

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Central Services	(2) MEETING DATE 8/9/2016	(3) CONTACT/PHONE Shauna Dragomir, Real Property Manager (805) 781-5206	
(4) SUBJECT Request to approve a Master Lease between the County of San Luis Obispo and San Luis Coastal Unified School District to allow for the San Luis Obispo County Fire Department's continued operation of a training and education facility in the unincorporated community of Los Osos, for up to 12 additional years and seven months. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1. Approve the Master Lease with the San Luis Coastal Unified School District to allow for the San Luis Obispo County Fire Department's continued operation of a training and education facility in the unincorporated community of Los Osos, for up to 12 additional years and seven months. 2. Authorize the Chairperson to sign the Master Lease.			
(6) FUNDING SOURCE(S) Fund Center 1400000000 Account 5050405 County Fire Department	(7) CURRENT YEAR FINANCIAL IMPACT \$118,117.20 - No change to existing rental rate	(8) ANNUAL FINANCIAL IMPACT \$118,117.20 - No change to existing rental rate	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>04/14/2009</u>	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 2			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Central Services / Shauna Dragomir, Real Property Manager  
(805) 781-5206

DATE: 8/9/2016

SUBJECT: Request to approve a Master Lease between the County of San Luis Obispo and San Luis Coastal Unified School District to allow for the San Luis Obispo County Fire Department's continued operation of a training and education facility in the unincorporated community of Los Osos, for up to 12 additional years and seven months. District 2.

## **RECOMMENDATION**

It is recommended that the Board:

1. Approve the Master Lease with the San Luis Coastal Unified School District to allow for the San Luis Obispo County Fire Department's continued operation of a training and education facility in the unincorporated community of Los Osos, for up to 12 additional years and seven months.
2. Authorize the Chairperson to sign the Master Lease.

## **DISCUSSION**

On April 14, 2009, the Board approved a five (5) year lease with San Luis Obispo Coastal Unified School District ("District") at 880 Manzanita Drive in Los Osos ("F&G Lease"). The F&G Lease allowed the San Luis Obispo County Fire Department ("County Fire") to establish a training and education facility in Los Osos for County Fire staff and personnel from other local fire departments. The F&G Lease provided 7,793 square feet of improved classroom space in Buildings F and G, with associated non-exclusive restrooms and an exclusive 340 square foot portion of the restrooms located in Building A. The F&G Lease included an Option to extend for a period of five (5) additional years which the County exercised, on the same terms and conditions. The F&G Lease is due to expire on April 30, 2019 and the current monthly rental rate is \$6,410.44 (\$76,925.28 annually).

On October 8, 2010, the General Services Agency Director approved a three (3) year lease with the District at 880 Manzanita Drive in Los Osos ("H Lease"). The H Lease allowed County Fire to expand the training and education facility into an additional 4,732 square feet of classroom space in Building H. The H Lease included two (2) Options to extend for a period of one (1) year each. The County exercised both Options on the same terms and conditions. The H Lease expired on October 31, 2015 and is currently in holdover as provided for in the H Lease. The current monthly rental rate for the H Lease is \$2,466.23 (\$29,594.76 annually).

On January 24, 2014, the General Services Agency Director approved a one (1) year and 10 month lease with the District at 880 Manzanita Drive in Los Osos ("A&E Lease"). The A&E Lease allowed County Fire/CAL FIRE to further expand the training and education facility into an additional 1,221 square feet of improved classroom space in Buildings A and E. The A&E Lease expired on October 31, 2015 and is currently in holdover as provided for in the A&E Lease. The current monthly rental rate for the A&E Lease is \$966.43 (\$11,597.16 annually).

In summary of the above, the County currently leases from the District, in the form of three (3) separate leases,

approximately 13,746 square feet of improved classroom and restroom facilities encompassing five (5) total buildings at Sunnyside Elementary School at 880 Manzanita Drive in Los Osos ("Premises"), for County Fire training and education facilities, at a total monthly rental of \$9,843.10 (\$118,117.20 annually). See Attachment 1 for a Location Map.

To streamline administrative efficiencies for County Fire and the County's leases with the District, and provide for new lease terms for the three (3) buildings currently in holdover, the County Central Services Department, Real Property Services Division proposes to enter into a Master Lease (Attachment 2) with the District, which would supersede all existing leases. The Master Lease would incorporate all of the buildings (A, E, F, G and H) into one lease agreement under the same terms and conditions, with the same termination date.

The Master Lease would allow County Fire to continue operating its training facility at this location for up to 12 additional years, seven (7) months. The Master Lease proposes an Initial Term of two (2) years, seven (7) months, commencing September 1, 2016 and expiring April 30, 2019. This correlates to the current termination date for the F&G Lease, which would be superseded by the Master Lease. The Master Lease provide for two (2) additional consecutive Mutual Options to Extend for five (5) years each, to be exercised in writing by mutual consent of the District and the Central Services Director.

The Master Lease also provides for newly identified repairs at the Premises which would benefit County Fire's continued training and education programs. The repairs are itemized in Exhibit "B" to the Master Lease (Attachment 2), and would be made by the District at no additional cost to the County.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The San Luis Obispo County Fire Department is the largest all risk emergency response department in San Luis Obispo County, and provides education and training to its firefighters and other personnel of local fire departments in order to maintain the highest level of standards for preparedness and emergency response. County Fire responds to emergencies and other requests for assistance, plans for and takes action to prevent emergencies and to reduce their impact, coordinates regional emergency response efforts, and educates the communities it serves. County Fire strives to meet the highest level of all required national, state and local standards. The California Department of Forestry and Fire Protection ("CAL FIRE") serves as the San Luis Obispo County Fire Department under a contract with the County. The County is the Lessee under the proposed Master Lease; however, CAL FIRE will utilize the Premises on behalf of the County.

The Real Property Services Division of Central Services prepared the Master Lease and negotiated its terms and conditions with the District on behalf of County Fire. County Counsel approved the Master Lease as to form and legal effect. County Fire reviewed the Master Lease and approved of its terms and conditions.

### **FINANCIAL CONSIDERATIONS**

The current total monthly rental rate for the three (3) existing leases is \$9,843.10 gross. The Master Lease proposes to combine the current, existing rental rates into one Rental totaling the same. Accordingly, beginning September 1, 2016, County would remit to District the same monthly Rental of Nine Thousand Eight Hundred Forty-Three Dollars and Ten Cents (\$9,843.10) gross, which would be due and payable in advance on the first day of each subsequent month.

Beginning September 1, 2017 and every subsequent annual anniversary date thereafter ("Adjustment Date"), the preceding year's Rental shall be adjusted upward according to any percentage rise in the Consumer Price Index (CPI). The adjustment shall be by a percentage equal to the percentage increase of the Consumer Price Index between the published CPI for the most immediately available month prior to the Adjustment Date and the corresponding CPI for the same period twelve months previous. If there is a decrease or no change in the CPI, then the preceding year's rent will not be adjusted. Annual CPI adjustment shall not exceed five percent (5%) annually.

### **RESULTS**

Approval of the Master Lease between the County of San Luis Obispo and San Luis Coastal Unified School District on behalf of County Fire will allow County Fire to continue its training and support services to County firefighters and other personnel of local fire departments. This Lease will streamline the three existing leases into one Master Lease and provide for one expiration date and one annual rental increase. Moreover, approval of this Master Lease contributes to the community-wide goal of a Safe Community where all people have a sense of security and well-being knowing that their

firefighters and other personnel are trained to meet national, state and local standards and to serve and safeguard the people and protect the property and resources of San Luis Obispo County through education preparedness and emergency response.

**ATTACHMENTS**

1. Location Map
2. Master Lease