



**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 17, 2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services
Behavioral Wellness
Contact Info:

Kirk A. Lagerquist, Director (805) [Signature: Kirk Lagerquist, ID: 19AEDA90054E4CE...]
Antonette "Toni" Navarro, LMFT, [Signature: Toni Navarro, ID: 2095C5A16FE1474...]
Skip Grey, Assistant Director, General Services (805)
Dipak Neupane, Chief Operations Officer, Behavioral Wellness (805) 681-5265

SUBJECT: Behavioral Wellness Lease Agreement at 425 West Central Avenue in Lompoc (Parcel Number 093-450-049); District 3; December 1, 2023 to November 30, 2028 with extension options (Folio#4009)

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 (Agreement), between the County of Santa Barbara and 425 West Central Properties, LLC (Lessor), for the use of 9,323 square feet of office space at 425 West Central Avenue, Second Floor, in the City of Lompoc. The initial term shall be five years beginning on December 1, 2023 to November 30, 2028, plus two options to extend, each for an additional five-year term. The initial monthly base rental including triple net operating expenses total \$23,680.42, based on \$2.54 per square foot per month; 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 Agreement will allow the Behavioral Wellness Department (BWell) to lease the entire second floor of an office building located at 425 West Central Avenue in the City of Lompoc (Property). The leased office space is 9,323 square feet (Premises), with an initial term of five years, commencing from December 1, 2023, to November 30, 2028, and two additional options of five years each. The Lease's monthly rent will be comprised of base rent and triple net operating expenses, comprised of utilities, insurance, maintenance, and taxes. The initial base rent, including operating expenses, totals \$2.54 per square foot, resulting in \$23,680.42 monthly rent. BWell will use this new space to relocate the Lompoc Adult Clinic, Alcohol Drug Program (ADP) Youth Opioid Response (YOR) Program, and West County Crisis Services (WCCS). Triple net operating expenses include utilities, insurance, maintenance, and taxes. (Exhibit C)

Background:

County General Services, Real Property Division (GS-Real Property), partnered with BWell to negotiate a Lease Agreement (Attachment A) at 425 W. Central Avenue, Lompoc, commencing from December 1, 2023 to November 30, 2028, inclusive of terms that designate each party's responsibilities and payment terms, inclusive of Tenant Improvements not to exceed \$225,000 to be completed by occupancy date of December 1, 2023 and the option to extend the lease for two consecutive five (5) year "Extension Terms." The Lease's monthly rent will be comprised of base rent and triple net operating expenses. The initial monthly base rental amount of \$17,247.55 is based on \$1.85 per square foot per month, and the initial monthly triple net operating expense of \$6,432.87 is based on \$0.69 per square foot, per month. Both the initial base rent plus the initial triple net operating expense total \$2.54 per square foot, resulting in \$23,680.42 monthly rent.

BWell services being relocated to 425 W. Central Avenue, Lompoc are currently dispersed at three locations in Lompoc: 303 S. C Street, 401 Cypress, and 648 H Street. BWell will use this new space to relocate the 1) Lompoc Adult Clinic, 2) West County Crisis Services (WCCS), and 3) Alcohol Drug Program (ADP) Youth Opioid Response (YOR) Place Program.

- 1) The Lompoc Adult Clinic assesses and provides treatment services to adults experiencing severe and persistent mental illness. The Lompoc Adult Clinic multidisciplinary team is comprised of 18 staff including 1 regional manager, 1 team supervisor, 2 psychiatric providers, 3 therapists, 2 caseworkers, 2 psychiatric technicians, 1 alcohol and drug specialist, 1 recovery assistant, 1 certified peer, and 4 administrative office professionals. Mental health services to be provided by this team at this location include assessment, medication administration and support, individual/family/group therapy, individual and group rehabilitation services, case management, and crisis intervention.
- 2) WCCS provides assessment and treatment services to adults experiencing severe and persistent mental illness and co-occurring substance use disorders who are experiencing a behavioral health crisis, are at risk of being in a behavioral health crisis, or have recently been discharged from a facility for treatment of a behavioral health crisis. WCCS consists of two different programs – Mobile Crisis teams who are called into the community to assess and de-escalate individuals who are experiencing a behavioral health crisis. The Crisis Services Clinic acts as an intake and brief services center/linkage to a long-term care facility for individuals discharging from a facility post-crisis. Staffing consists of a Team Supervisor, 2 Practitioners, 5 Case Workers, and 2 Recovery

Assistants. Services provided on-site at WCCS include assessment, crisis intervention, individual therapy and rehabilitation support, medication administration and support and, case management.

Historically the Lompoc Adult Clinic and West County Crisis Services were located in a county-owned office building at 117 North B Street in Lompoc. In the fall of 2020, the Department of Behavioral Wellness sold the building to the Housing Authority of Santa Barbara County under Project HomeKey to be converted into permanent supported housing for residents of Lompoc experiencing homelessness. At the time of the sale, the Lompoc Adult Clinic and West County Crisis Services relocated to separate office spaces in Lompoc. The Lompoc Adult Clinic relocated to 401 Cypress Avenue in Lompoc, using 7,621 square feet of a county-owned building. The West County Crisis Services relocated to 303 S. C Street, Lompoc, using 3,000 square feet of property owned by Champions Center at a monthly rent of \$5,340. Champions Center has agreed to an early lease termination requiring BWell to provide a 30-day notice with no lease penalties. As the two programs operate at separate sites, staff report reduced efficiency in timely access and sustained engagement for adults in Lompoc including challenges in the coordination of care of persons identified as in urgent need of connection by Crisis Services to ongoing consistent care with Adult Services Clinic. Reuniting these two programs will result in increased efficiency for staff duties/tasks in regard to coordination and care, along with improved service experience for adult clients in the region.

- 3.) The current sublease from Family Services Agency of Santa Barbara County (FSA) for the ADP YOR Place Program located at 646 N. H Street, ended on August 31, 2023, and became a month-to-month holdover. FSA will not be renewing its lease on this building as this building is not fully equipped and is inadequate for staff to operate effectively. As of May 31, 2024, the month-to-month option will terminate. The ADP YOR Place Program currently provides Substance Use Disorder (SUD) early intervention services, treatment, and medications for addiction treatment to both youth and adults, serves 30+ unique individuals for treatment along with providing community-based outreach, engagement, and prevention services.

The Agreement's Base Rent and triple net operating expense are increased and adjusted annually. The Base Rent has an annual increase of 3% that will occur every December 1st. The process and procedures for the adjustment to the triple net operating expense are identified in and accordance with Exhibit C, of the proposed Agreement, Attachment 1.

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

Execution of the proposed Agreement will allow the Lessor to begin the tenant improvements on the second floor 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

Programs	Current Locations				Preproposal Location			
	Current Addresses	Lease Term	Sq Ft	Rent/ Month	Address	Lease Term	Sq Ft	Rent/ Month
Lompoc Adult	401 Cypress Ave, Lompoc, CA 93436	County Owned	7,621	NA	425 W Central Ave, Lompoc, CA 96436	November 2028	9,323	\$23,680
West County Crisis	303 S. C Street, Lompoc, CA 93436	July 2025	3,000	\$5,340				
ADP YOR	648 N H Street, Lompoc, CA 93436	Month to Month	827	\$1,596				
Total			11,448	\$6,936			9,323	\$23,680

Note: The 303 S. C Street property is owned by Champion Center. BWell negotiated an early lease termination requiring 30-day notice with no penalties.

Fiscal Analysis:

Funding Sources	FY 23-24 Cost (7 Months)	Annualized On-going Cost:
Other: Medi-Cal Patient Revenue	\$ 132,620	\$ 227,340
State	\$ 33,143	\$ 56,824
Total	\$ 165,763	\$ 284,164

Costs are rounded to the nearest dollar.

BWell currently leases two other separate locations that total 3,827 square feet, which BWell pays close to \$7,000 in monthly lease and common area costs (an annual cost of \$84,000). These lease of these two locations would end upon the execution of this new lease. The \$84,000 savings of the leased 3,827 square feet would help offset the new lease.

The funding for this lease will come from both Medi-Cal Patient Revenue and State sources. Any tenant improvement costs will be covered by the Mental Health Services Act growth monies.

Key Contract Risks:

N/A

Staffing Impacts: None

Special Instructions:

After Board action, please distribute as follows:

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|---|---|
| 1. Duplicate Original Lease | Clerk of the Board Files |
| 2. Original & Duplicate Original Lease and One (1) Copy of Minute Order | Real Property Division, James Cleary |
| 3. One (1) Copy of Lease and Minute Order | BWell, Attn Dipak Neupane
Email: dneupane@sbcbswell.org |
| 4. One (1) Copy of Lease and Minute Order | Auditor-Controller, Attn: Betsy Schaffer
Email: Auditor@countyofsb.org |

Attachments:

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