Records Management. Approval of Amendment No. 7 will provide for County's continued use of this space for records storage at a monthly rental rate of \$8,959 in FY 2017-2018 with an annual increase based on the April Bureau of Labor Statistics Consumer Price Index for the Oakland, San Francisco, San Jose Area with a minimum increase of 3% and maximum increase of 5% and extending the term of the lease through June 30, 2019 with an option for the County to terminate occupancy of the leased premises after June 30, 2018 by giving Lessor ninety (90) days prior written notice.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes

Where is it budgeted?	ITS - Records Management Fund 4200 Subdivision 4200011
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Approval of this amendment will allow records from all departments to continue to be stored centrally in one location.
Is the general fund affected?	No
Future fiscal impact:	The rental fee for this lease will be budgeted each fiscal year in the ITS-Records Management budget.
Consequences if not approved:	Alternative space would need to be found to store the County's records.
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

Records Management occupies 7,624 feet of front offices, storage and warehouse area located at 994 Kaiser Road. A portion of the space is used as the County's Mail Processing Center. The property at 994 Kaiser Road was sold in 2016 and the County has worked successfully with the new owners to continue operations. However, the owner has expressed interest in occupying the location in the future and ITS has been considering various options for the long-term operations of the Records Management Division.

The most viable option for long-term operations is the electronic digitization of most paper-based documents currently located at 994 Kaiser Road. This option will allow easier, secure electronic access to documents, reducing the cost of transferring documents to/from the record center warehouse. In addition, there will be cost savings in not having to relocate the records center to a new location, which would include construction costs and on-going building maintenance costs, or new leasing costs.

Amendment No. 7 modifies the Agreement to reflect a change in the monthly rental fee from \$8,631 to \$8,959 in FY 2017-2018 with an annual increase through the term of the lease based on the April Bureau of Labor Statistics Consumer Price Index with a minimum increase of 3% and maximum of 5%.

Amendment No. 7 also extends the term through June 30, 2019 with an option for County to terminate occupancy after June 30, 2018 by providing Lessor with ninety (90) days prior written notice. The lease extension through June 30, 2019 will allow adequate time for the County to implement any changes in the records management function while the early termination clause allows flexibility in the term of the lease as the County considers options for its records storage.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Bret Prebula