



**Memo**

**To:** Commissioners, First 5 Ventura County

**From:** Lauren Arzu, Director of Human Resources & Operations

**Date:** December 15, 2022

**Re: Recommendation to Grant Executive Director Authority to Enter into a Lease Agreement with 2580 Main St., LLC (formerly known as BCB Development) and Extend Current Office Lease for One Year**

**Background**

The Commission has a lease with “2580 Main St., LLC” (formerly known as BCB Development) for occupancy of its administrative office at 2580 E. Main Street, Ventura, CA. The Commission is nearing the end of its one-year lease, which is scheduled to end on December 31, 2022. The leased space includes office suites and storage on the first floor, and a second-floor conference room. The total square footage occupied is 1,610. The current rate for the office suites and conference room is \$2.11 per square foot based on a full service gross (FSG) lease arrangement, whereby the rate per square foot is all inclusive and there are no additional costs paid for utilities, janitorial, etc. The current rate for the on-site storage area (275 square feet) is \$1.00 per square foot, or \$275 per month. The average rate is \$1.95 per square foot.

Administrative staff continues to work in a hybrid environment, and the existing office space meets our needs. However, we will continue to explore other local office space opportunities.

	<b><u>Current 2022</u></b>	<b><u>Proposed 2023</u></b>
<b>Office Square Feet</b>	1610	1610
<b>Office price per sq ft</b>	\$2.11	\$2.24
<b>Storage</b>	\$275/month	\$275/month
<b>Total</b>	<b>\$44,040</b>	<b>\$46,488</b>

**Lease Renewal Proposal**

- Increases rate to \$2.24 per square foot (a 6% increase) for office and conference space (\$3,599.00 monthly) plus \$275 per month (no change) for the storage space.
- Maintains the limitation of the annual rate increase, in accordance with the Consumer Price Index, to be based on the actual percent increase. The maximum increase would not exceed 6%. The storage space is exempt from the annual rate increase and stays at the flat rate of \$1.00 per square feet for the duration of the lease.

- Includes provisions for replacing the carpet and cleaning/repairing it as needed, painting suites, and addressing any other interior repairs to the building as needed.

The Administration Finance Committee has reviewed and approved this recommendation.

**Recommendation**

The recommendation is to renew the lease for office space for one (1) additional year, concluding December 31, 2023, and grant the Executive Director authority to enter into a lease agreement with 2580 Main St., LLC. No new allocation of funds is needed for the current fiscal year, as expenditures were budgeted in the approved FY 2022/23 budgets for internal cost centers.