



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: March 23, 2010
Placement: Administration
Estimated Tme:
Continued Item:
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department Bob Nisbet, Director (560-1011)
Director(s) General Services Department
Contact Info: Paddy Langlands, Assistant Director (568-3096)
Support Services Division
SUBJECT: Public Health Lease Agreement at 1111 Chapala Street, Santa Barbara; Lease Termination Agreement; First Supervisorial District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors approve and execute the original and duplicate original Lease Termination Agreement to allow the County Public Health Department, as Lessee, to vacate that portion of the building known as the second floor at 1111 Chapala Street, Suite 200, Santa Barbara, CA. before the expiration of the lease and surrender the leased space to the Lessor, Santa Barbara Foundation.

Summary Text:

The Lease Termination Agreement between the Lessor, Santa Barbara Foundation, and Lessee, County of Santa Barbara, will allow the County to vacate its lease space effective June 30, 2010, before the actual expiration of the lease of June 30, 2011. The early termination of the lease will be approximately one year prior to the actual expiration date. Upon termination, the County Public Health Department staff will be relocated into County building space.

Background:

In 2001, a Lease Agreement had been reached between the County of Santa Barbara (Lessee) and a predecessor owner, David W. Grothenhuis, a Trustee, (Lessor), whereby the County, through the Public Health Department, leased the entire second floor at 1111 Chapala Street, in the City of Santa Barbara, consisting of 8,388 square feet of commercial office space. The term of the lease is ten years, commencing July 1, 2001, and expiring June 30, 2011.

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The subject property and building has recently been sold to the Santa Barbara Foundation. Several months ago the owner and County entered into discussions regarding early termination of the lease. As a result, both parties find a mutual desire and willingness to terminate the lease to each parties' benefit.

Fiscal and Facilities Impacts:

The projected annual lease costs estimated at \$432,750. Currently, ninety percent of this amount (\$398,475) is reimbursed by the State California Children's Medical Services Program under a capped grant allocation amount. The projected annual space cost for relocating this program into County-owned space is projected at \$189,500. Because the annual cost for space and occupancy is expected to be reduced by approximately \$200,000 annually by moving this program back into County-owned space, the "savings" (or \$200,000 of newly available grant allocation) will be used to fund projected Fiscal Year 2010-11 salaries and benefit increases in the County California Children's Services Program. This will allow for medical case-management service levels in the program to be maintained in the Public Health Department's Fiscal Year 2010-11 Recommended Budget submission.

Special Instructions:

Following Board action, the Clerk should forward a Minute Order and original and duplicate original Lease Termination Agreement to the General Services Department/Office of Real Estate Services, Attn: Ronn Carlentine, who will obtain signatures of Lessor and return the fully executed original of the Lease Termination Agreement to the Clerk of the Board.

Attachments:

(1) Original Lease termination Agreement and (1) duplicate original.

Authored by: Ronn Carlentine, Office of Real Estate Services.

CC: Anne Fearon, Deputy Director, Public Health