



## Legislation Text

**File #:** 19-313, **Version:** 1

Approve a Lease Agreement for approximately 17,424 square feet at 500 Chadbourne Road in Fairfield, relocating the Workforce Development Board of Solano County's Fairfield Job Center for a 5 year, 4 month term effective June 1, 2019; and Authorize the President/Executive Director of the Workforce Development Board of Solano County to sign the agreement and any subsequent amendments which are administrative in nature

Published Notice Required? Yes ☐ No ☒  
Public Hearing Required? Yes ☐ No ☒

### **DEPARTMENTAL RECOMMENDATION:**

It is recommended that the Board of Supervisors approve the relocation of the WDB's Fairfield office location and enter into a new five (5) year, four (4) month Lease Agreement effective June 1, 2019 through September 30, 2024 at 500 Chadbourne Road in Fairfield, totaling 17,424 square feet; and Authorize the President/Executive Director to sign the agreement and any subsequent amendments which are administrative in nature.

### **SUMMARY:**

The Workforce Development Board (WDB) of Solano County is currently under a lease at 320 Campus Lane in Fairfield that expires June 30, 2019. Staff have evaluated the location and conducted a search to relocate the Fairfield location, which houses the WDB administration and Fairfield's America's Job Center of California (AJCC). Staff selected a location at 500 Chadbourne Road in Fairfield's Busch Business Park.

Relocation of the WDB's Fairfield location is favorable several reasons. Reasons include a more convenient location allowing clients better access to services, a modernized building improving IT capabilities, cheaper utilities, and efficient HVAC. The new location would also include better signage and would be closer to Department of Rehabilitation, Health & Social Services, Kaiser Behavioral Health, and other community-based non-profits located in Busch Business Park.

The proposed Landlord has also offered several incentives such as four (4) months of free rent, one month of free operating expenses, donated furniture, \$20,000 in moving expenses, opportunities to modify the location without additional costs and the ability to access training space in a nearby location.

The Workforce Development Board approved the option to move and the details of the lease during their March 22, 2019 meeting.

### **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