September 1, 2015

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

PROPOSED AGREEMENT FOR LEASE OF 3711 COLUMBUS AVENUE,
BAKERSFIELD WITH BAKERSFIELD INVESTMENT COMPANY
FOR DEPARTMENT OF HUMAN SERVICES OFFICE SPACE; S.D. # 3
(Fiscal Impact: $553,228 Annually; 00130 Human Services Administration Fund;
Budgeted; Discretionary)

This is to request that your Board approve the attached Agreement for Lease of 3711 Columbus Avenue, Bakersfield, CA ("Agreement") with the Bakersfield Investment Company ("Lessor") to be utilized as general office space for the Department of Human Services ("DHS"). The Agreement will allow DHS to occupy improved office space of approximately 35,000 square feet for a 10-year term with two, five-year options to extend the term. The substantial tenant improvements will be completed at no cost to DHS. Rental consideration will increase 12% in the sixth year of the term. DHS may terminate early after the fifth lease year with a tenant improvement payback, early termination payment, and 180-day notice.

The proposed Agreement has been approved as to content by the General Services Division and Lessor. The Agreement has been approved as to form by the Office of County Counsel.

The General Services Division's review of possible environmental effects has determined that this Agreement involves negligible or no expansion of use beyond that previously existing, and is declared to be categorically exempt from the requirement to prepare environmental documents pursuant to Section 15301 of the California Environmental Quality Act (CEQA) Guidelines; further, pursuant to Section 15061(b)(3) it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.
Therefore, IT IS RECOMMENDED that your Board: 1) make the finding that this project is exempt from further CEQA review pursuant to Sections 15301 and 15061(b)(3) of the State CEQA Guidelines; 2) approve Agreement with Bakersfield Investment Company for lease of 3711 Columbus Avenue, Bakersfield, CA; and 3) authorize Chairman to sign.

Sincerely,

Jeff R. Frapwell
Assistant County Administrative Officer for General Services

JRF/kw/Y-5m
Attachment
cc:  County Administrative Officer
    Auditor-Controller
    DHS
    Bakersfield Investment Company
    c/o Olivieri Commercial Group
    Attn:  Anthony Olivieri
    9810 Brimhall Road
    Bakersfield, CA  93312
GENERAL SERVICES DIVISION
PROPERTY MANAGEMENT

INFORMATION SHEET
For the Board of Supervisors
September 1, 2015

TYPE OF TRANSACTION: Agreement for Lease of 3711 Columbus Avenue, Bakersfield, CA

LESSOR: Bakersfield Investment Company

LESSEE: County of Kern – Dept. of Human Services

PROPERTY DESCRIPTION: 3711 Columbus Avenue, Bakersfield, CA

PURPOSE: Allow DHS to utilize approx. 35,000 sf of improved office space.

FISCAL IMPACT: Annual rent = $544,502
CAM Expenses = $8,726 (1st year)
Total = $553,228

TERM: From the Acceptance Date for 10 years with two, five-year options to extend

EARLY TERMINATION: 180-day notice by County commencing the fifth lease year.

ADDITIONAL COMMENTS:
**Proposed Vendor Name:**
Bakersfield Investment Company

**Requesting Department Contact Information:**
Dept Name: General Services - Property Management
Contact: Katie Watkins
Phone: 868-3074

**Necessity for Board’s approval (check all boxes that apply):**
- Establish a new agreement
- Amendment to existing agreement
- Amendment number: 
  - Brief explanation: 
- Dollar amount is beyond Purchasing Agent’s authority
- County Counsel cannot approve terms and conditions – explain in body of Board letter
- Sole source – no competitive process can be performed
- Purchasing Agent has given concurrence
- Purchasing Agent has not given concurrence – explain in body of Board letter
- Retroactive agreement
  - Date of Prior Notification: 
  - Date retroactive to: 
  - Reason for delay in approval: 
- Emergency situation
  - Brief explanation: 
- Other

**Type of Agreement:**
- Personal/Professional Services
- Construction Project
- Equipment / Software
- Training
- Grant

- State
- Lease
- Joint Powers
- Memorandum of Understanding
- Other

**Brief description of services being contracted:**
DHS to lease 35,000 sf of office space at 3711 Columbus for 10 years; landlord to improve office space at no cost to County.

**Fiscal Impact:** $ 553,228 FY 2015-2016

- Source of Funds:
  - 00130 Human Services Admin Fund

- Budgeted
- Not Budgeted

- Discretionary
- Mandated

**Term of Agreement**
From: Acceptance Date
To: 10 years

**Provision for Extensions:**
- Yes Please explain: two, five-year options to extend
- No

**Basis of compensation/cost:**
- Low bid
- RFP – Date of Award: 
- Utilize another governmental agency or Buying Alliance award – Agency: 
- Other: fair market rent

**I verify that all information above is accurate to the best of my knowledge.**

[Signature]
Department Head

[Signature]
Date 8/25/15