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AGENDA ITEM 9.B.

Date: August 1, 2024

From: Krystle Heaney, Executive Officer

Subject: **LAFCO Office Lease Renewal and Future Closure**

The Commission will consider renewing the lease for the current LAFCO office space and discuss options for closing the office in the future.

BACKGROUND

LAFCO currently maintains an office at 999 Mission De Oro Drive in the City of Redding. This small two room office houses the historical LAFCO files and miscellaneous office furniture and equipment. Since the departure of the former Office Manager, the space is largely unused.

Shasta LAFCO maintains the following policy in regard to office space:

Section 3. Provisions for Quarters, Equipment and Supplies - 3.1: Provisions for Quarters

It shall be the policy of Shasta LAFCO to establish and maintain an administrative office that is separate and independent from any other local governmental agency or private enterprise. Provisions for lease or rental of an appropriate administrative office shall be made in the annual operating budget. The Executive Officer or General Counsel are authorized to negotiate the terms of any lease or rental agreement for subsequent approval by the Commission. The Executive Officer shall also be responsible for on-going compliance with the terms and conditions of any lease agreement approved by the Commission.

DISCUSSION

The current lease for the LAFCO office ends on July 31, 2024. The Executive Officer contacted the building owner to discuss options for a month to month or 6-month lease. The building owner indicated that spaces are only available for one-year leases and LAFCO will need to sign a new lease (Attachment A) in order to keep utilizing the space. Based on this information and current LAFCO policy, it is recommended that LAFCO maintain the office until July 2025.

During the upcoming year, staff proposes the following to prepare for office closure next summer:

- Inventory assets: Staff will create a full inventory of assets that are currently located at the Redding office.
- Assess options for digitizing files: Staff will research options for digitizing all historical files so they can be easily accessed for research purposes.

- Assess storage options: Staff will research options for storage of historical files and any assets the Commission may wish to keep. The County currently uses North Court Storage which offers monthly storage rates of \$90 and up depending on the size of the unit.
- Assess Policy: Staff will review the policy of other LAFCOs, and provide potential options to the Commission for amending the current Shasta LAFCO policy. If amended, staff can proceed with the following steps.
 - Dispose of surplus property: Any office furniture, equipment or material that is no longer needed and that the Commission deems is surplus property will need to be disposed of or donated. During prior office relocations, unused furniture and equipment was offered as a donation to special districts.
 - Prepare files for storage: Staff will organize historical LAFCO files into storage boxes that will be easier to move and store. These will be labeled with sufficient detail to allow for easy access of documents in the future.
 - Move: Once office furniture and equipment has been disposed of per Commission direction, staff will move any remaining items, including the historical files, to a storage facility. The office will then be cleaned, and keys returned to the building owner.

RECOMMENDATION

Staff recommends the Commission approve the new one year lease for the current office space at 999 Mission de Oro Drive and provide direction to staff as needed on potential policy amendment and future office closure.

ATTACHMENTS

Attachment A - Draft Lease Agreement

COMMERCIAL LEASE AGREEMENT

Date: July 18, 2024

I. PARTIES

Debra L. Randell, hereinafter “Landlord”, and Shasta LAFCo, hereinafter “Tenant”, hereby enter into this Commercial Lease Agreement, hereinafter “Agreement”, on the above date.

II. LEASE PREMISES

Landlord is the owner of the land and improvements at 999 Mission De Oro Drive, Redding, CA 96003 (the “Property”).

III. LEASE

Landlord leases the Leased Premises (Suite 106) to the Tenant and Tenant leases the Leased Premises from Landlord on the terms and conditions set forth herein.

IV. LEASE TERM

The “Initial Term” of the Lease Agreement begins on August 1, 2024, for the period of one year, with the option to renew for one year. If the Landlord does not provide possession of the Leased Premises timely at the start of the Initial Term, lease hereinafter described shall be pro-rated until such time as Tenant takes possession.

V. LEASE AMOUNT

Tenant shall pay to the Landlord the sum of \$600.00 per month. Each payment shall be due on the 1st of the month payable to Landlord at 999 Mission De Oro Drive, Redding, CA 96003. Any rents received after the 5th of the month will result in a \$50 late fee.

VI. ASSIGNMENT

Tenant shall not sublease all or any part of the Leased Premises without Landlord’s written consent, save and except any assignment to any successor corporation to Tenant including any purchases of all or substantially all of the Tenant’s assets.

VII. REPAIRS

Tenant shall make, at Tenant's expense, all necessary repairs for damage caused by Tenant including normal wear and tear except for repairs and obligations as otherwise set forth herein.

VIII. ALTERATIONS

Tenant, at Tenant's expense, shall have the right to remodel, redecorate, and make additions, improvements, and replacements of and to all or any part of the Leased Premises, upon receipt of Landlord's written consent, provide the same are made in a workmanlike manner and utilizing good quality materials. An additional alarm system may be installed in the Leased Premises.

IX. TAXES ON RENTED PREMISES

Landlord shall pay, prior to delinquency, all general real estate taxes assessed on the Leased Premises.

X. INSURANCE

Tenant and Landlord shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance fully paid and without lapse. Such insurance shall afford minimum protections of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage, or combination thereof. Landlord shall be listed as an additional insured on Tenant's policy or policies or comprehensive general liability insurance. Tenant shall provide Landlord with current Certificates of Insurance evidencing Tenant's compliance.

XI. UTILITIES

Landlord shall pay all charges for utilities with the exclusion of telephone and DSL charges. Tenant shall incur the charges for those services.

XII. SIGNS

Tenant shall have the right to put logo on sign facing Browning and Hilltop Dr. on allocated spot agreed on by tenant and landlord.

XIII. RIGHT OF ENTRY

Landlord shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business.

XIV. PARKING

Tenant, Tenant's employees, guests, and invitees, shall have the non-exclusive use in common with Landlord, other tenants of the Property, their guests, and invitees of the non-reserved common automobile parking areas, driveways, and footways subject to rules and regulations for the use thereof as prescribed from time to time by the Landlord.

XV. DAMAGE TO PREMISES

If the Leased Premises or any part thereof is so damaged by fire, casualty, or structural defects that the Leased Premises cannot be used for Tenant's lawful purposes, then Tenant shall have the right to terminate this agreement as of the date of such damage. Such termination must be conveyed to Landlord, in writing, and will be effective ninety (30) days after receipt of such notice by Landlord. During said thirty-day period, Landlord shall have the right, but not the obligation, to attempt to return the Leased Premises to a useful condition. Tenant shall be relieved from paying rent and other charges during any portion of the Leased Term that the Leased Premises are inoperable or unfit for occupancy or use, in whole or in part, for the Tenant's purposes. Leases and other charges paid in advance for any such periods shall be credited on the next ensuing payment, if any, but if no further payments are made, any such advance payment shall be refunded to Tenant.

XVI. DEFAULT

Any default made by Tenant in the payment of rent when due which continues for fifteen (15) days after written notice thereof shall have been given to Tenant without correction thereof, Landlord may declare the term of this Agreement ended and terminated by giving Tenant written notice. Possession of the Leased Premises shall be immediately surrendered to Landlord.

XVII. WARRANTY OF QUIET POSSESSION

Landlord covenants and warrants that Landlord will keep and maintain Tenant in exclusive, quiet, peaceable, and undisturbed, uninterrupted possession of the Leased Premises so long as Tenant meets its obligations under this Agreement during the term of this Agreement.

XVIII. SECURITY

A Security Deposit in the amount of \$600 shall be held by Landlord without liability for interest and as security for the performance by Tenant's covenants obligations under this Agreement.

XIX. NOTICE

Any notice required or permitted under this Agreement shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Landlord:

Debra L. Randell
999 Mission De Oro Drive, Ste 208
Redding, CA 96003

If to Tenant:

XX. ENTIRE AGREEMENT

This Lease Agreement constitutes the entire agreement of the parties and cannot be modified or altered except in writing signed by the Landlord and Tenant.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the day and year first written above.

Debra L. Randell (Owner)

Tenant Printed Name

Tenant Signature

Tenant Address

Tenant Home phone_____

Tenant Cell_____