

FINANCIAL IMPACT:

The WDB does not receive general funds from the County. The WDB submits a plan for grant activities, service levels, and use of funds to the State of California on behalf of the County. The State allocates Federal money to the WDB through the County based on predetermined funding formulas. The change in facilities cost will be covered through Workforce Innovation and Opportunity Act (WIOA) and other contract funds, and all future budgets will include sufficient funds to cover these lease costs.

DISCUSSION:

The Board of Supervisors approved a five (5) year Lease Addendum effective July 1, 2014 through June 30, 2019 at 320 Campus Lane in Fairfield, totaling 17,291 square feet (Suites A-C).

There have been no tenant improvements since 2009, which has been a contributing factor to numerous IT issues and the inability to regulate overall office temperature efficiently. The community has also expressed frustration of the lack of signage, transportation and access to WDB's office. The current CAM (Common Area Maintenance) rate is \$0.47 per square feet.

The cost savings for Fiscal Year 2019-20 are anticipated to be approximately \$48,000 with the perks outlined below. Years two thru five are anticipated to increase costs by about \$7,000, depending on variables such as potential utilities cost increase that could occur at the current location. In addition, the telephone and data service will be greatly improved, which will reduce the future costs associated with patching IT services. The WDB anticipates the cost will therefore average out, and current estimations of the cost differential between 320 Campus Lane and 500 Chadbourne anticipate a five-year savings of about \$19,700.

Working through Mr. Jon Quick of Colliers International, the following five-year, four-month lease terms have been reached and approved by the Workforce Development Board:

1. Four months free rent with no deposit required.
2. Move-in date of June 1, 2019 with no rent or CAM due for the month of June.
3. CAM to begin July 1, 2019 with rent due beginning October 1, 2019. CAM includes the cost of utilities, association dues, general building maintenance and repairs (HVAC, roof, fire sprinkler, and elevator), exterior window washing, exterior security alarms, insurance, property taxes, property maintenance fees, and fiber optics data lines. Current CAM rates are \$0.65 per square foot, totaling \$11,326 monthly.
4. Monthly Base Rent (Firm Years) - matching current landlord's proposed base rent.

June 1, 2019 - June 30, 2019	Rent and CAM expenses abated
July 1, 2019 - September 30, 2019	Rent abated / \$11,326 monthly CAM
October 1, 2019 - September 30, 2019	\$19,166 (\$1.10/square foot) + CAM
October 1, 2020 - September 30, 2021	\$19,741 (\$1.133/square foot) + CAM
October 1, 2021 - September 30, 2022	\$20,333 (\$1.167/square foot) + CAM
October 1, 2022 - September 30, 2023	\$20,943 (\$1.202/square foot) + CAM
October 1, 2023 - September 30, 2024	\$21,571 (\$1.238/square foot) + CAM
5. Lease Renewal Option
The WDB will have a 5-year lease renewal option with not less than one hundred eighty (180) days prior written notice.

ALTERNATIVES:

The Board may choose not to approve or authorize signature of the lease and remand the lease back to the

Workforce Development board for modifications. This is not recommended as competitive lease terms have been successfully negotiated.

OTHER AGENCY INVOLVEMENT:

No other agency was involved.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION