



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: General Services Department

Subject: Approve Lease Contract for County-owned real property located at 102 Wheelock Road

Meeting Date: March 25, 2025

Formal Title: Approve and accept the terms of the lease contract for County-owned property at 102 Wheelock Road, and take related actions

Recommended Actions

- 1) Approve Lease for County-owned real property located at 102 Wheelock Road, Watsonville, CA 95076;
- 2) Authorize the Director of General Services to execute the Lease; and
- 3) Authorize the Auditor-Controller-Treasurer Tax Collector to accept and appropriate rent for the lease of real property pursuant to the terms of the Lease

Executive Summary

The Department of General Services, Real Property Division (Real Property), has negotiated terms for the revenue lease of County-owned real property located at 102 Wheelock Road, Watsonville, CA 95076, to Front St. Housing Inc. in the amount of approximately \$52,740.00 per year which is now recommended for approval.

Discussion

Since July 1, 2014, the County has leased County-owned 102 Wheelock Road to Front St. Housing Inc. to serve as a Residential Treatment Facility. Real Property has successfully negotiated a new lease agreement, extending the term by ten years through December 31, 2035.

Originally leased on July 1, 2014, the property's lease has been extended through amendments over the years. This new lease agreement consolidates and modernizes the lease language while establishing a structured ten-year term. It also includes a five-year extension option and an early termination clause, allowing either party to terminate the lease with ninety days' written notice. Additionally, fifteen percent of lease payments will be allocated to a trust fund dedicated to maintaining and repairing County-owned facilities, as approved by the Board on March 18, 2014.

The leased premises includes a 2,452-square-foot main building and a 1,943-square-foot portable building, totaling 4,395 square feet of building space situated on a 41,426-square-foot parcel.

This lease renewal ensures the continued availability of the facility while maintaining flexibility and a structured approach to long-term maintenance funding.

Financial Impact

Revenue of approximately \$52,740.00 per year is generated by this revenue lease. The revenue is deposited with the Health Services Agency at (360180/40440 and 369612/40440) for future maintenance and related programmatic expenses.

Strategic Initiatives

- 1.A (Comprehensive Health & Safety: Health Equity)
- 1.B (Comprehensive Health & Safety: Community Support)

Submitted By:

Michael Beaton, General Services Director

Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.