

# County of Sonoma Agenda Item Summary Report

**Clerk of the Board Use Only**  
**Meeting Date**                      **Held Until**  
 \_\_\_/\_\_\_/\_\_\_                              \_\_\_/\_\_\_/\_\_\_  
**Agenda Item No.**                      **Agenda Item No.**  
 \_\_\_\_\_                              \_\_\_\_\_

**Department:** General Services  
 Permit & Resource Management

(    ) **4/5 Vote Required**

**Contact:**  
 Mike Wagner

**Phone:**  
 (707)565-2463

**Board Date:**  
 04/07/09

**Deadline for Board Action:**

**Agenda Short Title:**  
 Termination of Leases for PRMD Satellite Offices  
**Requested Board Action:**  
 Resolution finding that funds for the lease of offices located at 2755 Mendocino Avenue, Suites 202 and 203, Santa Rosa, will not be appropriated for Fiscal Year 2009-2010; and authorizing the General Services Director, or his designee, to give notice to terminate two lease agreements on behalf of the Permit Resource & Management Department.

<b>CURRENT FISCAL YEAR FINANCIAL IMPACT</b>			
<u>EXPENDITURES</u>		<u>ADD'L FUNDS REQUIRING BOARD APPROVAL</u>	
Estimated Cost	\$	Contingencies	\$ 0
		(Fund Name: )	
Amount Budgeted	\$	Unanticipated Revenue	\$ 0
		(Source: )	
Other Avail Approp (Explain Below)	\$	Other Transfer(s)	\$ 0
		(Source: )	
<b>Additional Requested: \$</b>	<b>0</b>	<b>Additional Funds Requested: \$</b>	<b>0</b>

**Prior Board Action(s):**  
Environmental Review Division, 2755 Mendocino Avenue, Suite 202  
 06/26/07—Authorized General Services Director to execute first amendment to lease  
 01/27/04—Authorized General Services Director to exercise option to extend term of lease  
 05/15/01—Authorized Chairman to execute lease  
Comprehensive Planning Division, 2755 Mendocino Avenue, Suite 203  
 02/24/09—Authorized General Services Director to execute fourth amendment to lease  
 07/17/07—Authorized General Services Director to exercise option to extend term of lease  
 10/03/06—Authorized General Services Director to exercise option to extend term of lease  
 11/30/04—Authorized General Services Director to exercise option to extend term of lease  
 12/02/03—Authorized General Services Director to execute third amendment to lease  
 10/29/02—Authorized General Services Director to exercise option to extend term of lease  
 09/18/01—Authorized General Services Director to exercise option to extend term of lease  
 06/06/00—Authorized General Services Director to exercise option to extend term of lease  
 10/27/98—Authorized Chairman to execute second amendment to lease

**Alternatives -- Results of Non-Approval:** County may be required to give termination notice under the discretionary, 180-day notice period, resulting in two additional months of lease expense, and totaling approximately \$7,650 for the PRMD Environmental Review Division lease.

**Background:**

**General.** In June, 1996, the Permit & Resource Management Department ("PRMD") entered into a lease with [REDACTED] a general partnership ("Landlord") for approximately 1,792 rentable sq. ft. of office space in Suite 203, located at 2755 Mendocino Avenue, Santa Rosa ("Mendocino Premises") for its Comprehensive Planning Division. In May, 2001, PRMD entered into a lease with the Landlord for approximately 1,857 rentable sq. ft. of office space in Suite 202, located at the Mendocino Premises, for its Environmental Review Division. These satellite offices were leased to allow for position growth that could not be accommodated in PRMD's main offices at 2550 Ventura Avenue, Santa Rosa. When fully staffed, these PRMD divisions had a total of seventeen (17) employees.

In response to the recent downturn in the economy and a subsequent decrease in permitting activity, and as part of PRMD's departmental budget reduction plan/strategy, PRMD is currently holding thirty-two (32) of its allocated staff positions vacant, most of which are employed at the Ventura Avenue location. PRMD now proposes that staff from the Mendocino Premises be moved back to available space at the Ventura Avenue location, which would allow the County to terminate the two office leases, thereby saving PRMD approximately \$92,000 annually in rent.

PRMD conducted a feasibility analysis and determined that sufficient space is available to accommodate its Environmental Review Division and Comprehensive Planning Division staff at the Ventura Avenue location. This move includes an assumption that no significant increase in staffing will be likely for the next two to five years in the Comprehensive Planning and Environmental Review Divisions. If building permit activity increases as a result of the new Sonoma County Energy Independence Program or due to an increase in development activity, sufficient office space is available within the building to allow for an increase in staffing.

**Proposed Termination of PRMD Leases.** The relocation of PRMD's Comprehensive Planning and Environmental Review Divisions to 2550 Ventura Avenue is proposed to take place on or about July 1, 2009. This Board renewed the lease agreement for the Comprehensive Planning Division at its meeting on February 24, 2009, which included a new, shorter termination clause requiring only 30 days' notice. The lease for the Environmental Review Division has a longer termination clause that requires 180 days' notice, unless funds for the lease are not appropriated, in which case the lease may be terminated with only 120 days' notice. GSD would like to invoke the 120-day termination provision, thereby allowing cancellation 60 days earlier than giving 180 days' notice, and saving approximately \$7,650 in unnecessary rent. In order to trigger this right under the lease, staff recommends that the Board adopt a resolution, finding that it will not appropriate funds within PRMD's FY2009-2010 budget for the Environmental Review Division and Comprehensive Planning leases.

**Attachments:** Resolution

**On File With Clerk:**

**CLERK OF THE BOARD USE ONLY**

**Board Action if Other than ("Requested")**

**Vote:**


**Background (continued):**

**370 Administration Drive Project.** Previously, the Environmental Review Division and Comprehensive Planning Division were slated to move to available office space at 370 Administration Drive, after completion of tenant improvements there in the fourth quarter of 2009. Moving PRMD staff to the Ventura Avenue location will free up office space at 370 Administration Drive (former Redwood Credit Union building) and provide space for other County departmental needs, which could result in further lease savings. The scale and cost of improvements to the 370 Administration building will be aligned with the proposed level of occupancy of the building. Staff will return to the Board at a later date with a recommendation regarding this opportunity at 370 Administration Drive.

**Recommendation.** Staff recommends that the Board adopt the attached Resolution, finding that funds for the lease of offices located at 2755 Mendocino Avenue, Suites 202 and 203, will not be appropriated for Fiscal Year 2009-2010; and authorizing the General Services Director, or his designee, to give notice to terminate two lease agreements on behalf of the Permit Resource & Management Department.