



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 28, 2008
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

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: DSS CalWorks Program Lease at Flower Valley Plaza; Folio #003188; Fourth Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors approves a Lease Agreement between the County of Santa Barbara Department of Social Services (DSS) and Flower Valley Plaza, LLC for the use of 11,400 square feet of commercial office space located at 1133 & 1145 North H Street, Suites C1-7 & D7-9, in Lompoc, for the DSS CalWORKs Program Office. The monthly rent for the initial year of the lease is \$13,602.02 (\$1.19 per square foot), NNN, and the lease term is for 5 years commencing on approval of this agreement and terminating on September 30, 2013, unless extended.

Summary Text:

This lease agreement will grant DSS the continued use of 11,400 square feet of commercial office space located at 1133 & 1145 North H Street, Suites C1-7 & D7-9, in Lompoc, for a CalWORKs Office. The monthly rent for the initial year of the lease is \$13,602.02 (approximately \$1.19 per square foot), NNN, and is subject to increase annually thereafter by 3%. The lease term is for 5 years commencing upon approval and terminating on September 30, 2013, unless extended. The agreement includes two (2) renewal options of 3 years each, which may be exercised by the Director of DSS, or their designee. The agreement also includes language which will allow the County to terminate the lease with 6 months written notification to the landlord if funding is curtailed, reduced or canceled by government agencies or sources beyond their control.

Auditor-Controller Concurrence

As to form: Yes

Background:

On October 20, 1998, the Board executed a Lease Agreement for the DSS’s use of 2,400 square feet of commercial office space in the Flower Valley Plaza, at 1133 & 1145 North H Street in Lompoc. The DSS paid up to \$2,965 in tenant improvements to modify the premises to suit their needs. The Lease was then amended by the Board on September 5, 2000, to add additional suites and extend the term, which was subsequently extended again through September 30, 2008.

The Landlord within ninety (90) days of the Commencement Date of the contract shall perform the following improvements: Replace carpet in Suites C6, C7, D7 & D8, properly drywall and paint all bathroom walls in Suites C1-C7, install fluorescent lamps in Suite C5, at no expense to the County.

The decision to continue to lease the facility was based on an assessment by General Services’ staff that no other facilities that could accommodate this program are available in the Lompoc area for sale or lease. DSS and General Services Department’s staffs placed this item on the County Debt Advisory Committee’s agenda of September 5, 2008. Subsequently, the DAC meeting was postponed. Recognizing that the current lease was expiring on September 30, 2008, staff realized the importance of moving forward with the new lease agreement in a timely manner.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
		<i>Not adjusted for CPI and CAM increases.</i>	
General Fund	\$ 12,009.62	\$ 12,009.62	
State	\$ 70,056.08	\$ 70,056.08	
Federal	\$ 114,091.33	\$ 114,091.33	
Fees			
Other:	\$ 4,003.21	\$ 4,003.21	

Narrative:

The above Fiscal Year costs were derived from estimates used to prepare the Department budget for Fiscal Year 08/09. The amounts attributed to general fund, state, federal, and other funding sources are based on estimates used to prepare the FY 08/09 budget, including estimates of administrative costs allocated to the various DSS programs based on FTEs performing work in those programs. The County percentage can increase or decrease as lease amounts change because the county maintenance of effort required for several significant programs are fixed costs. These estimates are likely to change as information on the recently passed State budget becomes available and required budget cuts are made to affected programs. Total monthly rent is \$16,680.02. This includes the CPI (Consumer Price Index) and CAM (Community Area Maintenance). Funds for payment of rent are budgeted in: Fund 055, Dept 044, Org 8001, Account 7580, and Program 5000.

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The total cost for the 5 years as determined by Auditor Controller office is \$866,580 (this amount was calculated using only the base rent and cost of living adjustment, it does not include the monthly CAM amount).

Special Instructions:

Upon Board approval and execution, the Clerk should distribute as follows:

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| 1. Original executed Agreement | Board's Official File |
| 2. Dupl. orig. exec. Agreement & Minute Order | Attn: Connie Smith, GS/Real Estate Svcs |
| 3. Copy of exec. Agreement & Minute Order | Attn: Molly Marino, DSS |

Attachments:

- Lease Agreement

Authored by: Connie Smith, Office of Real Estate Services.

cc: Kathy Gallagher, Director, Department of Social Services (DSS)
Molly Marino, Operations Div. Chief, DSS