



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors

105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: October 3, 2023
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services
Kirk Lagerquist, Director (805) 560-1011
Contact Info: Skip Grey, Assistant Director, General Services
(805) 568-3083

SUBJECT: **Third Amendment to New Cuyama Clinic Lease Agreement with Community Health Centers of the Central Coast, Inc. at 4711 Highway 166, New Cuyama; 1st District-Supervisor Williams (Folio 3640)**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Manager

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a. Approve, ratify, and authorize the Chair to execute the original and duplicate original Third Amendment to Lease Agreement between the County of Santa Barbara and Community Health Centers of the Central Coast, Inc. at 4711 Highway 166, New Cuyama, CA 93254, in the unincorporated area of Santa Barbara (County Assessor Parcel Number: 149-040-010), for a period of five (5) years, from July 1, 2023 through June 30, 2028; and
- b. Determine that the recommended action is for the continued operation and leasing of existing public or private structures or facilities involving negligible or no expansion of use beyond that

which presently exists and is therefore exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities and direct staff to file a Notice of Exemption on that basis.

Summary Text:

This item is on the agenda to execute the Third Amendment to a Lease Agreement with the Community Health Center of the Central Coast, Inc. (CHC) for County property at 4711 Highway 166, New Cuyama, currently known as the New Cuyama Community Health Clinic (Premises). The Lease Agreement was originally authorized by the Board in May of 2012. The First Amendment extended the existing Lease Agreement for two (2) years with an annual renewal and with an option for an additional two (2) years, and the Second Amendment extended the First Amendment for five (5) years from July 1, 2018 through June 30, 2023, with a monthly base rent of \$1,404 and includes an annual three percent Cost of Living Adjustment. The Third Amendment would extend the existing Lease Agreement for an additional three (3) years from July 1, 2023 through June 30, 2026, with a monthly base rent of \$1,627. The rent will be subject to an annual Cost of Living Adjustment of 3% per annum during the term of this Lease Agreement.

The County's Public Health Department and CHC have similar missions regarding the health and well-being of Santa Barbara County residents. Approval of this Third Amendment will continue to provide the residents of the Cuyama Valley access to affordable healthcare.

Background:

Community Health Center of the Central Coast, Inc. (CHC) is a California non-profit public benefit corporation that is organized for the purpose of enhancing the health status of all people in the Central Coast of California. CHC offers fully accredited medical, chiropractic, and specialty care. In May 2012, the Lease Agreement between the County and CHC was executed. CHC provided accessible, affordable, comprehensive and quality healthcare services to the Central Coast. In the 2012 Lease Agreement, CHC received free rent for a 1,404 square foot space valued at approximately \$25,000 per year. Additionally, in exchange for free rent under the 2012 Lease Agreement, CHC provided dental services to eligible County patients at CHC's dental clinics located in Santa Maria and Lompoc Health Care Centers (HCC). The scope of CHC provided services at the facility have grown to also cover medical services. CHC provides twenty to twenty-four hours of clinic services per week (Monday, Wednesday and Fridays), averaging approximately 260 medical visits. CHC also provides health education and outreach to the community at public events and through their nurse home visits.

In the 2012 Lease Agreement, the County and CHC agreed on the mutual benefits of continuing quarterly events for the County's Women, Infant, and Children (WIC) program at the Premises, and therefore reserved the County's right to continue to use the Premises on a limited basis. Access will include clinic space to perform WIC adult and child interviews, and to conduct medical assessments and health education classes. CHC will provide access to at least one exam room, the restroom facilities, a confidential office area and an area to conduct the health education classes.

Under the 2012 Lease Agreement, CHC was responsible for all utilities, which includes gas, electricity, water, sewer and garbage services for the Premises. In addition to utilities, CHC is also responsible for all maintenance and repairs of the building.

The First Amendment of the 2012 Lease Agreement was executed on July 1, 2014, and extended the Term for an additional 2 years with an additional 2-year option to extend, which CHC exercised and

then executed a Second Amendment on June 1, 2018, for an additional 5-years. The Second Amendment required CHC to pay a monthly rent of \$1,404, or \$1 per square foot, for its continued use of the Premises. Section 3 (“Purpose”) was also amended, stating that CHC shall use the Premises to provide medical services to its own patients in the New Cuyama Valley and for no other purposes without the express written consent of the County. As of the Second Amendment, CHC no longer provides dental services.

Approval and execution of this Third Amendment to the New Cuyama Health Clinic Lease Agreement (Third Amendment) will allow CHC to continue to lease the New Cuyama Health Clinic for an additional three years. The Third Amendment will enable CHC to continue to provide fully accredited medical, chiropractic care, as well as health education and specialty care, to the Cuyama Valley. The Third Amendment provides for an increased monthly rent of \$1,627, effective as of July 1, 2023, subject to annual increases of 3%. All other terms and conditions set forth in the original Lease Agreement, as previously amended, will remain in full force and effect.

There will be no expansion or change in use, and there is no possibility of causing a significant effect on the environment. Therefore, this project is exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines Section 15301 – Class 1, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.

Fiscal and Facilities Impacts:

The updated revenue produced through this Third Amendment to the Lease Agreement between the County of Santa Barbara and Community Health Centers of the Central Coast, Inc has been incorporated into the budget for the fiscal year of 2023-2024.

Staffing Impacts:

Special Instructions: After Board action, please distribute as follows:

1. Original executed Third Amendment to Lease Agreement - Clerk of the Board Files
2. Duplicate Original executed Third Amendment Lease Agreement & Minute Order -A. Hollingshead, Real Property Division

Attachments:

1. Third Amendment to the Lease Agreement
2. CEQA Notice of Exemption

Authored by: AH, Real Property Division