



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: February 7, 2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Joni Maiden, MPA, Child Support Services Director (805) 568-2343
Directors Janette D. Pell, General Services Director (805) 560-1011
Contact Info: Mette Richardson, CSS Assistant Director (805) 451-4743
Skip Grey, GS Assistant Director (805) 568-3083
SUBJECT: Child Support Services Lease Agreement at 201 South Miller Street in Santa Maria (RP #002310); District 5

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute the original and duplicate original Lease Agreement (“Lease”) between the County of Santa Barbara and Burt E. Fugate, Trustee of the Burt E. Fugate Trust Dated April 30, 1998 (“Landlord”), for the use of 3,295 square feet of office space at 201 South Miller Street in Santa Maria (“Premises”), for an initial term of five years, plus one option to extend the term for an additional five years, at an initial monthly rental amount of \$5,107.25, based on \$1.55 per square foot per month (District 5); and
- b) Determine that the proposed action is exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15301, Existing Facilities, and approve and direct staff to file and post the attached Notice of Exemption on that basis.

Summary Text:

The Board’s action to approve and execute the Lease will allow the Santa Barbara County Department of Child Support Services (“CSS”) to continue leasing office space in the Santa Maria Town Center Tower Office Building, located at 201 South Miller Street in Santa Maria (“Property”), after its current lease expires on February 28, 2023. The new term will begin March 1, 2023, and will continue for a period of

five years through February 29, 2028, followed by one option to extend the term for an additional period of five years through February 28, 2033. The Lease will also allow CSS to reduce the size of its leased premises from 8,509 to 3,295 square feet, thereby reducing its monthly rental obligation from \$13,274.04 to \$5,107.25 (based on \$1.55 per square foot per month).

Background:

CSS has been leasing office space at the Property since March 1, 1990. The original lease for such space was executed between the County and Santa Maria Office Investments No. 2, the landlord at the time, for 5,269 square feet of office space in Suite 202. Due to a staffing increase in 1996, the County executed an amendment to the original lease to include Suites 202-206, thereby expanding its leased space to 8,509 square feet. A 2002 amendment to the original lease added 1,740 square feet by including Suite 210, but this portion was vacated in 2017. In 2009, due to reduced State budget allocations, CSS closed its Lompoc office and consolidated its North County operations into its office located on the Property. CSS now operates two office locations within the County – one in Santa Maria, and the other in Santa Barbara.

The base rent under the original lease is \$1.56 per square foot per month, which is adjusted annually every March based on the percentage increase in the Consumer Price Index (“CPI”) for the month of August. The August 2022 CPI was 7.6%, which means that the current rent would be increased by that amount to \$1.68 per square foot per month beginning in March 2023 *if the County were continuing under the terms of the original lease*. Instead, the parties have agreed to new terms for the proposed Lease, which include a determination of fair market rent for the Premises of \$1.55 per square foot per month. Staff in the Real Property Division of the General Services Department have determined that this is within the range of fair market rent for the Santa Maria area.

The County will continue to pay all utilities and services for the Premises, including electricity, gas, phone, data and janitorial services, while the Landlord will be responsible for utility and service charges for the common areas of the Property, including water, sewer and trash disposal. The County also provides for the interior maintenance and repair of the Premises. The Landlord maintains and repairs the exterior and common portions of the Property.

CSS is wholly funded by State and federal funding. This Lease presents an opportunity for CSS to lower its operating expenses and reconfigure its remaining office space; they are currently working with Tri County Office Furniture to create a new workspace more conducive to current “in-office” staffing levels and customer traffic flow. The Lease will reduce the size of the leased premises from 8,509 to 3,295 square feet, thereby reducing the County’s monthly rental obligation from \$13,274.04 to \$5,107.25 (based on \$1.55 per square foot per month).

Execution of the Lease will allow CSS to continue leasing office space in the existing multi-tenant commercial office building on the Property. There will be no expansion of use or any significant environmental impact. 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 which exists at the time of the lead agency’s determination.

Fiscal and Facilities Impacts: Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized</u> <u>On-going Cost:</u>	<u>Total One-Time</u> <u>Project Cost</u>
General Fund			
State	\$ 6,946.00	\$ 20,839.00	
Federal	\$ 13,484.00	\$ 40,452.00	
Fees			
Other:			
Total	\$ 20,430.00	\$ 61,291.00	\$ -

The Lease will reduce the County’s monthly rental obligation to \$5,107.25, which represents a monthly savings to CSS of \$8,166.79.

CSS will be responsible for utility costs, janitorial services, maintenance and repair costs under the Lease, similar to the original lease; these amounts are expected to decrease consistent with the reduction in office space. CSS will also be responsible for tenant improvement costs, and voice and data communication systems installation costs.

CSS will pay the monthly rent from Fund 0057, Line Item 7580, Program 3000, and will pay utility costs, janitorial services costs, maintenance and repair costs, any tenant improvement costs, and voice and data communication systems installation costs from their appropriate line item accounts.

Key Contract Risks:

The County has leased office space in the same multi-tenant commercial office building on the Property since March 1, 1990, and has an excellent working relationship with the Landlord.

Staffing Impacts: None

Special Instructions:

After Board action, please distribute as follows:

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| 1. Original & Duplicate Original Lease
Copy of Minute Order | Real Property Division, Susan Freebourn |
| 2. Copy of Lease and Minute Order | Child Support Services, Mette Richardson
Email: MRichard@countyofsb.org |

Attachments:

1. Original and Duplicate Lease Agreement
2. CEQA Notice of Exemption