



County Executive Office

Memorandum

RECEIVED
2023 DEC 14 PM 2:10
CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

December 13, 2023

To: Clerk of the Board of Supervisors

From: Frank Kim, County Executive Officer

Frank Kim
Digitally signed by Frank Kim
DN: cn=Frank Kim, o=County of
Orange, ou=CEO,
email=frank.kim@ocgov.com,
c=US
Date: 2023.12.13 09:46:55 -0800

Subject: Exception to Rule 21

S35G

The County Executive Office is requesting a Supplemental Agenda Staff Report for the December 19, Board Hearing.

Agency: County Executive Office

Subject: Lease Renewal at 6301 Beach Blvd., Suite 103, Buena Park

Districts: 4

Reason Item is Supplemental: This Agenda Staff Report is being requested to be submitted as a supplemental due to delays in obtaining necessary signatures from multiple parties related to the amended and restated lease.

Justification: The Lease expires on December 31, 2023, and the site is a functional location for the Health Care Agency's Women, Infant & Children (WIC) program. The Amended and Restated Lease will extend this program's present from January 1, 2024 through December 1, 2033 with one five-year option to extend the term.

Concur:

Donald P. Wagner, Chairman of the Board of Supervisors

cc: Board of Supervisors
County Executive Office
County Counsel



**SUPPLEMENTAL AGENDA ITEM
AGENDA STAFF REPORT**

MEETING DATE: 12/19/23

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S): 4

SUBMITTING AGENCY/DEPARTMENT: County Executive Office

DEPARTMENT HEAD REVIEW: Thomas A. Miller
Department Head Signature

DEPARTMENT CONTACT PERSON(S): Thomas A. Miller (714) 834-6019
Debra Baetz (714) 834-2830

2023 DEC 14 PM 2:10
 CLERK OF THE BOARD
 COUNTY OF ORANGE
 BOARD OF SUPERVISORS
 RECEIVED

SUBJECT: Lease Renewal at 6301 Beach Blvd., Suite 103, Buena Park

CEO CONCUR

Digitally signed by Frank Kim
 DN: cn=Frank Kim, o=County of
 Orange, ou=CEO,
 email=frank.kim@ocgov.com,
 c=US
 Date: 2023.12.13 09:47:14
 noon'

CEO Signature

COUNTY COUNSEL REVIEW

Approve Agreement to Form

Action

County Counsel Signature

**CLERK OF THE BOARD
Discussion**

3 Votes Board Majority

Budgeted: N/A

Current Year Cost: See Financial
Impact Section

Annual Cost: See Financial
Impact Section

Staffing Impact: No

of Positions: N/A

Sole Source: N/A

Current Fiscal Year Revenue: N/A

Funding Source: Fed:100% (Woman, Infants and Children)

County Audit in last 3 years No

Levine Act Review Completed: Yes

Prior Board Action: 10/16/2018 #16; 6/25/2013 #7, 5/22/2007 #53

RECOMMENDED ACTION(S)

- Find that the project is categorically exempt from the California Environmental Quality Act (CEQA), Class 1 (Existing Facilities) pursuant to CEQA Guidelines, Section 15301.
- Approve and execute the Amended and Restated Lease Agreement with MSPN, LLC, ROYAL BP, LLC AND FORTUNATOS, LLC, California limited liability companies, for 2,691 rentable square feet of office space located at 6301 Beach Boulevard in the city of Buena Park, for the Health Care Agency use as a Public Health/Women, Infants and Children program facility commencing on or about January 1, 2024 through December 31, 2033, with one five-year option to extend the term.
- Authorize the Chief Real Estate Officer or designee to execute subsequent documents, exercise option terms and amendments that make non-monetary and/or monetary changes that do not increase County costs by more than \$75,000 per year, as approved by County Counsel.

SUMMARY:

Approval of the Amended and Restated Lease Agreement with MSPN, LLC, ROYAL BP, LLC AND FORTUNATOS, LLC, California limited liability companies, will continue to provide 2,691 square feet of office space for the Health Care Agency at 6301 Beach Boulevard in Buena Park, for an additional 10-year period through December 31, 2033, with one five-year extension option.

BACKGROUND INFORMATION:

The Health Care Agency (HCA) through its Public Health Women, Infant & Children's (WIC) program provides assistance to low to moderate-income pregnant, breastfeeding and postpartum women, and infants/children up to age five who are at nutritional risk. The program provides participants with supplemental food, nutrition education, and breastfeeding support and assists them in finding health care and other community services. The purpose of WIC is to prevent health problems and to improve the health of program participants during critical times of growth and development. HCA has several WIC locations throughout Orange County to provide these important services to the public.

On May 22, 2007, the Board approved a 10-year Lease for a new WIC office, located at 6301 Beach Boulevard in Buena Park (Premises). On June 25, 2023, the Board approved the First Amendment to Lease, which significantly reduced the size of the Premises, from 6,904 rentable square feet (RSF) to 2,691 RSF (Current Premises), and extended the term through October 16, 2018 with one additional 5-year option to extend the term. Subsequently on October 16, 2018, the County exercised the extension option which extended the term of the current lease through December 23, 2023.

The Current Premises continues to provide excellent access to services, situated along Beach Boulevard, with direct access to freeways and public transportation routes, decreasing barriers to services for clients located in Buena Park and the surrounding area. HCA desires continued occupancy at the Current Premises to operate services that are consistent with HCA's program goals and allow flexibility for future program requirement needs at this location.

CEO Real Estate negotiated a renewal for a new 10-year term with one additional five-year option to extend the term thereafter with advanced written notice of at least 12 months, but no later than nine months prior to the termination date (Proposed Amended and Restated Lease). The Proposed Amended and Restate Lease will extend the Lease term through December 31, 2033. Under the terms of the Proposed Lease (Proposed Lease), the full service gross rent will start at \$2.50 RSF with three percent (3%) annual increases, with no pass through for building operating expenses, consistent with current market rent. Additionally, MSPN, LLC, ROYAL BP, LLC AND FORTUNATOS, LLC, California limited liability companies (Lessor) have agreed to complete minor necessary tenant improvements. The Proposed Lease also includes a five-year option to extend the term of the lease, which offers HCA excellent stability for its WIC program.

The Lessor has requested evidence of the County's self-insurance, with a requirement that the Lessor and its property manager be listed as Additional Insureds on the County's program of self-insurance. County's Risk Management has reviewed and concurred that though this is not a standard County insurance provision, it should not expose the County to any unusual or additional liability. Furthermore, the Proposed Lease contains standard mutual indemnification which reduces the risk to the County.

Compliance with CEQA: The proposed project is Categorical Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301 (Class 1), because the project involves the lease of an existing office space with minor tenant improvements, involving negligible or no expansion of an existing use.

FINANCIAL IMPACT:

Appropriations for this Proposed Lease are included in the HCA Budget Control 042 FY 2023-2024 Budget and will be included in the budgeting process for future years.

FY 2023-24	\$40,365
FY 2024-25	\$81,941
FY 2025-26	\$84,399
FY 2026-27	\$86,931
FY 2027-28	\$89,539
FY 2028-29	\$92,225
FY 2029-30	\$94,992
FY 2030-31	\$97,842
FY 2031-32	\$100,777
FY 2032-33	\$103,800
FY 2033-34	\$52,667

The lease is 100% federally funded by the WIC program.

STAFFING IMPACT:

N/A

REVIEWING AGENCIES:

Health Care Agency

ATTACHMENT(S):

Attachment A - Amended and Restated Lease

Attachment B - Acquisition Questionnaire

Attachment C - Lease Summary