



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 8/19/2014

Agenda Placement: 7M

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Lawrance Florin - Director  
Housing and Intergovernmental Affairs

**REPORT BY:** Lawrance Florin, DIR HOUSING AND INTERGOVERNMENTAL AFFAIRS - 253-4621

**SUBJECT:** Lease of property at South Campus (Dey Labs) to HPD Consolidations for a six month term

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### **RECOMMENDATION**

County Executive Officer requests approval of and authorization for the Chairman to sign a Lease Agreement with HPD Consolidations for the term commencing upon signing and extending through February 28, 2015 for approximately 25,000 square feet at Building 1A on the South Campus at the rate of \$0.63 per square foot, per month.

### **EXECUTIVE SUMMARY**

HPD Consolidations, doing business as Valley Wine Warehousing seeks to lease approximately 25,000 square feet of county owned space at Building 1A. The lease would commence as soon as the agreements could be finalized and would extend to February 28, 2015. The site would be utilized for wine storage. Staff is seeking authorization for the Chairman to sign the appropriate agreements with HPD Consolidations.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	The County will realize approximately \$94,500 in revenue as a result of this short term lease.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County purchased the Dey Labs facility with the intent of leasing space at

two of the four buildings. The County has actively been pursuing tenants and funds generated from this short term lease will be used to repay bonds used to remodel space at the existing campus for the Health and Human Services Agency.

Is the general fund affected?	Yes
Future fiscal impact:	None
Consequences if not approved:	If this item is not approved, the County will lose the opportunity to obtain revenue through the short term lease of vacant space.
Additional Information:	Per the County's agreement with Colliers International for real estate services, the County will be required to pay 5% or approximately \$4,725 for securing this lease. Net revenue to the County is expected to be approximately \$89,775.

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act.

### **BACKGROUND AND DISCUSSION**

The County purchased the former Dey Labs facility (now known as South Campus) in December 2013. The site consists of four buildings, two of which, the County intends to utilize for the Health and Human Services agency. The County is seeking to lease the additional space to commercial interests.

HPD Consolidations, operating under the name Valley Wine Warehousing is seeking to lease 25,000 square of space at Building 1A. The lease would be a short term lease extending until February 28, 2015. The rent on the building is \$.63 per square foot totalling approximately \$94,500 for the six month period. The purpose of the lease will be to store wine. It is anticipated that there will be no more than five truck trips in and out of the site each day to deliver and pick up wine.

Staff continues to work to identify longer term tenants for this space.

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan