



**General Services Agency  
Property Management  
COUNTY OF TULARE  
AGENDA ITEM**

**BOARD OF SUPERVISORS**

KUYLER CROCKER  
District One  
PETE VANDER POEL  
District Two  
AMY SHUKLIAN  
District Three  
EDDIE VALERO  
District Four  
DENNIS TOWNSEND  
District Five

**AGENDA DATE:** April 9, 2019 - **REVISED**

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
CONTACT PERSON: Maria Benavides    PHONE: 205-1124				

**SUBJECT:** Amendment to Lease Agreement for Lease of Real Property located at 3500 W. Mineral King, Ste. A, Visalia

- REQUEST(S):**  
That the Board of Supervisors:
1. Approve an Amendment to Lease Agreement No. 27544 with Hyde Children Family Partnership II, a California Limited Partnership; David G. Hyde, as Trustee for the David G. Hyde Trust (Dated November 6, 2009); and Shelley Hyde, an Individual, for space located at 3500 W. Mineral King, Ste. A, Visalia, effective upon Board approval through March 14, 2023, at the initial monthly rate of \$15,529.12.
  2. Authorize the Chairman to sign the Amendment to Lease Agreement.
  3. Approve Exhibit E, Memorandum of Lease for property located at 3500 W. Mineral King, Ste. A, Visalia.
  4. Authorize the Chairman to sign Exhibit E, Memorandum of Lease, subject to review and approval as to form by County Counsel.
  5. Authorize the County Administrative Officer or designee to record Exhibit E, Memorandum of Lease, upon execution by the Chairman.

**SUMMARY:**  
Tulare County has leased space at 3500 W. Mineral King, Ste. A since June 1999. From 1999 to 2016, the lease agreement for that space was amended at different intervals to satisfy the County's needs.

On March 15, 2016, the County entered into Agreement No. 27544 to continue utilizing the additional office space for the Health and Human Services Agency (HHSA). The leased space now consists of 8,899 square feet of office space,

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together with dedicated secured parking on the north side of the building, along with non-exclusive use of unreserved parking.

The proposed Amendment to Lease Agreement No. 27544 shall commence upon approval of this Amendment to Lease Agreement by the Board. Tenant improvements include carpeting, interior painting to additional offices not previously completed, and conduit and fiber connecting the Creekside building, which consists of 3346, 3348, and 3350 W. Mineral King, and 3500 W. Mineral King, Suites A, B, and C, Visalia. The Lessor has to complete upgrades, at Lessor cost, to the common area bathrooms, along with construction of an additional bathroom on the west side of the building, as reflected in the attached Exhibit B to the Amendment (though such upgrades are captured by the terms of other lease agreements). Lessor has also been working to upgrade parking facilities. Except for the upgrades to the common areas paid for by Lessor pursuant to other agreements, the cost of the tenant improvements at 3350 W. Mineral King, Ste. A are being amortized over the term of the lease through the increased rent. Should the County reduce its square footage or terminate the proposed lease early due to a reduction in State or Federal funding, a potential lump sum repayment of tenant improvement costs of up to \$115,865.40 may be required at that time. The exact amount will depend on amount space being leased at that time, and the number of months remaining in the original lease.

Though this lease contemplates an initial rent of \$15,496.94 until certain tenant improvements have been made, because the Lessor has completed the improvements during the contract negotiation period, the County will be paying for the full \$15,529.12 rent throughout the term of the Agreement. The rent shall be increased by two percent (2%) annually, on the anniversary date of the lease. The current lease is effective through March 14, 2023, and the Amendment will not change this term.

The County will be responsible for most utilities and services furnished to the premises, including gas, electricity, and phones. Lessor will be responsible for upkeep of landscaping, water, trash, utilities and services furnished to all parking areas.

#### **Deviations from County Protocol**

This agreement has been approved as to form by County Counsel, but the following terms summarized below deviate substantively from the standard County boilerplate, and are highlighted for your Board's consideration:

- Multi-year contract: Initial term is 7 years, with a 3-year option to extend.
- Lessor requires indemnification of negligent or intentionally wrongful acts or omissions of the County and its officer's agents, employees, or contractors, which will continue beyond the term of the Lease
- Because this is a lease for a specified term, no 30-day right to cancel without cause
- County can cancel lease for loss of funding, with 90 days' notice to Lessor

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**FISCAL IMPACT/FINANCING:**

Lease costs are \$15,529.12 per month (\$1.75 per sq. ft.) for the 8,899 square feet of office space. The County is responsible for utilities, telephone, and interior janitorial. The Lessor will provide all exterior and common area maintenance of the premises.

Budget Account Line:	001-142-4020-4062	70.00%
	001-142-4030-4062	21.00%
	001-142-4032-4062	9.00%

Funding sources will be through State, Federal allocations. There are no anticipated net costs to the General Fund. Should the County terminate the proposed lease early due to reduced State or Federal funding, County shall reimburse Lessor a one-time lump sum payment at a cost of fifteen and one-half cents (\$0.155) per rentable square foot of the Premises multiplied by the total number of full months remaining in the original seven (7) year lease term. There is a potential maximum lump sum repayment of tenant improvement cost of \$115,865.40 that may be required should the County terminate the proposed lease.

**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 Health and Human Services clients located in Tulare County.

**ADMINISTRATIVE SIGN-OFF:**



\_\_\_\_\_  
Laura Silva  
General Services Manager

cc: County Administrative Office

Attachment(s) Lease Agreements

**BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF AMENDMENT TO )  
LEASE AGREEMENT TO LEASE REAL ) Resolution No. \_\_\_\_\_  
PROPERTY LOCATED AT 3500 W. ) Agreement No. \_\_\_\_\_  
MINERAL KING, STE. A, VISALIA )

UPON MOTION OF SUPERVISOR \_\_\_\_\_, SECONDED BY  
SUPERVISOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE  
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST: JASON T. BRITT  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_  
Deputy Clerk

\* \* \* \* \*

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