



Solano Local Agency Formation Commission

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Staff Report

DATE: December 9, 2013
TO: Local Agency Formation Commission
FROM: Elliot Mulberg, Interim Executive Officer
SUBJECT: **Relocating the LAFCO Office**

Recommendation: That the Commission review the options and provide direction to staff.

Background:

In 2011 LAFCO relocated their offices to 3700 Hilborn Rd. and entered into a lease agreement through August 2015. At our May workshop the Commission determined that the Hilborn office was not the best location for LAFCO and voted to move our office to the County Administration Center. The move was predicated on our ability to either terminate our lease or sublet the current office space. To encourage finding a prospective tenant the Commission allowed us to offer to sublet at a lower cost. At LAFCO's request County staff contacted the landlord who has declined to terminate the lease but is willing to allow us to sublet. Since that time we have received two inquiries about subletting the space. Neither party has pursued a lease.

More recently Solano County offered to move LAFCO to the County Government Center at no charge until either the space could be sublet or the current lease expired in August 2015. Should the office be sublet, the County offered to allow LAFCO to keep the rent so long as it was less than or equal to current rent. Should the office be sublet for more, the excess would go to the County. After August 2015 LAFCO would pay rent to the County.

Staff has been working with County staff to finalize the arrangements. The space that was offered to LAFCO is on the 6th floor between the County Executive's office and County Counsel's office. Since the 6th floor is a secured area public access to the LAFCO area would be through a County employee who performs the duties of a receptionist. Since LAFCO would be allowed to use County break rooms, conference rooms, and restrooms, the office space could be reduced from the 1150 square feet at the Hilborn office to approximately 755 square feet. The proposed space is shaded in yellow in Exhibit 1. There would be minimal tenant

improvements only the furniture in the enclosed offices would be removed. The total space shown, including the highlighted areas, in the Exhibit is approximately 1100 square feet.

Statutory Requirements:

In 2000 Cortese-Knox was amended with recommendations from the Commission on Local Governance for the 21st Century to eventually become CKH. GC56380 was added and stated that LAFCO should have its own quarters, equipment, supplies, staff and legal counsel. LAFCOs are allowed to contract with public agencies or private individuals for office space, staffing and legal counsel. Solano LAFCO currently has its own office space on Hilborn, one full time staff and contracts for the Executive Officer and legal staff. In keeping with the code section we can move our offices by entering into a lease agreement with the County.

Should Solano LAFCO be located in the County Government Center they would not be the only LAFCO to do so. Our neighboring LAFCO's in Yolo, Sonoma, and Contra Costa are in county buildings. In addition Placer LAFCO and Nevada LAFCo have a similar arrangement. Most are in a suite that is separate from other county departments with an entrance for the public.

Analysis:

Costs

The cost to rent the 6th floor space is \$2.25 per square foot for 755 square feet or \$1,700 per month after the Hilborn lease expires. The rent would include utilities, security, and janitorial service.

The cost to lease the Hilborn office is \$2.00 per square foot for 1150 square feet or \$2300 per month. Additional costs include \$280 per month for janitorial service, \$38 per month for the alarm, and approximately \$200 per month for utilities. The total cost for the Hilborn office would be \$2,818 per month. On a square footage basis that translates to \$2.45 per square foot. It is interesting to note that the janitorial service cost accounts for about \$0.24 of the \$2.45 cost. Due to the smaller space, savings for the 755 square foot space after the Hilborn lease is terminated will be approximately \$1100/month or \$13,000 annually.

If we move to the County Government Center before the lease expires and the space is not sublet the cost to maintain the Hilborn office would be reduced to approximately \$2,369 per month. We would still have to pay \$38 for the alarm, but costs for janitorial service would be eliminated and PG&E costs would be reduced from \$200 to \$31, the minimum charge. That would result in a savings of \$449 per month.

Other office space is available at the \$2.25 to \$2.50 per square foot range. The Wiseman Company leases office space at the Corporate Plaza on Travis and Pennsylvania and at One

Harbor Center in Suisun City. Their lease is all inclusive, that is it includes utilities and janitorial service. Both buildings have restrooms on each floor. The buildings are open from 7am to 7pm to the public. Tenants have access afterhours and on weekends. They are willing to negotiate so that costs are less than at the Hilborn office and competitive with the County's charge. There is also ample parking at each building.

Advantages/Disadvantages

Hilborn Road Office

The Hilborn office is located adjacent to the Manual Campos off-ramp to I-80. That allows easy access to six of the seven cities in Solano County. In addition it is only 10 minutes to the County Government Center and 5 minutes to the Chair's offices. There is also ample parking.

The major disadvantage of the Hillborn office is that the current configuration necessitates that we keep the front door locked. In the past we have unlocked the door for meetings and found that visitors can be in either the EO's office or the Analyst's office before staff can react to the opening of the door. The Hilborn lease does not include utilities, a security system, and janitorial service. These are all added costs to the basic lease agreement.

County Government Center

One of the key advantages of the County Government Center is that LAFCO staff has a lot of interaction with County staff in the Auditor's office, the County Recorder, and occasionally with the Supervisors and DOIT. LAFCO often uses conference rooms for meetings and our Commission hearings are held in the Board of Supervisors Chambers. There is also ample parking.

One key disadvantage is the proposed location of the office in between the County Administrator and County Counsel. This location leads to the perception that LAFCO staff would be unduly influenced by the County in its analysis and recommendations. In addition, County staff has indicated that there would be minimal tenant improvements and that it wouldn't be possible to wall off the LAFCO section completely. The other concern is that there is not enough room for all of LAFCO's furnishings and will require disposing of the excess furniture.

In addition, since that part of the 6th floor is a secured area, access is by key card only. As a result the public wishing to meet with LAFCO staff would need to go through the County receptionist who would then contact LAFCO staff to escort them to their office.

Other Options for Office Space

It has been suggested that LAFCO staff inquire about leasing office space from the other cities. One of the key issues with leasing space from the cities or even special districts is the potential that LAFCO might be deterred from making an independent judgment to deny an application if the applicant was the landlord.

Another alternative is the office building that houses STA, Solano Transit Authority. The advantage is that STA does not fall under LAFCO's jurisdiction. Suitable office space is available at One Harbor Center in Suisun City. One Harbor Center is owned and operated by the Wiseman Company. They also own and operate the Corporate Plaza at the corner of Travis and Pennsylvania. They have space available at this location as well.

Options:

Based on our analysis the Commission has three options:

- 1) Determine that the 6th floor space is adequate for LAFCO offices. Direct staff to move to the County Government Center and authorize the Executive Officer to sign a lease and dispose of excess furniture.
- 2) Determine that the 6th floor space is not suitable and keep LAFCO offices at the Hilborn location until the space can be sublet or the lease expires. During that time look for other locations in the County Government Center.
- 3) Keep LAFCO offices at the Hilborn location until the space can be sublet or the lease expires and look for sites where there is no potential conflict between LAFCO as a tenant and agencies that would be making applications to LAFCO.

Staff Recommendation:

Due to the interaction between LAFCO staff and County staff there are advantages for LAFCO to move its offices to the County Government Center. There is a potential for considerable cost savings primarily due to leasing a smaller space.

The major disadvantage to moving to the 6th floor is the perception that LAFCO will be unduly influenced by the County due to its proximity to County Counsel and the County Administrator offices. In addition there is the concern that public access to LAFCO will be limited by the fact that the 6th floor is a secure area and access is through a County employee who performs the duties of a receptionist.

A key concern of staff is for LAFCO to maintain its integrity and independence as prescribed by CKH. Therefore our recommendation is Option 2, that we make the move after finding a more suitable space in the County Government Center. Any necessary tenant improvements could be funded from savings in utilities, alarm system, and janitorial service.

Similarly tenant improvements to the 6th floor space such a door to separate LAFCO from the County Administrator's office and a LAFCO "hotline" installed by the receptionist area would make that space more suitable. The LAFCO hotline could be similar to the system used by DOIT on the third floor. These improvements could also be funded by savings from sources listed above.

County Counsel's Office

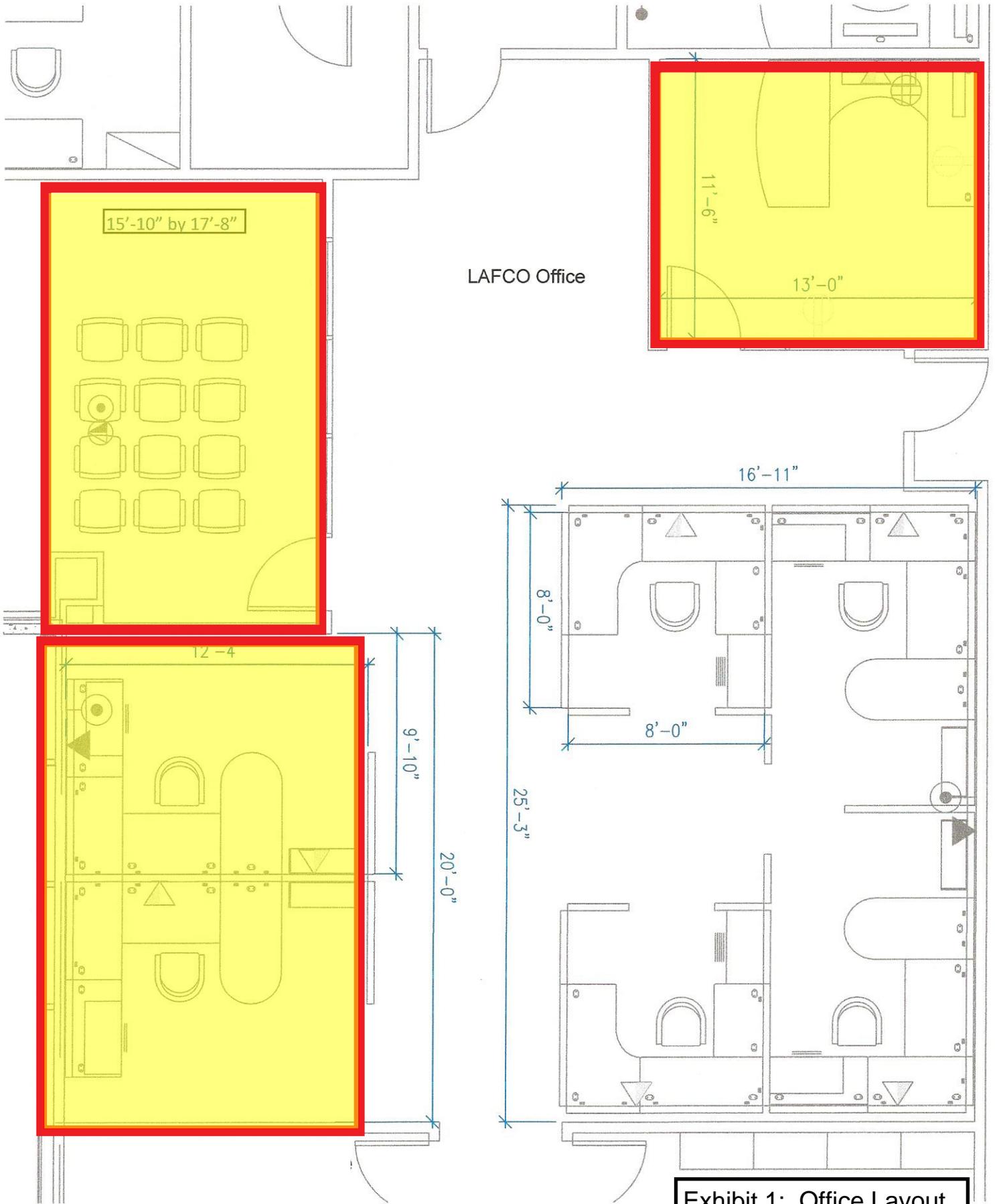


Exhibit 1: Office Layout

County Administrator's Office