

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF AUGUST 24, 2022

REGULAR MEETING

TO: John Hidahl, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: Erica Sanchez, Interim Executive Officer

**AGENDA ITEM #13: CONSIDER AND AUTHORIZE A THIRD AMENDMENT TO THE
LEASE AGREEMENT FOR LAFCO OFFICE SPACE WITH THE
CASO TRUST FOR A TWO-YEAR EXTENSION**

RECOMMENDATION

Staff recommends that the Commission approve the third amendment to the LAFCO lease agreement with the Lawrence and Dianne Caso Trust for a two-year extension. This amendment extends the lease through October 21, 2024.

REASON FOR RECOMMENDED ACTION

The current lease to the LAFCO office will expire on October 31, 2022, unless the Commission exercises the first of its four, two-year extensions. The extension ensures that the agency's administrative space is retained for the next two years, with three additional two-year extension options to retain the space through 2030.

BACKGROUND

The LAFCO office is located in Suite E of the Courtyard Building at 550 Main Street in downtown Placerville. The agency leases 1,236 square feet from the Lawrence and Dianne Caso Trust.

The current rent formula is retained under the amendment. The lease provides that the year-over-year total rent percentage increase is calculated at either the rate of inflation as determined by the Federal Department of Labor's Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area or by 3%, whichever is lower. LAFCO paid \$24,527.12 for FY22-23. The lease offers a discount if paid in advance annually and the rent amount includes the cost of janitorial services and most utilities (electricity allowance, water and sewer).

The current lease has been in place since 2003, with two subsequent amendments. The first amendment in 2007 added an additional suite for storage (F1 – included in the total square footage). The second amendment in 2017 included a list of tenant improvements and combined suites E and F1, and also gave the option for four additional two-year extensions through 2030. If exercised, these extensions can potentially extend the lease to October 31, 2030.

In 2017, staff researched comparable office spaces in the Placerville area and found the square footage rate to be competitive as-is, without factoring in utilities. After exploring various options and buildings, the Commission concluded that the best, most cost-effective option was to negotiate the 2017 amendment for the retention of the current space.

Attachments:

- Attachment A: Draft Third Amendment to Lease Agreement #233-L0411 Between El Dorado LAFCO and the Caso Trust
- Attachment B: Lease Agreement #233-L0411 Between El Dorado LAFCO and the Caso Trust, and First and Second Amendments