RESOLUTION - ACTION REQUESTED 2020-6

MEETING: January 7, 2020

TO: The Board of Supervisors

FROM: Dallin Kimble, County Administrative Officer

RE: Quest Lease Agreement

RECOMMENDATION AND JUSTIFICATION:
Approve a Lease Agreement with Quest Laboratories to Provide routine tests; and Authorize the Board of Supervisors Chair to Sign the Agreement.

Earlier this year, the County purchased property for a health clinic at 5300 State Highway 49 in Mariposa. Quest Labs was a tenant in the purchased facility prior to County acquisition and it is desirable at this time for Quest Labs to remain in place.

Quest Labs provides a variety of medical test and diagnostic services including routine tests of blood or urine, drug testing, glucose tolerance testing, and other similar diagnostic tools. These services support the health of our community and the needs of local employers in a manner that is consistent with the public health clinic hosted in the remainder of the building.

The negotiated five-year lease includes the right for the County to terminate the agreement without cause with 180 days' written notice. Monthly rent escalates over the term of the lease from $299.60/month in year one to $337.20/month in year five.

Finding this agreement to be aligned with the County’s stated values and strategic objectives, staff recommends approval at this time.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The Board approved the purchase of property at 5300 State Highway 49 in Mariposa with Resolution 2019-305 on June 4, 2019.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve. Staff will notify Quest Labs, which will have to relocate. Given a short supply of good office space for medical use in Mariposa, it is possible this alternative would lead to Quest deciding to leave our community.

FINANCIAL IMPACT:
This agreement will generate $3,500 - $4,000 in annual revenue for the term of the agreement.
ATTACHMENTS:
Quest Labs Lease Agreement  (DOCX)

RESULT:  ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER:  Rosemarie Smallcombe, District I Supervisor
SECONDER: Marshall Long, District III Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey