

ATTACHMENT A

2022 Calle Real Campus Master Plan

One County, One Future.

CALLE REAL MASTER PLAN

County of Santa Barbara
August 2022



Gensler



Preface

The bulk of the analysis in this study was completed prior to the ongoing COVID-19 pandemic. Therefore, space planning assumptions used in the development of recommendations may need to be adjusted to reflect any new requirements for physical distancing or other new safety protocols. Furthermore, if increased levels of remote work become the norm for County employees, this will likely result in the need for less County office space.

As discussed in the Recommendations chapter, all major facility improvements identified in this plan will require in-depth site planning and programming studies to determine the actual locations, sizes, and footprints.

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EXECUTIVE SUMMARY

01

Purpose
Report Contents
Recommendation Summary

PURPOSE

In August of 2019, the County of Santa Barbara (“County”) retained M. Arthur Gensler Jr. & Associates (“Gensler”) and their consultants to evaluate the existing Calle Real Campus (“Campus”) conditions, assess the projected program needs, and create a Master Plan to guide campus growth and expansion in a thoughtful and deliberate manner.

The Master Plan provides a framework for development at Calle Real over the next twenty years. It reinforces the County’s mission to ensure its physical assets support the highest possible service delivery and reflect its underlying ethics. Specific goals and aspirations for the Campus, including realignment with the Renew 22 initiative, were identified through a collaborative visioning process and then distilled into a set of Planning Principles which have guided the development of the Master Plan. The Master Plan represents both the culmination of a year-long planning process and the starting point for the future development of the campus into a destination where county residents, communities, employees, and regional visitors can be safe, healthy, and prosperous.

Note that this study was conducted prior to the government shutdown due to COVID-19 beginning March 2020. The scope and timing of recommendations included in this plan may be impacted.

Context and Location

From expansive vineyards to coastal mountains, the County of Santa Barbara displays California’s incredible natural beauty. The County’s Calle Real Campus is no exception. Located near the US 101 and CA-54 freeways, Hollister Avenue borders the campus’s 300+ acres at the South end where it extends north of Cathedral Oaks to provide scenic views and an appealing landscape. Since its purchase in 1910, County facilities have been developed ad-hoc on portions of the site, ranging in use from a health campus to juvenile and adult lock-down to emergency operations. These facilities have provided essential services to the County; however, the campus’s current overall design has not allowed it to be used to its fullest potential. This master plan provides the opportunity to reevaluate how these valuable properties can best serve Santa Barbara residents.

The Master Plan addresses this urgent need to revisit the vision for Calle Real Campus and answers a fundamental question asked by the County of Santa Barbara: “How can we deliver exceptional services to the residents and communities of our County, in this case at Calle Real?”.

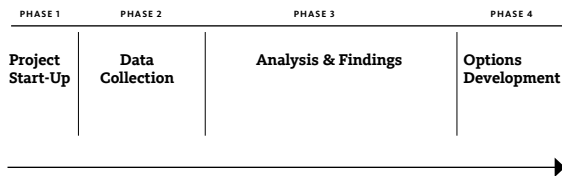
As the County looks toward the future, it seeks to identify the highest and best use of its Calle Real campus. This vision must be tempered by limitations imposed by geography, topography, seismic, fire and other life safety risks, cultural resources, adjacent existing land uses, operational concerns of the subject facilities, environmental and residential concerns, reuse options for the existing facilities, and County growth and development concerns.





REPORT CONTENTS

In addition to this Executive Summary, the Master Plan contains 5 additional chapters, noted below. A separate Appendix was also created containing various sub analyses, consultant reports, and other materials developed during the course of the planning process.

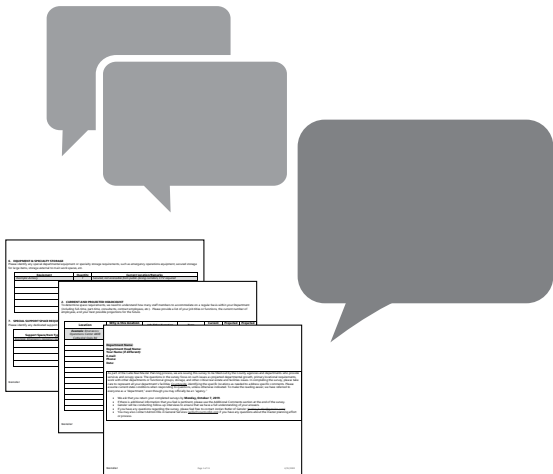


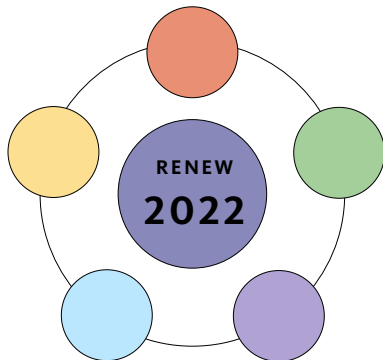
Overview

Provides background on the Calle Real site, project goals and objectives, the master planning process, and guiding principles which steered the Master Plan design.

Key Findings

Key findings and Master Plan implications from the project team's research and analysis, including a market assessment, site analysis, departmental surveys and interviews, and projected space needs. Based on that analysis, the report makes specific recommendations on bridging the gap between the current supply of space on campus and anticipated future demand. These findings were presented to the County Steering Committee in December of 2019.





Campus Opportunities

Potential site opportunities based on the County's goals and project team's findings also presented to the County Steering Committee at the Findings Presentation in December of 2019.



Master Plan Recommendation

Master Plan recommendation presented on January 21, 2021. The recommendations include estimated construction costs and suggested sequencing to maximize efficiencies and avoid double moves where possible.



Appendix

The Appendix includes two reports by the team's economist Gruen Gruen + Associates. The reports analyze the demand for housing and office space in Downtown Santa Barbara in 2019.

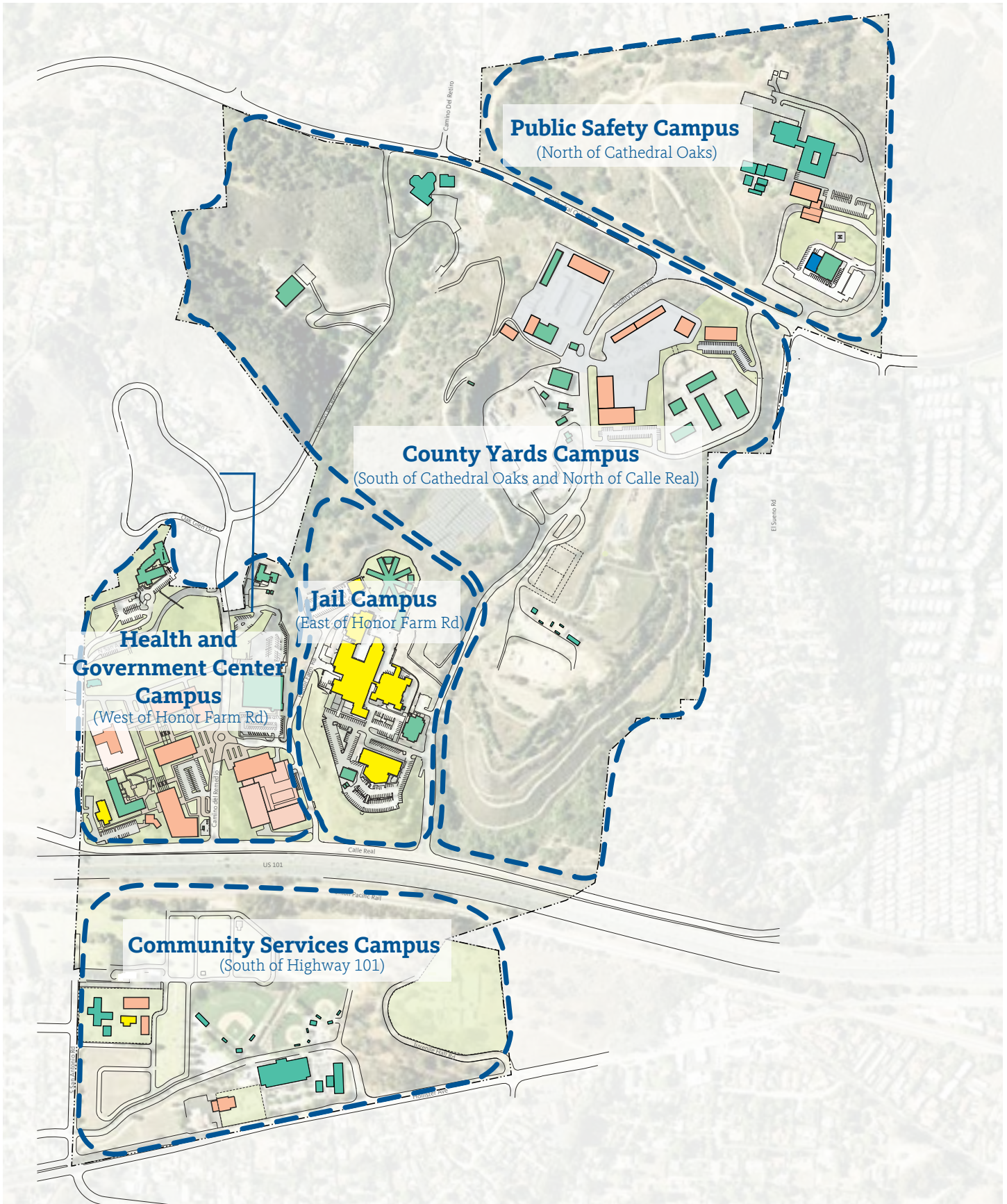
RECOMMENDATION SUMMARY

The main priority of the Master Plan is to consolidate County functions in the two central sections of Calle Real for streamlined service delivery and to make the best use of the County's land. This includes the Health and Government Center Campus. By consolidating external-facing services and potentially relocating the County government seat from Downtown Santa Barbara, these two campuses will function as the Calle Real core.

Due to efficient space utilization in proposed newer facilities in these two central campuses, available land in the Public Safety Campus to the north and the Community Services Campus can remain open, which aligns with the County's priority of sustainability and preserving space for future development.

| | |
|---------------------------|----------------|
| EXISTING COUNTY BUILDINGS | ±791,700 GSF |
| REMAIN | ±256,400 GSF |
| RENOVATE | ±229,000 GSF |
| DEMOLISH | ±306,300 GSF |
| NEW COUNTY FACILITIES | ±538,800 GSF |
| FUTURE TOTAL COUNTY GSF | ±1,024,200 GSF |







OVERVIEW

02

Mission, Vision, Values
Calle Real Overview
Data Collection Methodology
Project Goals
Guiding Principles

MISSION VISION VALUES

In determining the highest and best use for the Calle Real Campus, the County's Mission, Vision, and Values provide the preeminent lens for evaluation. Whether deciding building disposition or place-making principles, it ultimately comes down to one question: will this allow the County to deliver exceptional public service?

**“Will this allow the County
to deliver exceptional public
service?”**





Mission

Deliver exceptional services so Santa Barbara County's communities can enjoy a safe, healthy, and prosperous life.



Vision

Employees empowered to deliver exceptional public service.



Values

- » Trust and Ethics
- » Customer Focus and Exceptional Public Service
- » Accountability and Professionalism
- » Innovation

CALLE REAL OVERVIEW





CALLE REAL OVER TIME

Since its purchase over 100 years ago, the campus has undergone major shifts with public safety and public works being added to the original public health uses. Most of the development has taken place in an ad-hoc manner, although in recent years, the County has sought to strategically plan for the future.

Purchase

The County purchased what is now known as the Calle Real Campus, some 300 acres of land. The first buildings to be constructed were public health care-related with a tuberculosis hospital, doctor's residence, and nurses' quarters.



1910

1928

1938

1948

Transportation

Hollister Avenue (a State Highway), the railroad and small local dirt roads were the only means of travel to/from the site. The roads we now take for granted had not yet been constructed: Calle Real, US 101, Cathedral Oaks, Turnpike, etc.

Residential Development

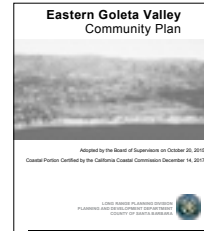
The El Sueno subdivision, one of the oldest residential developments in the area, is constructed in the middle 1930's



Partial Sale

A portion of the western Middle Campus is sold for residential development.

Eastern Goleta Valley Community Plan



Updated Eastern Goleta Valley Community Plan adopted by the Board of Supervisors.



1954

1970

1972

1980'S

2002

2003

2006

2015

2019

Public Safety

Construction of the Adult Detention Facility and relocation of the Sheriff HQ to campus.

Calle Real Urban Design Guidelines

Calle Real Urban Design Guidelines drafted.



Facilities Policy Framework

Facilities Policy Framework adopted by the Board of Supervisors.



Gensler



CAMPUS USE

323

acres of land on
Campus, including
the 13.4-acre
Goleta Cemetery.

500+

County
employees
work on site.*

~782,000

GSF of County
facilities on Campus

County Departments on Campus*

Agriculture & Coop Extension
Behavioral Wellness
Clerk - Recorder - Assessor
Community Services Department
County Executive Office (Office of Emergency Management)
Fire
General Services
Human Resources
Probation
Public Health
Public Works
Sheriff
Social Services
Treasurer - Tax Collector

Non-County Organizations on Campus**

AIA Archives
Alpha Resource Center
Ben Page Youth Center
Cathedral Oaks County School Admin.
Hearts Adaptive Riding
Santa Barbara County Air Pollution Control District
Santa Barbara County Association of Governments
VA Clinic

*BEHAVIORAL WELLNESS DID NOT PROVIDE HEADCOUNT DATA. ALL NON-SURVEYED DEPARTMENTS ALSO EXCLUDED.

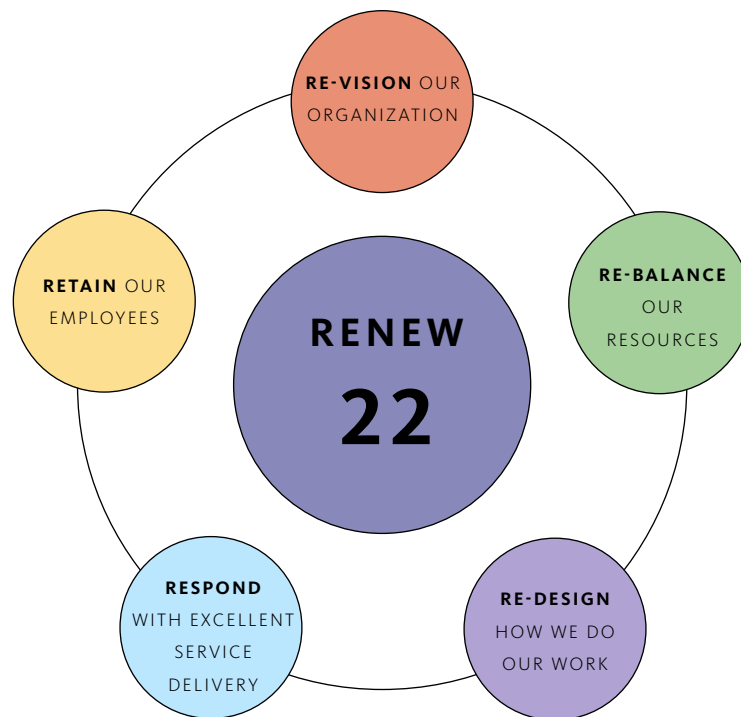
**FOOD BANK IS PLANNING TO LEAVE THE CAMPUS, TIME TO BE DETERMINED.



RENEW 22

Adopted by the Santa Barbara Board of Supervisors in 2018, “Renew 22” is a multi-year initiative to transform how the County does its work. Renew 22 seeks to build the County’s capacity for innovation and continuous improvement.

The framework addresses five core areas of focus to help the County embody their “One County, One Future” vision. Gensler used Renew 22 as a strategic lens for the Calle Real Master Plan to ensure the plan aligned with the County’s larger strategic goals.



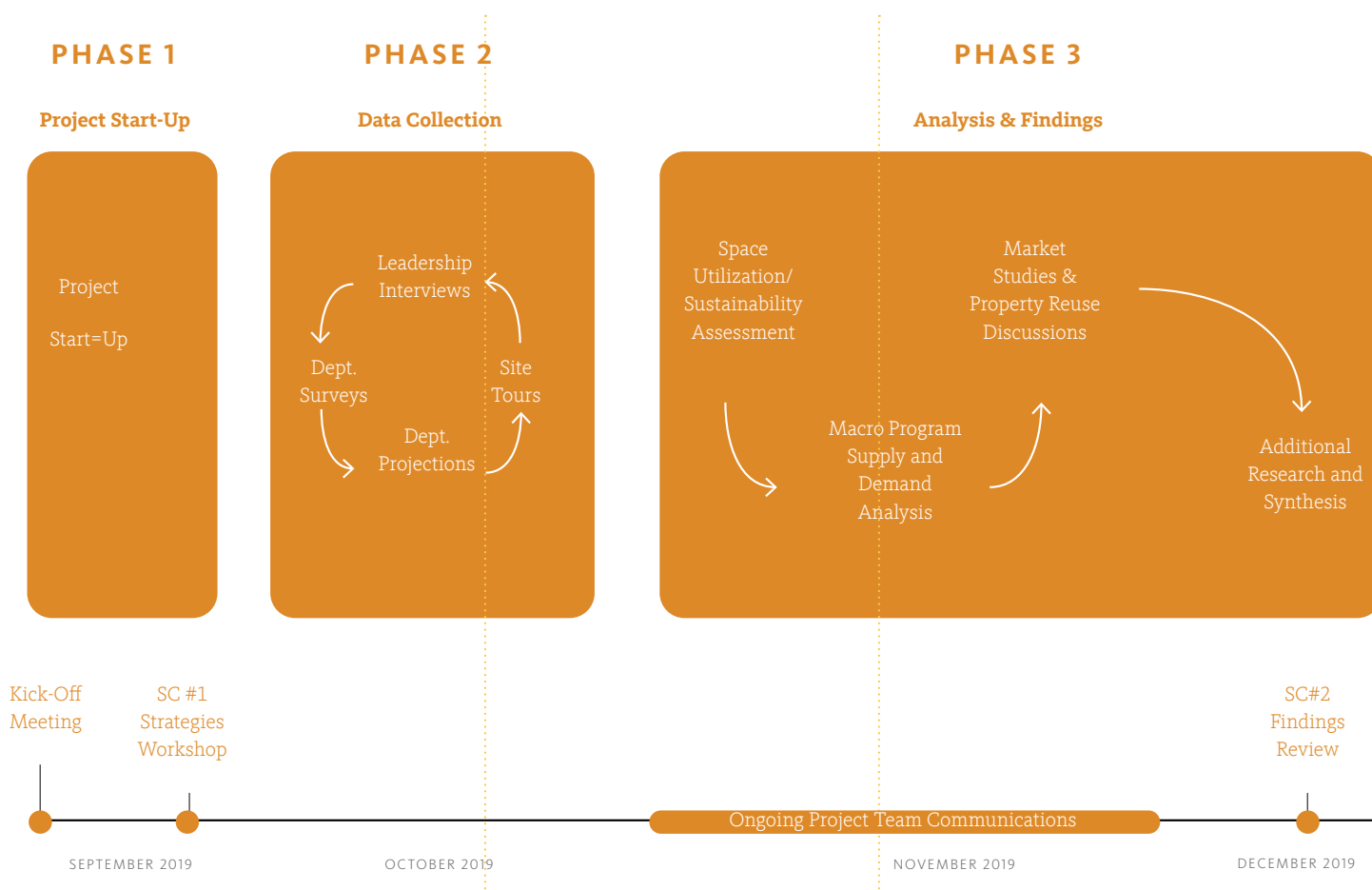
PROJECT PROCESS & TIMELINE

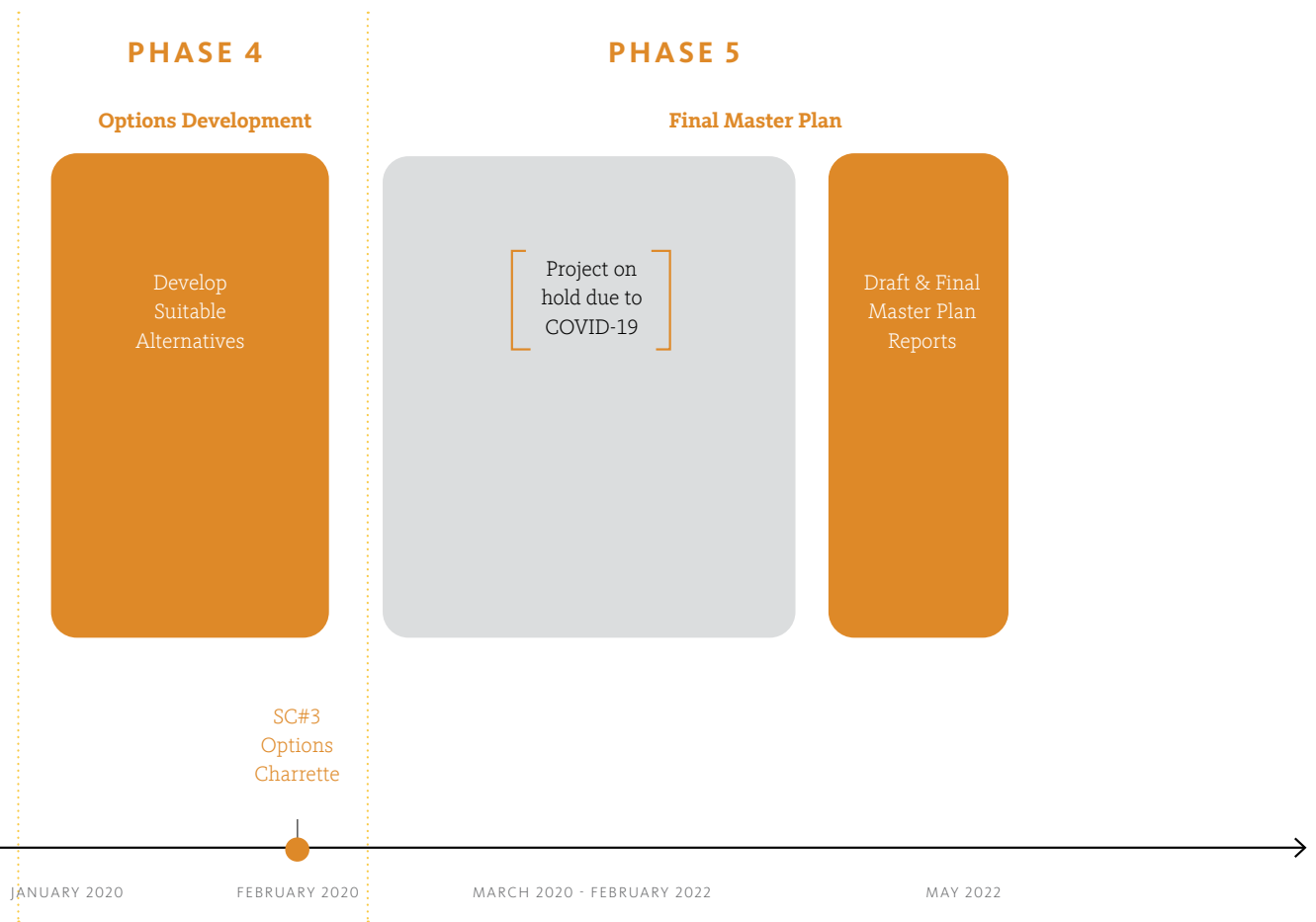
The diagram below illustrates the Gensler's approach through five distinct phases.

Phase 1 focused on establishing clear goals and objectives. Phases 2 and 3 consisted of robust data collection and analysis regarding the County's facilities and departmental operations at Calle Real, the market, and broader trends to shape the initial findings and opportunities for the Calle Real Campus.

Phase 4 developed those opportunities into a macro space program and three campus design options, with the final vision and recommendation delivered in Phase 5.

Regular steering committee meetings ensured that issues were thoroughly addressed and decisions made before proceeding from one phase to the next.





This Campus Master Plan reflects a rigorous and broad-reaching process aimed at creating credible, compelling, and highly practical recommendations. The following summarizes the research conducted in Phase 2 and Phase 3 of the project.

This information included (but was not limited to) facility locations, current square footages and acreage, current and projected headcount, and lease information. The real property portfolio for any County is typically dynamic. Hence, the Gensler team considers the information provided as a “snapshot” of a moment in time. Any changes to the portfolio in terms of headcount, square footages, costs, or other factors occurring after the delivery of the Master Plan could affect the recommendations.



Space Needs Surveys

The team issued Macro Space Needs Surveys to the County departments who provide services and occupy space at Calle Real and in Downtown Santa Barbara. 22 surveys were completed and returned for analysis. The questions focused on issues such as projected departmental growth, primary locational requirements, work with other departments, storage, and other critical facilities issues.





Stakeholder Interviews

The Gensler team interviewed 51 individuals including a representative from each County department located on Campus, the Santa Barbara County Supervisors, and non-county organizations located at Calle Real.



Steering Committee Meetings

Meetings were held at key project milestones with a Steering Committee comprised of the County's Assistant CEOs and the District 2 County Supervisor. Along with regular logistical meetings with a core project team, these meetings provided feedback and guidance for the project direction.



Data Analysis from County and External Sources

Detailed information was collected and analyzed, including but not limited to previous Master Plans, pertinent regulatory information, County Strategic Plans, County real estate portfolio characteristics, Campus site maps and surveys, workforce characteristics, and real estate market information



Market Analysis

For identified properties, the Gensler team conducted market studies to forecast likely demand for the potential development sites. We drew on local insight by interviewing knowledgeable individuals and studied local and regional data on employment, population, and development trends.

PROJECT GOALS

In addition to supporting the County's mission, vision, values, the Calle Real Master Plan seeks to accomplish these nine discrete goals as laid out by the County in the project RFP (2019).



Eliminate buildings beyond their useful lives, which would be more economical to rebuild new

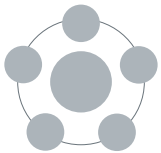


Explore potential for a **one-stop service** center



Identify departmental synergies, potentially developing “precincts” within the Calle Real campus in order to streamline services internally and externally





Re-align campus with Renew 2022 initiative to best serve constituents, staff, and stakeholders



Maximize current vacant space both within underutilized buildings, as well as vacant land

GUIDING PRINCIPLES

01

SERVICE DELIVERY EXCELLENCE

Improve current campus design to increase customer focus and provide residents accessible, centralized services.

02 PORTFOLIO CONSOLIDATION

- » Limit building footprint and/or improve efficiency
- » Consolidate departments and integrate services where possible
- » Identify opportunities to connect campus zones to one another and surrounding area
- » Reposition and enhance value of surplus real estate in downtown Santa Barbara

03 IMPLEMENTATION PRAGMATISM

- » Optimize phasing and logistics
- » Minimize need for multiple moves
- » Incorporate County-wide policies and political considerations into decisions

04 ENVIRONMENTAL STEWARDSHIP

- » Demonstrate commitment to the environment by minimizing impact to undeveloped land
- » Strive for net zero and to minimize water usage in new facilities
- » Maintain views and access to natural resources while increasing site density



Building off of the project goals, the team developed the following Guiding Principles to embody the County's ambitions for the Master Plan. While the Principles represent an overarching ethos to which the Master Plan should aspire, the Goals represent specific targets for the physical plan. The implementation Strategies are recommendations for achieving the Goals and attaining the Principles. As such, they summarize a guiding direction for the final Master Plan detailed in Chapter 05.

True to the mission of the County, service delivery excellence was the top priority considered in developing the plan.

05 FUTURE FLEXIBILITY

- » Develop solutions that consider both short- and long-term goals
- » Preserve opportunities for future campus development

06 PLACE-MAKING

- » Establish an identifiable center for County services
- » Balance County space needs and community benefits
- » Integrate amenities for staff and the community

07 WORKPLACE MAGNETISM

- » Attract and retain talent
- » Create workspaces that provide a safe, positive, and functional working environment



KEY FINDINGS

03

Themes & Insights

THEMES & INSIGHTS

Based on the background research conducted, seven key findings and master plan implications were identified.

01

CONSOLIDATE

There are 140.38 acres (out of the total 320 acres) of developable land on campus.

The County should consider **consolidating County departments into fewer facilities** to make the most of the developable land.

02

DEMOLISH & REPLACE

Many campus facilities are being utilized past their useful life.

The County should consider **demolishing and replace aging facilities**, which will also increase the developable area.

03

OPTIMIZE

Overall, County office space can be utilized more efficiently.

The County should consider assuming **more efficient space utilization** for office building programs.



04

AUGMENT

Based on population and employment trends, the overall county employee headcount on campus is projected to grow slowly over the next 20 years.

With more efficient space standards, the County only needs **minimal additional office square footage** to house functions and services on campus into the future.

05

PRESERVE ADJACENCIES

In general, the current departmental adjacencies on campus are working to deliver effective services.

The County should consider **preserving physical campus proximities** for county departments.

06

ACKNOWLEDGE PARTNERSHIPS?

Eight different non-county entities are currently located on the Calle Real campus.

The County should consider acknowledging those relationships and **retaining existing space** for these non-county organizations.



01

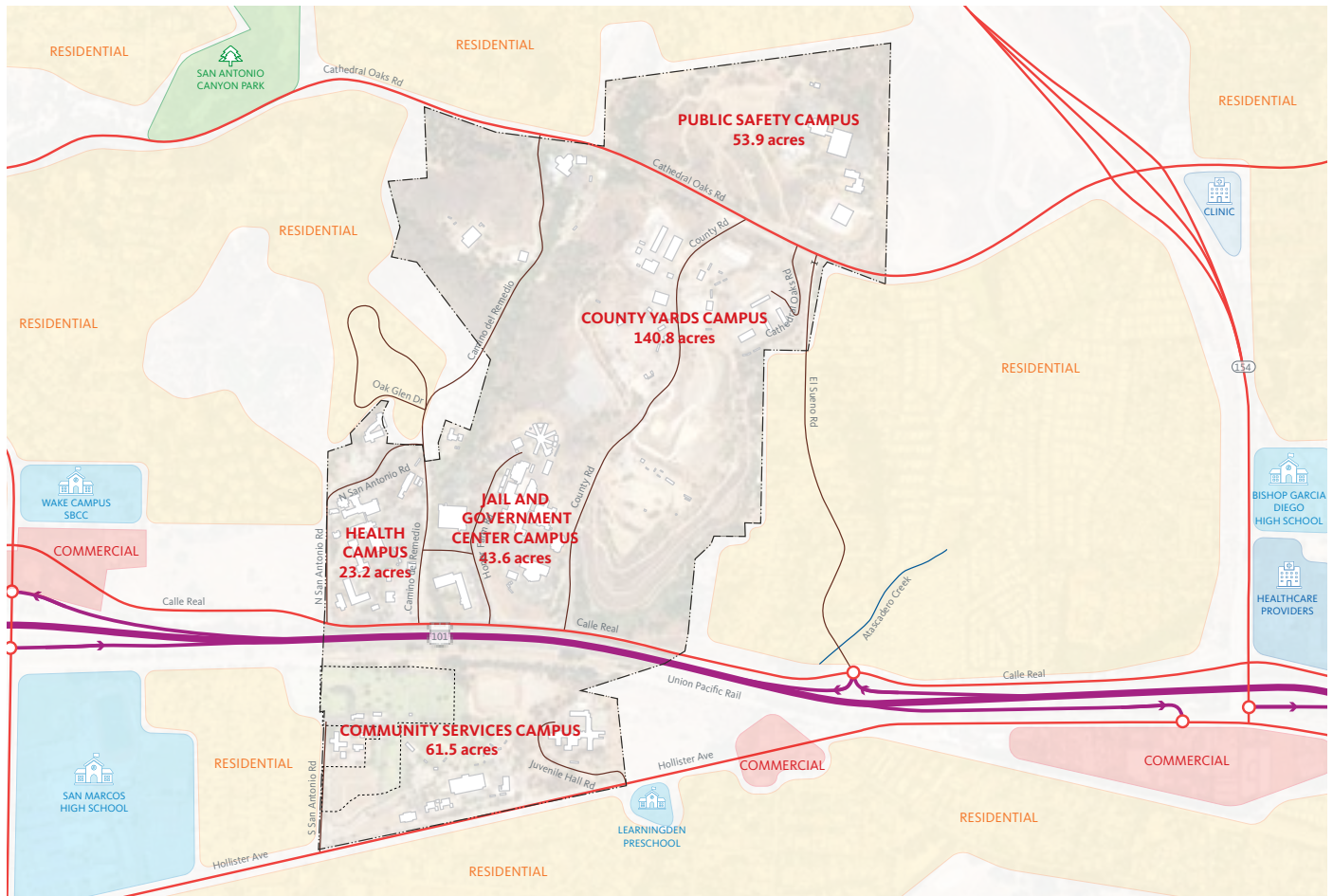
Consolidate

Calle Real Campus comprises 323 acres, with the current campus building footprint occupying 14.9 of that total. While that leaves 308 acres of open space on the campus, less than half of that is developable land (140.38 acres), and even less is developable without any limitations. The site elevation increases 312 feet from the lowest to the highest point with steep slopes creating limited plateaus. Other constraints like environmentally

sensitive habitats, the landfill, Goleta Cemetery, and parking requirements also limit the developable area. The County should consider consolidating building footprints on campus to make the most of the developable land, which includes keeping open space available for the future and practicing environmental stewardship by not maximizing development on site.

The County should consider consolidating county departments into fewer facilities to maximize developable land for future service delivery.

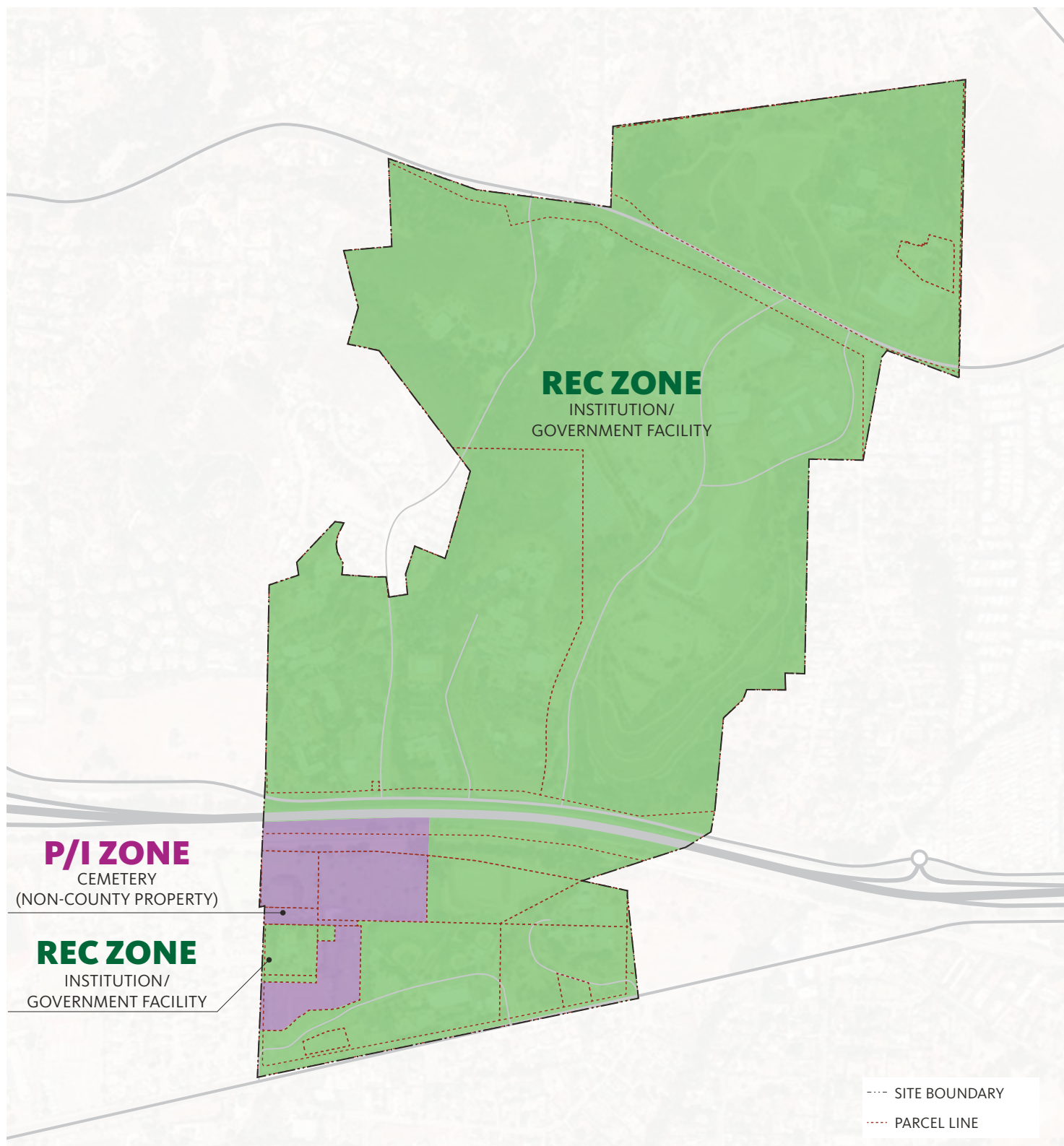
Overall Site Context



-
- 5.5 miles driving distance from Calle Real Campus to downtown Santa Barbara.
 - 80 miles driving distance from Guadalupe to Calle Real Campus.
 - 100 miles driving distance from New Cuyama to Calle Real Campus.
 - Total Campus area is 323.0 acres, Including 13.4 acres of Goleta Cemetery.
-



Zoning



ZONING: Rec Zone (Recreation Zone)

LAND USE DESIGNATION:

Institution/Government/Facility

MIN LOT SIZE: 1 acre

MIN SETBACK:

Front-Primary: 50 feet from road center line;
20 feet from right-of-way
Front-Secondary: 10 feet or 20% of lot width
if lot width < 100 feet;
same as primary front setback
if lot width ≥ 100 feet

Side: 10 feet;
25 feet on a lot abutting a residential zone
Rear: 10 feet;
25 feet on a lot abutting a residential zone

MAX BUILDING HEIGHT: 25 feet

DENSITY/D.U.:

Determined through subdivision or planning
permit approval.

MAX SITE COVERAGE: 20%

PARKING:

Office: 1/300 GSF

Multiple Family:

Studio/1-bedroom: 1/unit
2-bedroom: 1/unit
3-bedroom & more: 2/unit
Visitor: 0.2/unit

Medical Service - Hospitals:

1/2 beds & 1/3 employees

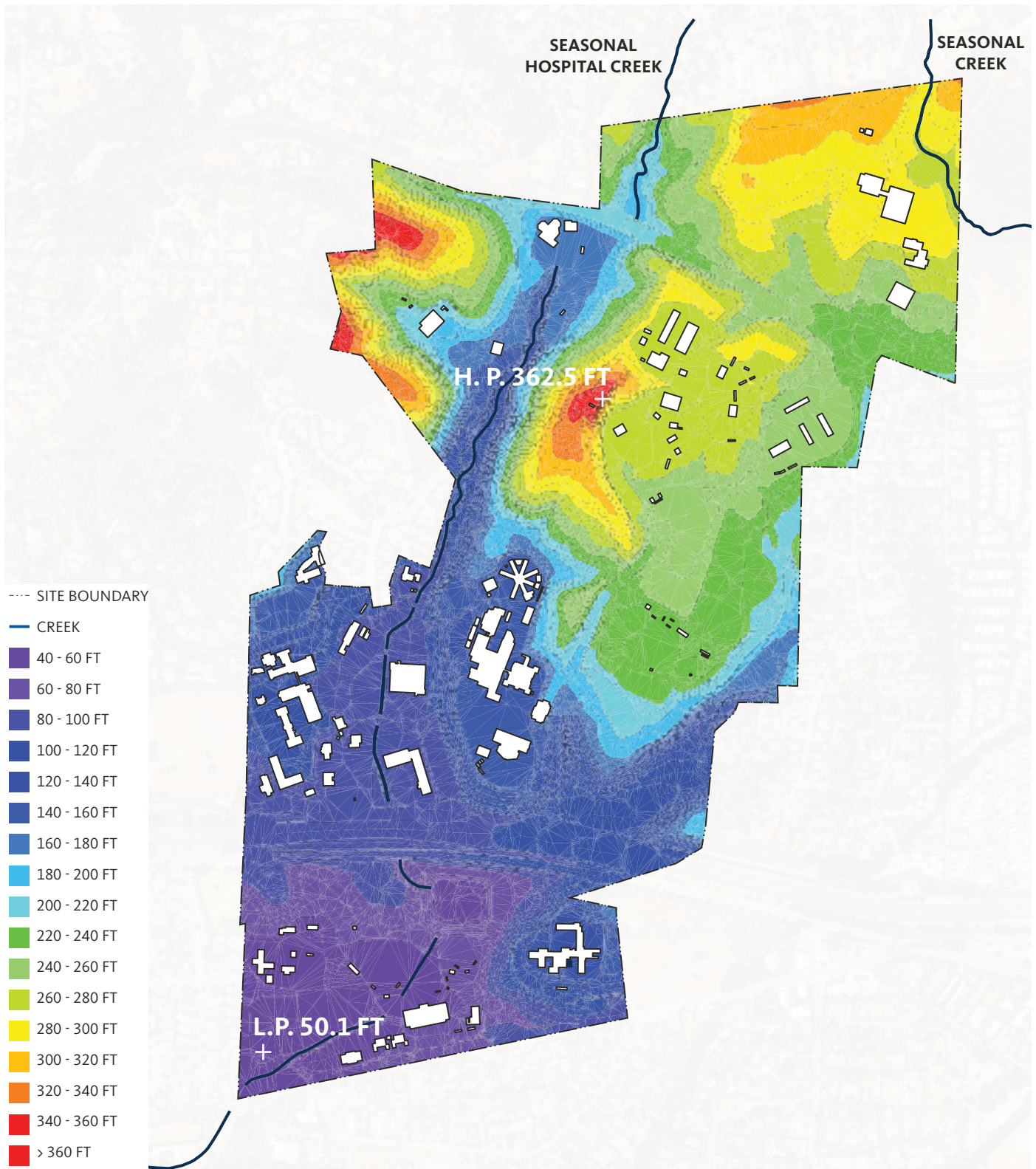
Processing, Manufacturing:

1/1.5 employees (no less than 1/500 GSF)

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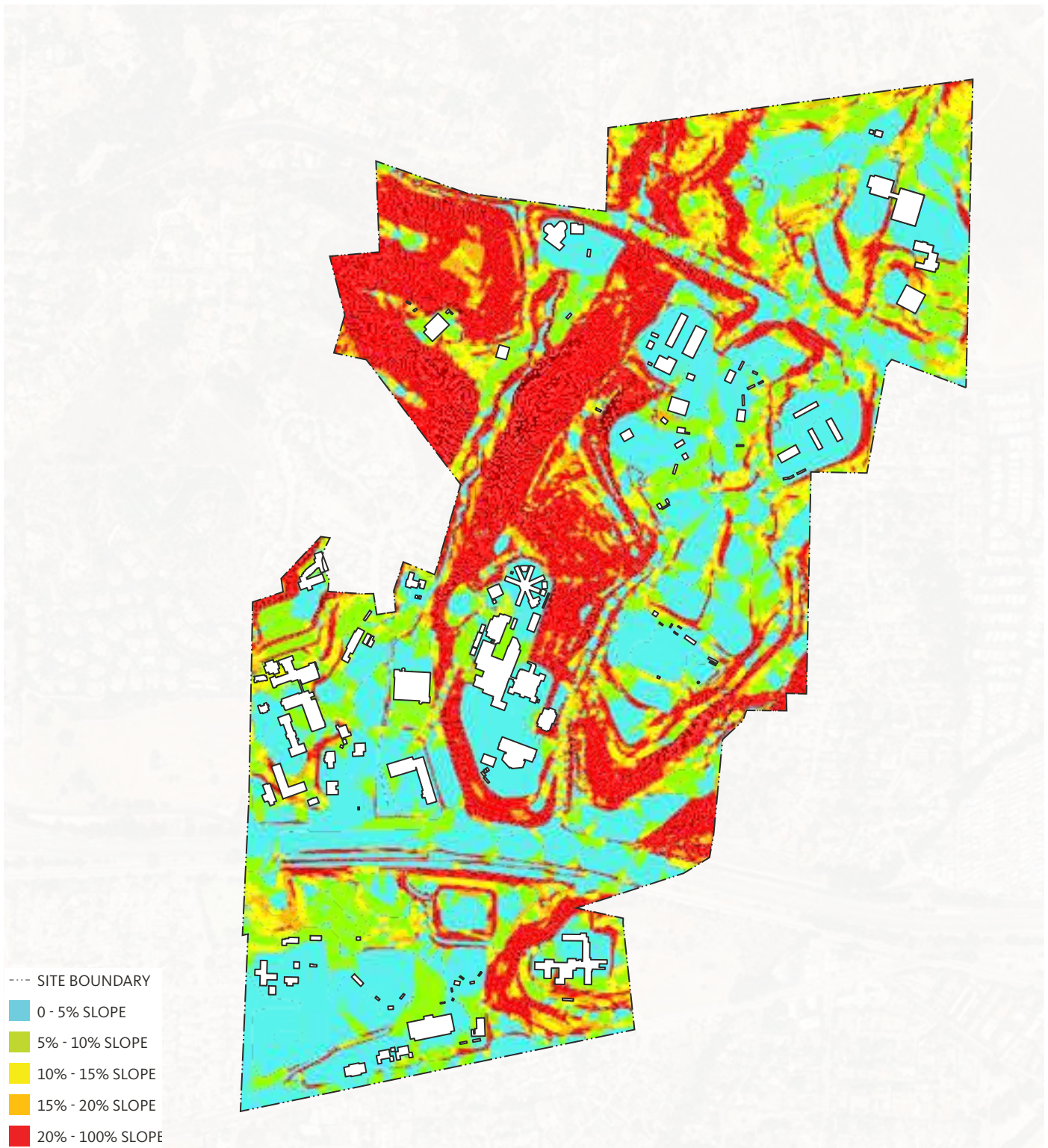
SANTA BARBARA COUNTY LAND USE AND ZONING MAP
SANTA BARBARA COUNTY LAND USE & DEVELOPMENT CODE,
UPDATED AUGUST 2019

Elevation

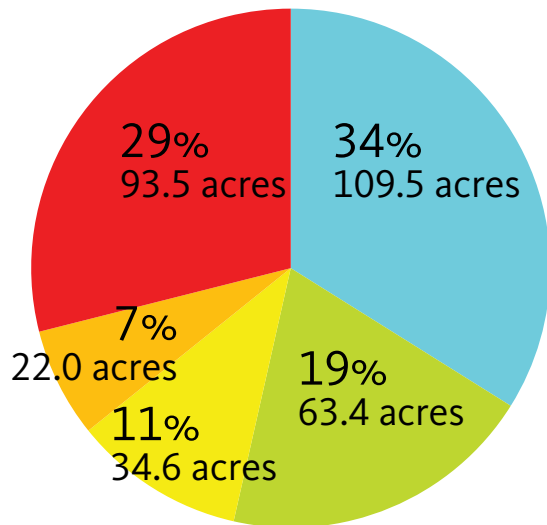


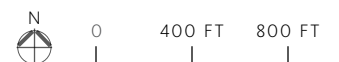
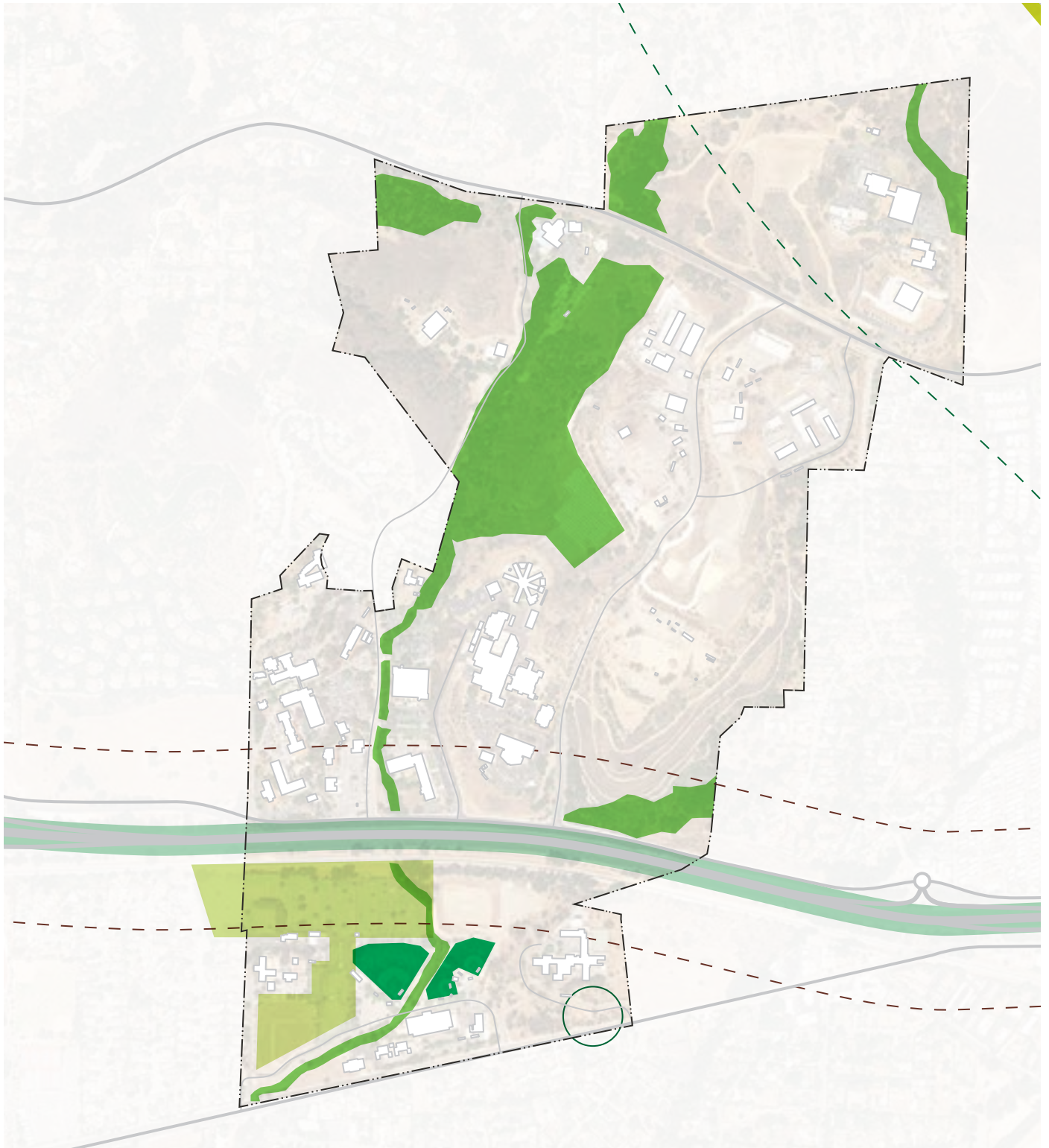
The elevation of the campus ranges from a low point of 50.1' at the southernmost point (adjacent to Hollister) up to a high point of 362.5' near the Transfer Station. The elevation increases noticeably about midway between south and north. Due to this sloping, constructing new facilities on ungraded portions of the site will be costly and time consuming.

Slope



The campus's slope creates a difficult terrain for contiguous use. The sharp slope changes contribute to the campus being segmented into natural zones where movement within zone is prioritized over movement between zones. The most vertical portion of the campus is the northwest area, where little development occurs.





The entire campus consists of 323 acres, of which 308.1 acres are open space. Included in the open space are environmentally sensitive habitat, the Goleta Cemetery, sports/recreational areas, the monarch butterfly site, and designated and undesignated scenic highways.

OPEN SPACE

| | |
|--------------------|-------------|
| Total Site | 323.0 acres |
| Building Footprint | 14.9 acres |
| Open Space | 308.1 acres |

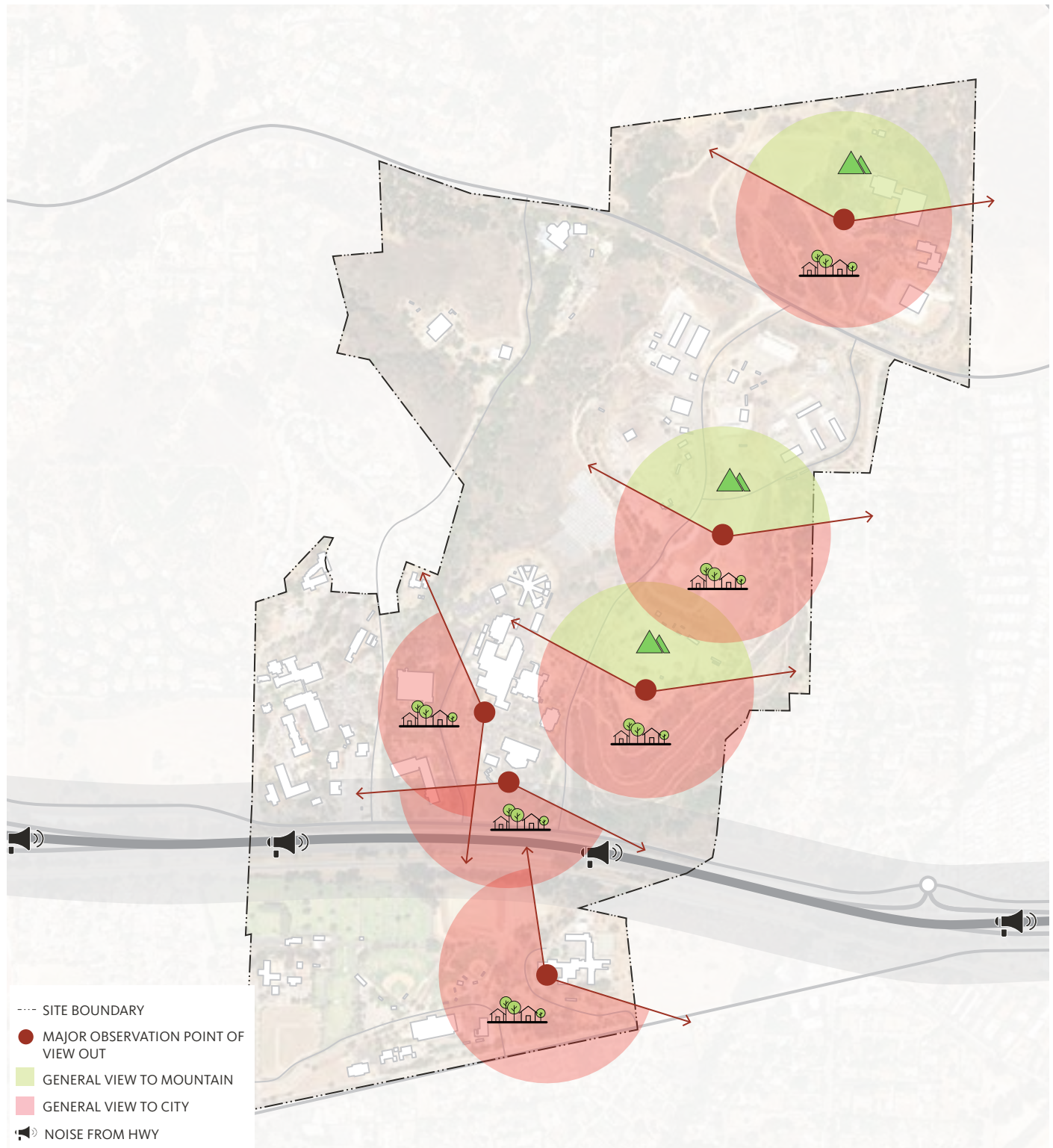
- SITE BOUNDARY
- ENVIRONMENTALLY SENSITIVE HABITAT
- GOLETA CEMETERY
- NON-COUNTY PROPERTY
- SPORTS/RECREATIONAL
- STATE MASTER PLANNED SCENIC HWY, NOT DESIGNATED
- SCENIC CORRIDOR OFFICIALLY DESIGNATED SCENIC HWY
- MONARCH BUTTERFLY SITE
- 2000' BUFFER OF ADOPTED SCENIC HWY
- HWY 101 CORRIDOR

SOURCE:

SANTA BARBARA COUNTY LAND USE AND ZONING MAP
SANTA BARBARA COUNTY LAND USE & DEVELOPMENT CODE, UPDATED AUGUST 2019



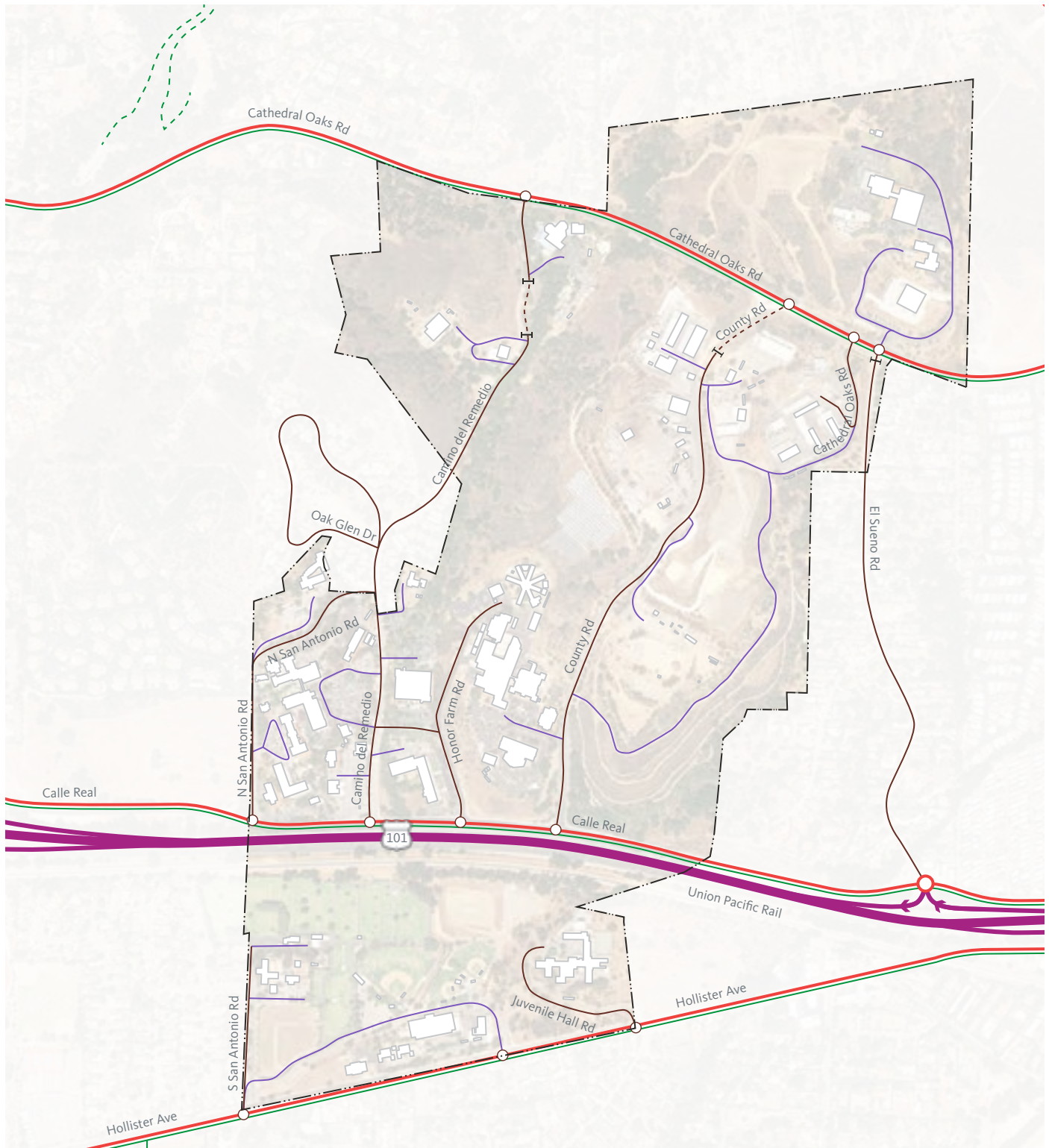
Experience



The characteristic site topography forms plateaus providing views to the Santa Ynez Mountain and the surrounding neighborhood.

US 101 brings traffic noises to the Campus area along the 101 corridor.

Access and Circulation

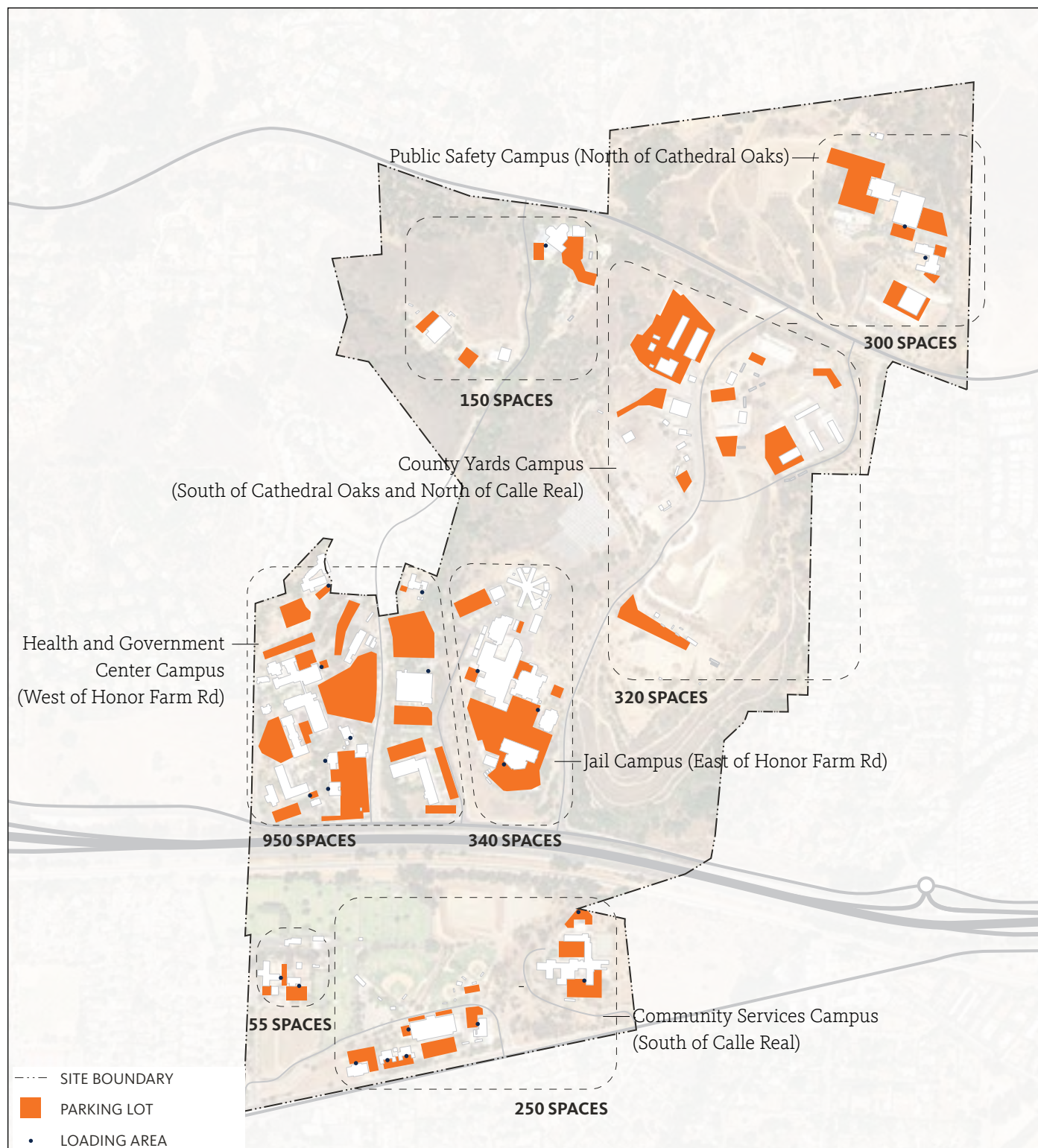


Three major thoroughfares, US 101, Cathedral Oaks Road, and Hollister Avenue, link the Campus with the region.

Lack of the direct connections between Public Safety Campus, County Yards Campus, Health Campus, Jail and Government Center Campus and Community Services Campus, and no cohesive network of internal circulation increase the inconvenience for visitors and employees.

- SITE BOUNDARY
- HIGHWAY
- MAIN ROAD
- SECONDARY ROAD
- - - ROAD IN BAD CONDITION
- ROAD/DRIVE ON PROPERTY
- BIKE TRAIL
- . - . BIKE - FRIENDLY ROAD
- HIGHWAY ACCESS
- SITE ACCESS
- ⊥ ROAD CLOSURE

Parking and Loading

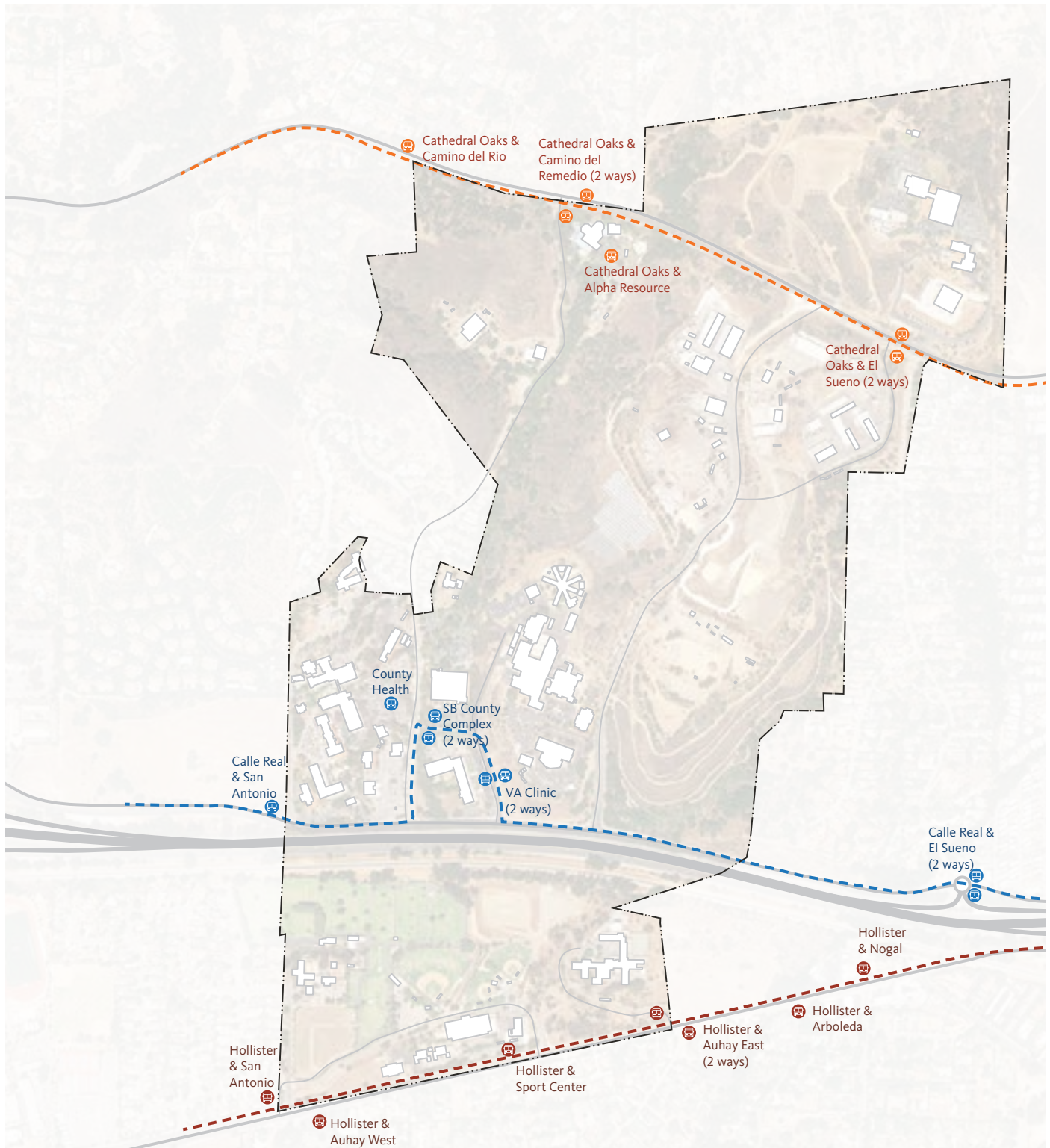


Currently, there are approximately 2,365 parking spaces across the campus. The distribution and quantity of spaces successfully support both employees and visitors.

ESTIMATED PARKING

| | |
|-------------------------------------|-----------------------|
| Public Safety Campus | ± 300 spaces |
| County Yards Campus | ± 470 spaces |
| Health and Government Center Campus | ± 950spaces |
| Jail Campus | ± 340spaces |
| Community Services Campus | ± 305 spaces |
| Total | ± 2,365 spaces |

Transit

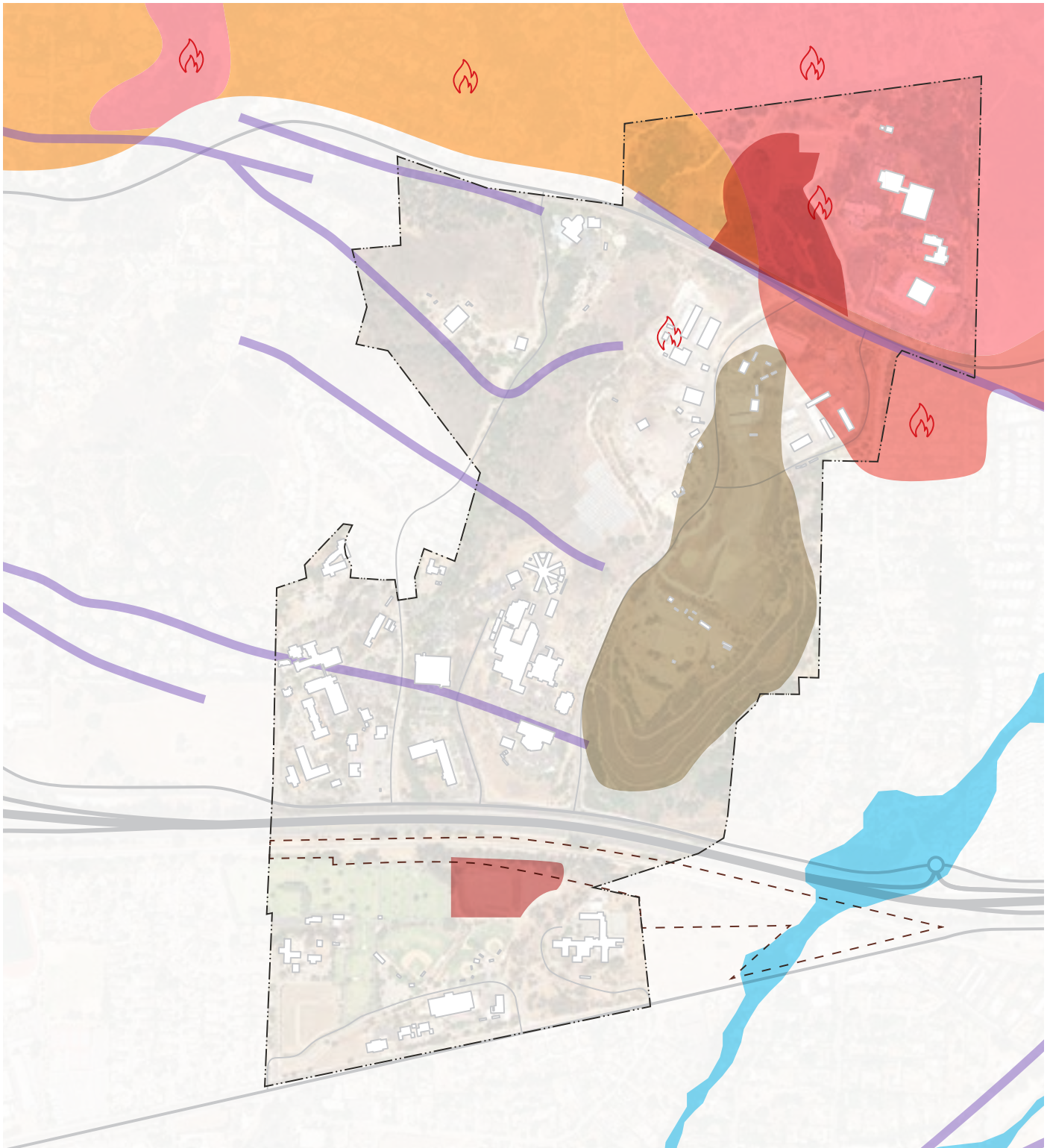


The Clean Air Express provides rides from Lompoc, Santa Maria, and the Santa Ynez Valley to the Campus on weekdays.

U.S. 101 provides direct and convenient bus access to the lower and lower-middle portions of the campus. Two additional bus routes (at the far north and far south of the campus, respectively) provide service for employees and visitors to those locations.

- SITE BOUNDARY
- - - MTD ROUTE 10
LA CUMBRE ↔ CAMINO
REAL MARKETPLACE
- - - MTD ROUTE 6/11
DOWNTOWN SANTA BARBARA
/TRANSIT CENTER ↔
CAMINO REAL MARKETPLACE
- - - MTD ROUTE 7
DOWNTOWN SANTA BARBARA
/TRANSIT CENTER ↔
GOLETA OLD TOWN

Environmental Constraints



The campus sits within several environmentally sensitive areas and zones. To the far north lie high fire zones. A large closed landfill dominates the center-west portion of the campus, making it unsuitable for most development types. A debris and sediment management area also sits within the lower portion of the campus.

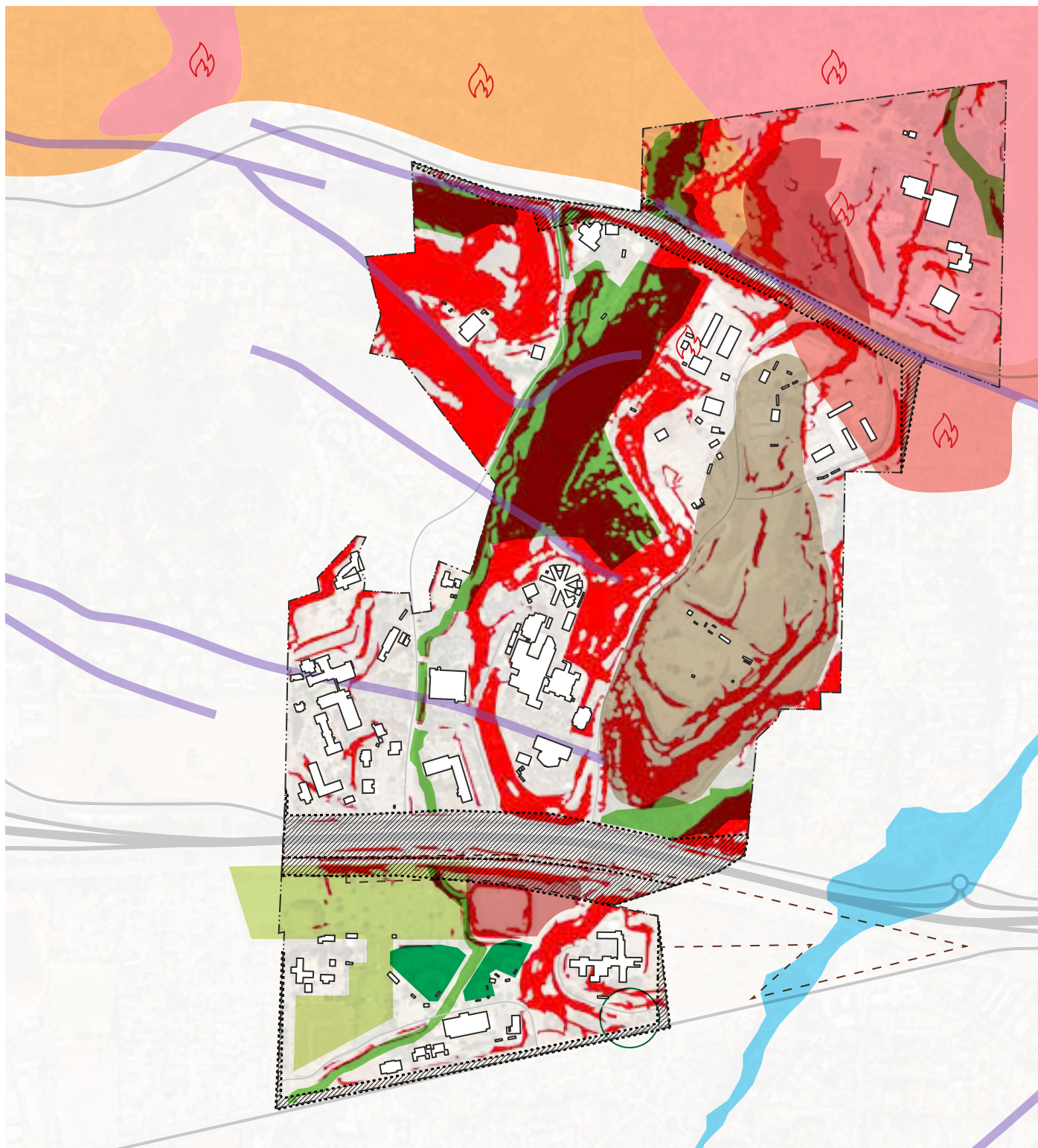
- SITE BOUNDARY
-  HIGH FIRE HAZARD SEVERITY ZONES
IN STATE RESPONSIBILITY AREA
-  VERY HIGH FIRE HAZARD SEVERITY
ZONES IN STATE RESPONSIBILITY AREA
-  VERY HIGH FIRE HAZARD SEVERITY
ZONES IN LOCAL RESPONSIBILITY AREA
-  DEBRIS AND SEDIMENT MANAGEMENT
-  FOOTHILL CLOSED LANDFILL
-  100 YEAR FLOOD HAZARD AREA
-  QUATERNARY FAULTS
- HOLLISTER AT MODOC SPECIAL
PROBLEM AREA

SOURCE:



SANTA BARBARA COUNTY LAND USE AND ZONING MAP
USGS GEOLOGIC HAZARDS SCIENCE CENTER



Constraints Overlay



An overlay of the known constraints shows that most of the existing buildings sit within non-affected areas of the campus. The primary exception being the EOC and Fire HQ, which is located in very high fire hazard severity zone in the far north of the campus. This overlay also helps inform where new facilities could most easily be developed, as shown on the following page.

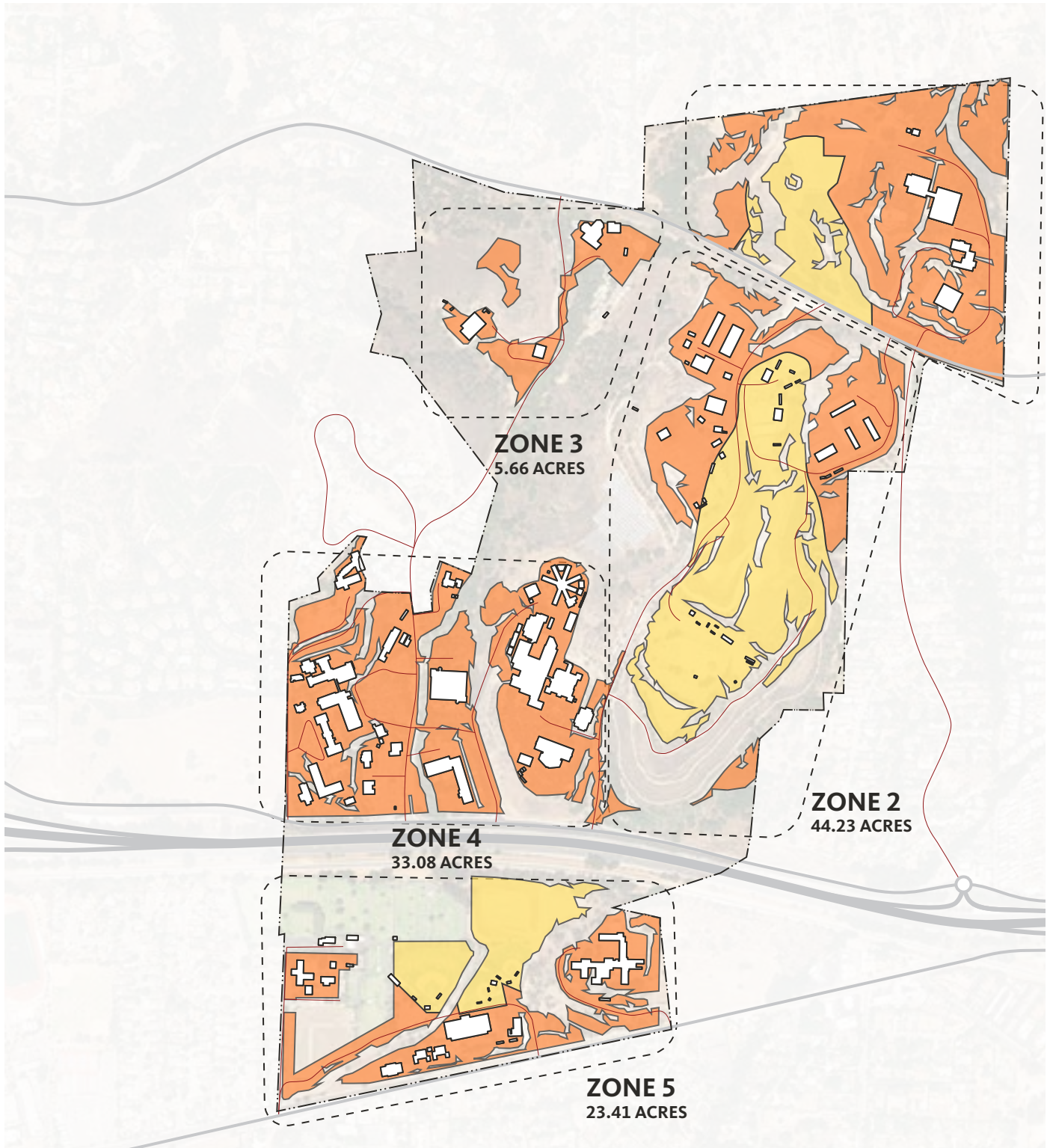
- SITE BOUNDARY
-  HIGH FIRE HAZARD SEVERITY ZONES
IN STATE RESPONSIBILITY AREA
-  VERY HIGH FIRE HAZARD SEVERITY
ZONES IN STATE RESPONSIBILITY AREA
-  VERY HIGH FIRE HAZARD SEVERITY
ZONES IN LOCAL RESPONSIBILITY AREA
-  DEBRIS AND SEDIMENT MANAGEMENT
-  FOOTHILL CLOSED LANDFILL
-  100 YEAR FLOOD HAZARD AREA
-  QUATERNARY FAULTS
- HOLLISTER AT MODOC SPECIAL
PROBLEM AREA
-  ENVIRONMENTALLY SENSITIVE HABITAT
-  SPORTS/RECREATIONAL
-  GOLETA CEMETERY
- NON-COUNTY PROPERTY
-  MONARCH BUTTERFLY SITE
-  SLOPE >20%
-  MAJOR R.O.W

SOURCE:

SANTA BARBARA COUNTY LAND USE AND ZONING MAP
USGS GEOLOGIC HAZARDS SCIENCE CENTER



Potential Development Area



The total campus consists of 323.0 acres, of which 96.59 acres have been identified for potential development. In addition, there are 43.79 acres that would require intervention for development. Efforts would include fire hazard mitigation, closing a landfill, and relocating functions.

TOTAL DEVELOPMENT AREA: 140.38 ACRES

-  POTENTIAL DEVELOPMENT AREA:
96.59 ACRES
-  POTENTIAL DEVELOPMENT AREA
W/ CONDITIONS (FIRE HAZARD
MITIGATION, LANDFILL, OR
RELOCATION): 43.79 ACRES
-  SITE BOUNDARY
-  ROAD/DRIVE ON/TO PROPERTY



02 Demolish and Replace

Many campus facilities are being utilized past their effective life. Almost a quarter of the facilities are fair to poor condition and almost half of the documented gross square footage (GSF) is over 30 years old. Additionally, inefficient space utilization often goes hand in hand with older structures. The removal of aging facilities will increase the developable area on site and create space for new, more efficient facilities that better meet the County's goals.

From our research, departmental concerns include:

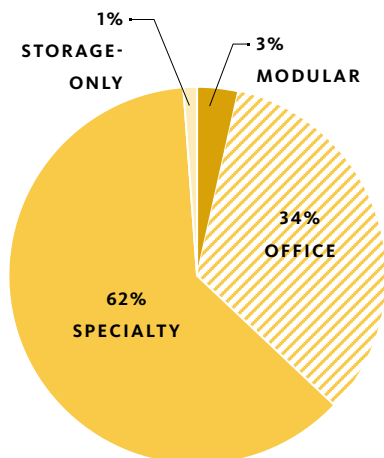
- » Employees are operating in poor working conditions as a result of deferred maintenance backlog and building age;
- » Current storage spaces are old, inefficient, and often doubling as overflow office space; and,
- » Modular buildings are still being use past their useful life.

The County should consider demolishing and replacing aging facilities, which will also increase the developable area.

CAMPUS FACILITIES

THE REMOVAL OF AGING FACILITIES WILL INCREASE THE DEVELOPABLE AREA ON SITE AND CREATE SPACE FOR FACILITIES THAT BETTER SUPPORT THE COUNTY'S MISSION AND GOALS.

The Gensler team reviewed available data on the condition of facilities at the Calle Real Campus. This included: on-site observations, a 2014 Facilities Condition Assessment, and a 2014 Space Utilization Report. The majority of known GSF on campus is in Fair to Poor condition, particularly Health, Public Safety, and Public Works facilities, with almost half (46%) over 30 years in age.



GSF on Campus by Space Type

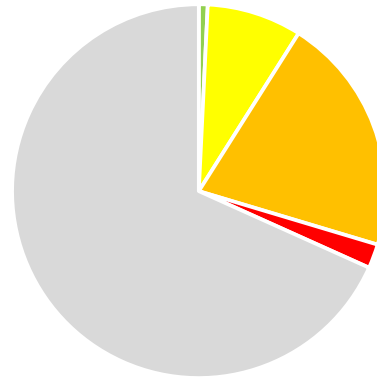
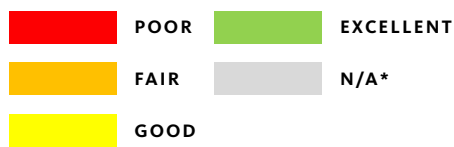
Over half the GSF on campus (62%) is comprised of spaces that are not explicitly used for office space, storage-only, or as modulators.



GSF on Campus by Condition

23%

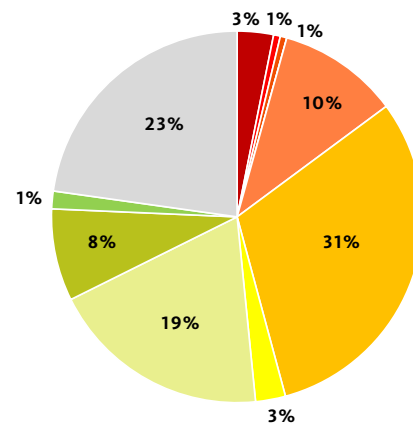
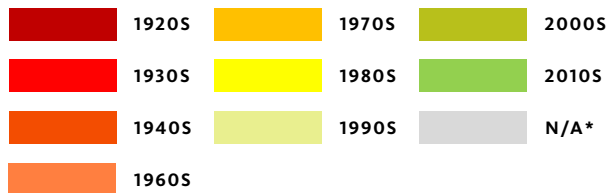
of the known GSF on campus **is in Fair to Poor condition.**



GSF on Campus by Year

46%

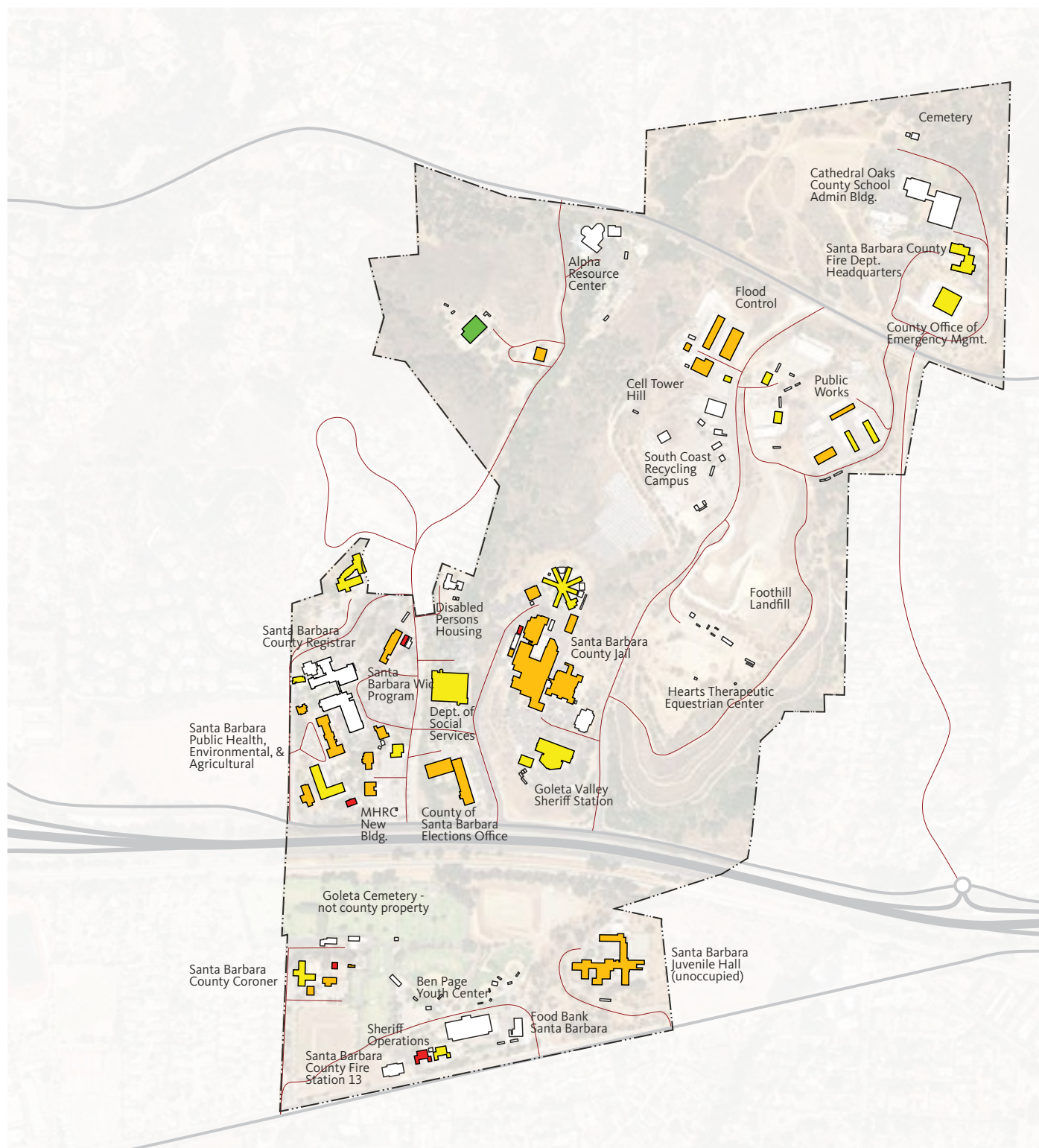
of the known GSF on campus, **was built before 1980.**



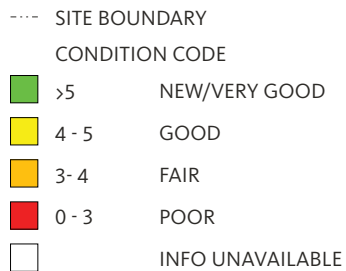
*NOTE: BUILDING CONDITION INFORMATION UNAVAILABLE.

**SOURCES: COUNTY OF SANTA BARBARA FACILITY CONDITION ASSESSMENT 2014;
2014 COUNTY OF SANTA BARBARA SPACE UTILIZATION REPORT

Existing Facility Assessment



This map reflects the available data from the 2014 Facility Conditions Assessment. The majority of known GSF on campus is in Fair to Poor condition, particularly Health, Public Safety, and Public Works facilities.



SOURCE:

COUNTY OF SANTA BARBARA, CALIFORNIA FACILITY
CONDITION ASSESSMENT - 2014



03 Optimize

Determining office space utilization is a quick way to gauge the efficiency of the County's portfolio, since a large portion of the facilities included in this report house office-based functions. In order to benchmark the County's utilization, a survey of other public and private organizations was conducted and the results compared against the County's utilization rate. Space utilization is expressed as an amount of usable square feet per person (USF). It reflects the overall amount of "typical" office space per occupant, which includes individual offices and workstations as well as the

pro-rata share of all common areas, such as meeting rooms, lobbies, and support spaces. Specialty spaces, which are excluded, include large training rooms, auditorium-like spaces, and dedicated storage and server rooms.

The County should consider assuming more efficient space utilization for office building programs.

SPACE UTILIZATION

Across primary office facilities on campus (see graph to the right), the current average space utilization is 233 USF/person, which is less efficient than most public and private organizations.

The team estimated the current USF per person for several key buildings on the Calle Real Campus that are primarily used for office space. Most also include some amount of non-typical office space, which may have an effect on the utilization metric.

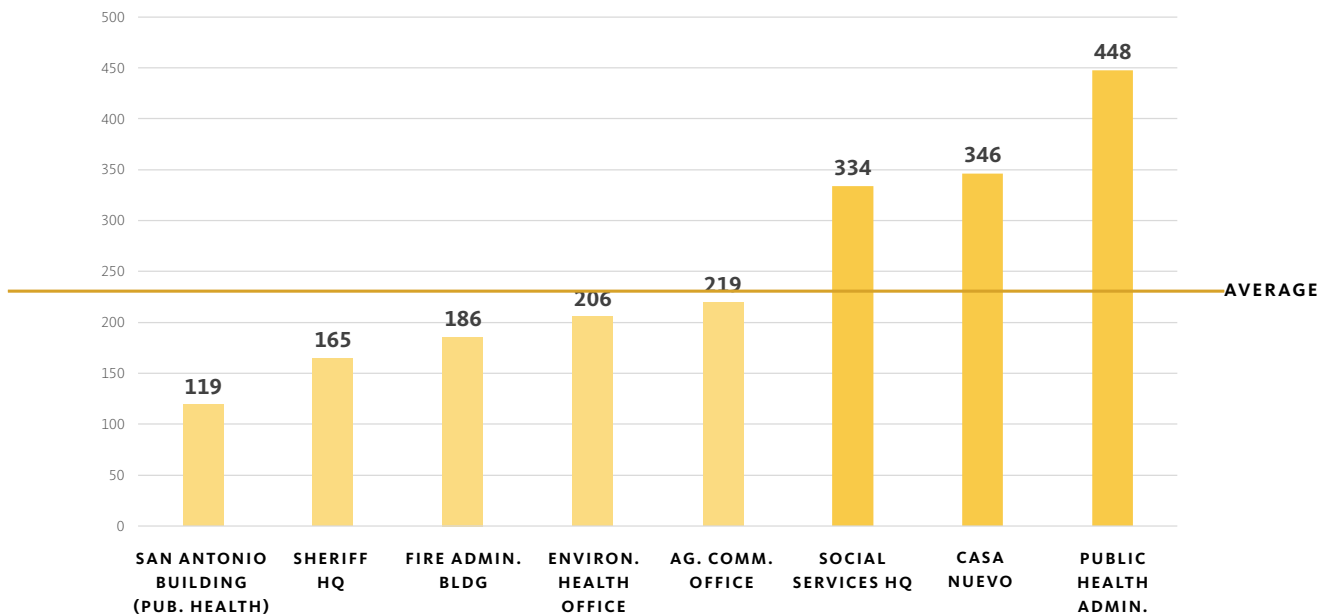
The Children's Services Center, the Archive & Storage Building, the Boiler Building, and a portion of the San Antonio Building were all excluded from this analysis due to missing information from Behavioral Wellness.

Note: The recommended space standard for typical office functions was developed prior to the current COVID-19 pandemic and may need to be adjusted to account for physical distancing requirements and/or new work processes.



Average Office Space Utilization

233 USF/Person



GSF on Campus by Space Type

USF/Person is a calculation of the total USF for a given space, divided by the number of employees assigned to that space. The below table shows the raw data that resulted in the above metrics.

| | SAN ANTONIO BUILDING (PUB. HEALTH) | SHERIFF HQ | FIRE ADMIN. BUILDING | ENVIRON. HEALTH OFFICE | AG. COMM. OFFICE | SOCIAL SERVICES HQ | CASA NUEVO | PUBLIC HEALTH ADMIN. |
|------------------|------------------------------------|------------|----------------------|------------------------|------------------|--------------------|------------|----------------------|
| USF | 8,469 | 21,065 | 7,612 | 4,320 | 3,728 | 53,420 | 8,310 | 2,239 |
| HEADCOUNT (2019) | 71 | 128 | 41 | 21 | 17 | 160 | 24 | 5 |

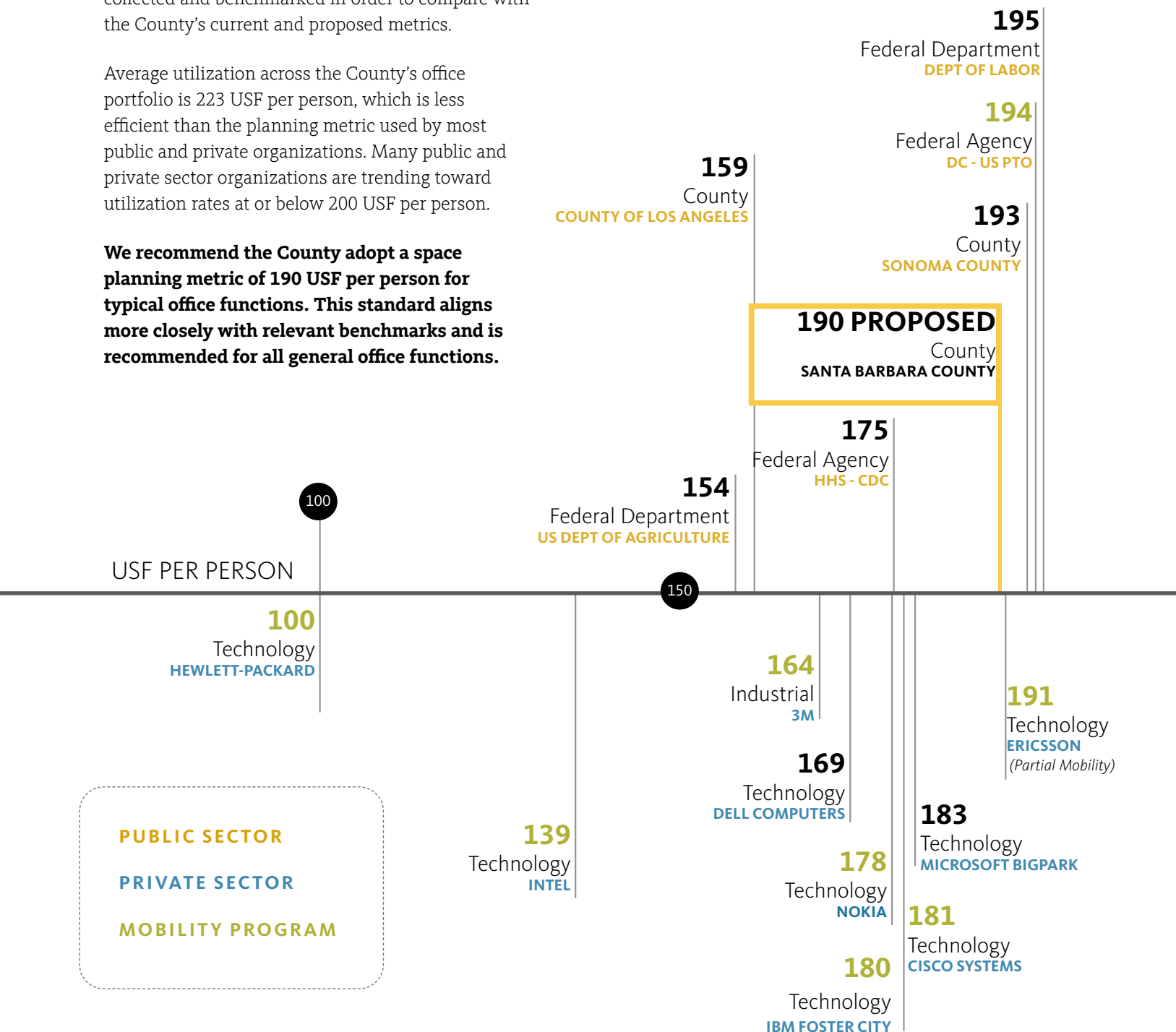
USF BENCHMARKING

Macro Space Standards

In the chart below, space planning metrics from other public and private organizations were collected and benchmarked in order to compare with the County's current and proposed metrics.

Average utilization across the County's office portfolio is 223 USF per person, which is less efficient than the planning metric used by most public and private organizations. Many public and private sector organizations are trending toward utilization rates at or below 200 USF per person.

We recommend the County adopt a space planning metric of 190 USF per person for typical office functions. This standard aligns more closely with relevant benchmarks and is recommended for all general office functions.



Proposed Space Planning Metric

190 USF/PERSON

*Excludes specialty spaces such as large training, storage, and server rooms.

203

County
SAN LUIS OBISPO COUNTY

205

Federal Department
DEPT OF INTERIORS

213

County
COUNTY OF ORANGE
COUNTY OF SAN BERNARDINO

233 Current

County
SANTA BARBARA COUNTY

221

Federal Agency
HHS - CMS

231

City
CITY OF SAN CLEMENTE

257

Federal Department
DEPT OF EDUCATION

265

Federal Agency
US POSTAL SERVICE

300

200

250

203

Technology
APPLE

246

Transportation
UNION PACIFIC

223

Technology
INTUIT

Note: The recommended space standard for typical office functions was developed prior to the current COVID-19 pandemic and may need to be adjusted to account for physical distancing requirements.





04 Augment

If more efficient space standards are implemented, the County may be able to accommodate projected growth without increasing the size of its portfolio at Calle Real.

The projected office space demand is determined by multiplying the projected headcount by the proposed USF/person. Once that amount is calculated, non-office 'specialty spaces' are added in.

With more efficient space standards, the County only needs minimal additional office space to house functions on campus into the future.

CALCULATING SPACE DEMAND

DEMAND FOR OFFICE SPACE ON THE CAMPUS IS DETERMINED BY CURRENT AND FUTURE HEADCOUNT OF THE OCCUPIED BUILDINGS ON CAMPUS.

Overview of Methodology

In developing space requirements for the Master Plan, high-level planning metrics have been used as informed 'placeholders'. These metrics are based on benchmarks from other institutions and Gensler's expertise. The metrics are only meant as guides and should not substitute for the specific programming entailed in any renovation or construction project. This section of the report primarily focuses on space for offices and related functions.

Office space demand, which includes work stations, private offices, conferences rooms, and other spaces found in a typical County work setting, is determined using our recommended utilization standard, which specifies an average amount of usable square footage required per each staff member.

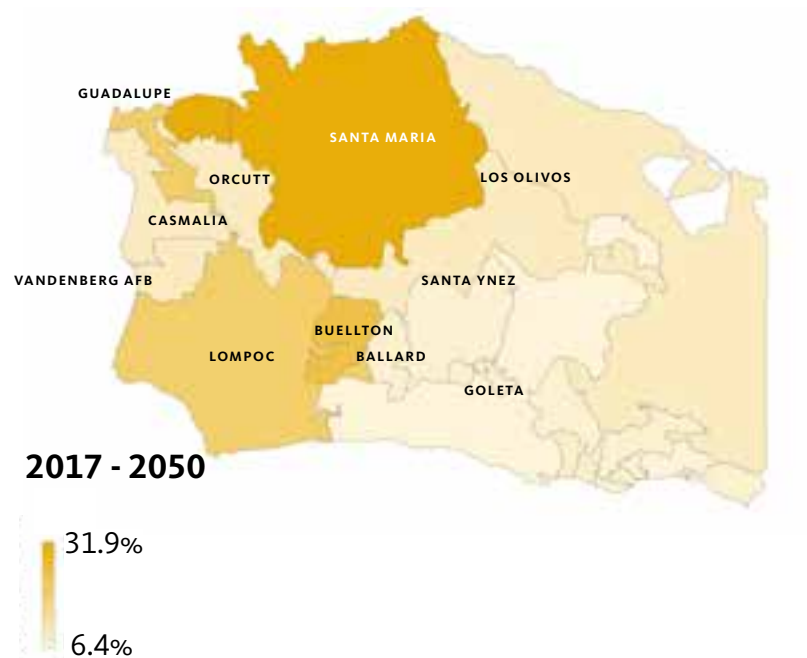
Specialty space demand, which includes training rooms, healthcare, detention, and infrastructural spaces is estimated based on our accounting of the actual square footage of these spaces. Adjustments are made to the specialty space total to account for expected reductions in demand that may result from our recommendations, such as when efficiencies are created through more efficient layouts or when spaces can be shared between multiple departments. The new BeWell and Public Health facilities provide a 15-20% increase in square footage while also assuming more efficiency with modern design and improved space utilization.

Note that the space requirements in this report are designed to be used in high-level space planning exercises and are not intended to represent a detailed space program.



Santa Barbara County % Forecasted Population Growth

The population of the County as a whole is projected to increase 15% by 2050. However, the population of Santa Maria is projected grow more than 30% during the same period.



SOURCE: SBCAG REGIONAL GROWTH FORECAST 2050 REPORT, OCTOBER 2018

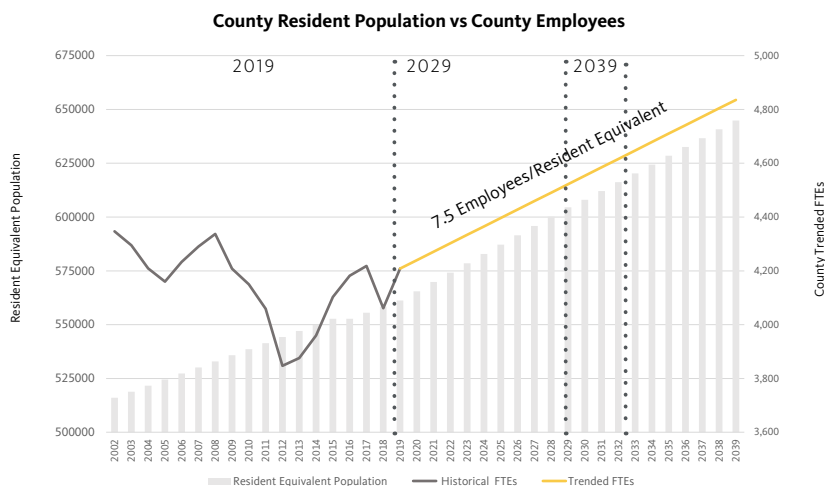
$$\left(\begin{array}{|c|} \hline \text{2039 PROJECTED} \\ \text{HEADCOUNT} \\ \hline \end{array} \right) \times \begin{array}{|c|} \hline \text{SPACE UTILIZATION} \\ \text{STANDARD} \\ \hline \text{USF PER PERSON} \\ \hline \end{array} \right) + \begin{array}{|c|} \hline \text{TOTAL INVENTORY OF EXISTING} \\ \text{SPECIALTY SPACES} \\ \hline \text{ADJUSTED TO REFLECT EXPECTED} \\ \text{GROWTH OR REDUCTIONS} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{ESTIMATED TOTAL} \\ \text{SPACE DEMAND} \\ \hline \end{array}$$

HEADCOUNT GROWTH

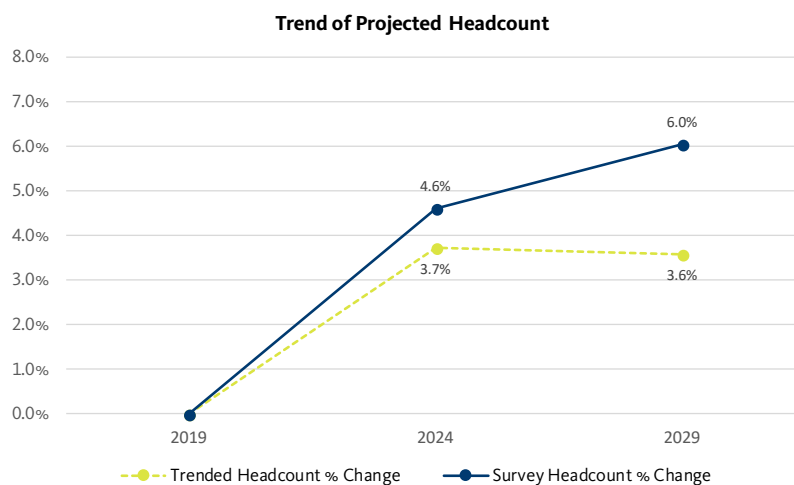
The headcount projections used to determine likely space demand are based on expected growth of the County service population. Santa Barbara County currently employs an average staffing level of 7.5 full-time equivalent (“FTE”) staff per 1,000 resident equivalents. Based on county-wide trend projections, the ratio of employees to residents is expected to remain constant over the next 20 years.

We have assumed a 15% increase in County service population through 2039, which is based on data from the California Department of Finance and the California Employment Development Department.

Based upon the average recent staffing level totaling 7.5 FTE per 1,000 resident equivalents, a 15 percent growth in county service population over the next 20 years would necessitate an increase in COSB headcount of 627 full-time equivalent workers.



SOURCES: CALIFORNIA DEPARTMENT OF FINANCE; CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT; GRUEN GRUEN + ASSOCIATES



SOURCES: SANTA BARBARA COUNTY; CALIFORNIA DEPARTMENT OF FINANCE; CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT; GRUEN GRUEN + ASSOCIATES



TRENDED GROWTH FOR PRIMARILY OFFICE BUILDINGS ON CAMPUS

| | Current Headcount | Trended Growth |
|--|----------------------|-------------------|
| | 2019 | 2029 |
| Sheriff Headquarters | 128 | 141 |
| Agricultural Commissioner Office | 17 | 19 |
| Public Health - Administration Building 8 | 5 | 6 |
| Environmental Health Office (modular) | 21 | 23 |
| Fire Administration Building and Warehouse | 41 | 45 |
| Casa Nueva | 24 | 26 |
| San Antonio Building (Public Health-Only) | 71 | 78 |
| Social Services Main Office | 160 | 177 |
| ADMHS Children's Services Center* | N/A | N/A |

NOTE: HEADCOUNT FOR NON-SURVEYED DEPARTMENTS IS EXCLUDED.

GENERAL OFFICE SPACE REQUIRED

By applying the proposed space standard of **190 USF/person** to the future headcount, only two buildings need more typical office space (i.e. excluding labs, clinics, and other specialty functions).

| | Current USF | Future USF Based on Trended Growth |
|--|----------------|---|
| | 2019 | 2029 |
| Sheriff Headquarters | 21,065 | 26,848 |
| Agricultural Commissioner Office | 3,728 | 3,566 |
| Public Health - Administration Building 8 | 2,239 | 1,049 |
| Environmental Health Office (modular) | 4,320 | 4,405 |
| Fire Administration Building and Warehouse | 10,552 | 8,600 |
| Casa Nueva | 8,310 | 5,034 |
| San Antonio Building (Public Health-Only)* | 8,469 | 14,893 |
| Social Services Main Office | 53,420 | 33,562 |
| ADMHS Children's Services Center* | 13,000 | N/A |
| Total | 125,103 | 97,957 |

*HEADCOUNT FOR THESE DEPARTMENTS WAS NOT PROVIDED.



**Proposed
Space Planning Metric**

190 USF per Person

=

**26% space savings
for office space**



05 Preserve Adjacencies

As a whole, the current departmental adjacencies on campus are working well to deliver effective services. On the **Public Safety Campus**, Fire and the Emergency Operations Center are well positioned for response and their proximity to one another is mutually beneficial.

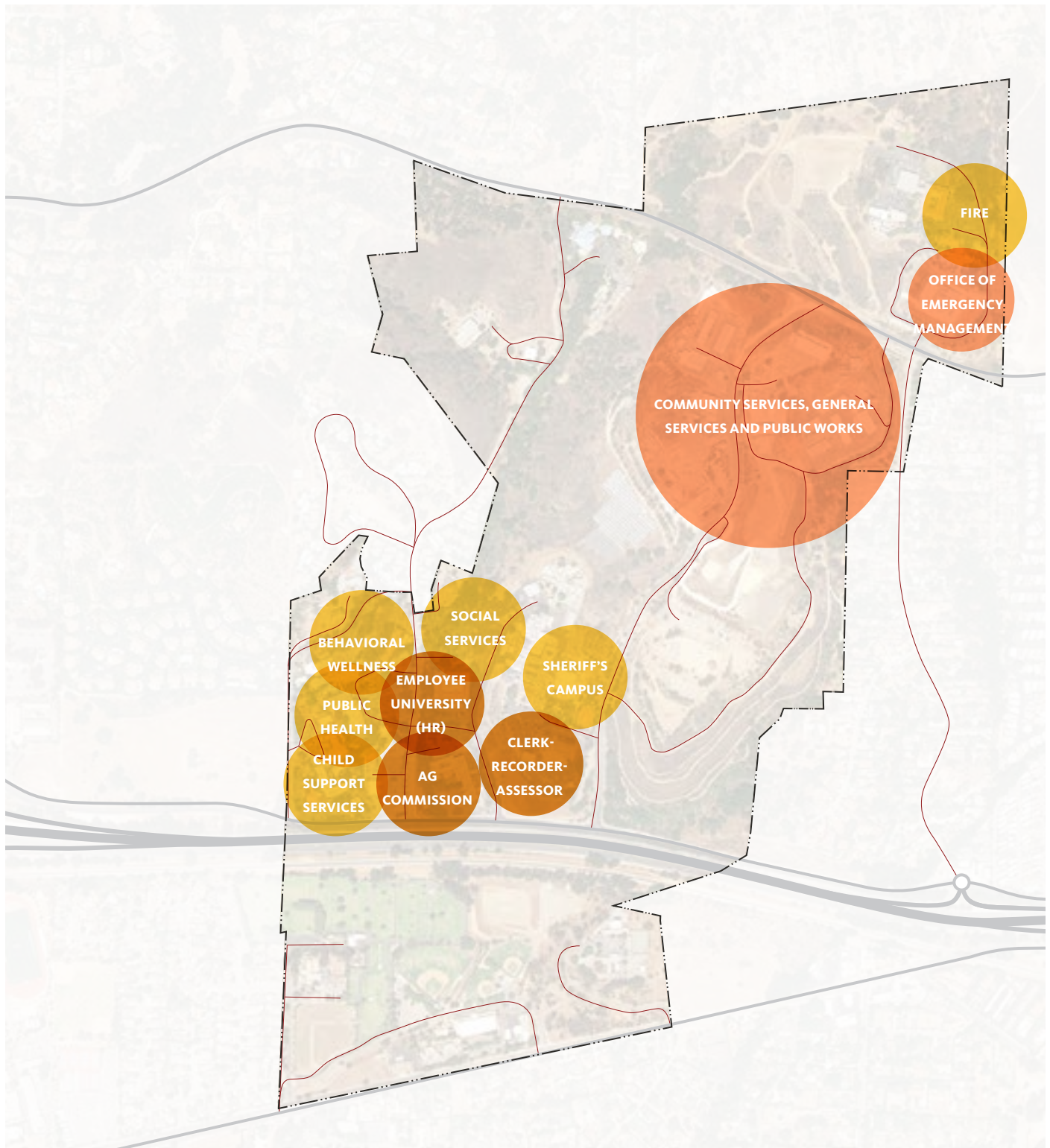
Between Cathedral Oaks and Calle Real are three campuses: the **County Yards Campus** includes Public Works, General Services, Information and Communication Technology; the **Health and Government Center Campus** in the southwest corner; and the **Jail Campus** with Police HQ and the jail. These three campuses are appropriately located

to support overlaps in external service delivery (e.g. between Public Health and Social Services) and internal County needs (e.g. shared shop space for General Services and Public Works).

The **Community Services Campus** functions well as a site for non-County uses and potential future development.

The County should consider preserving physical campus proximities for County departments.

Current Campus Adjacencies



Current adjacencies on the Calle Real campus support collaboration among departments and deliver public-facing services effectively.

Generally, there is not much interaction between the functional groups across different sections of the campus.

--- SITE BOUNDARY
COUNTY-CENTRIC
CLIENT-CENTRIC
COUNTY AND CLIENT





06 Acknowledge Partnerships

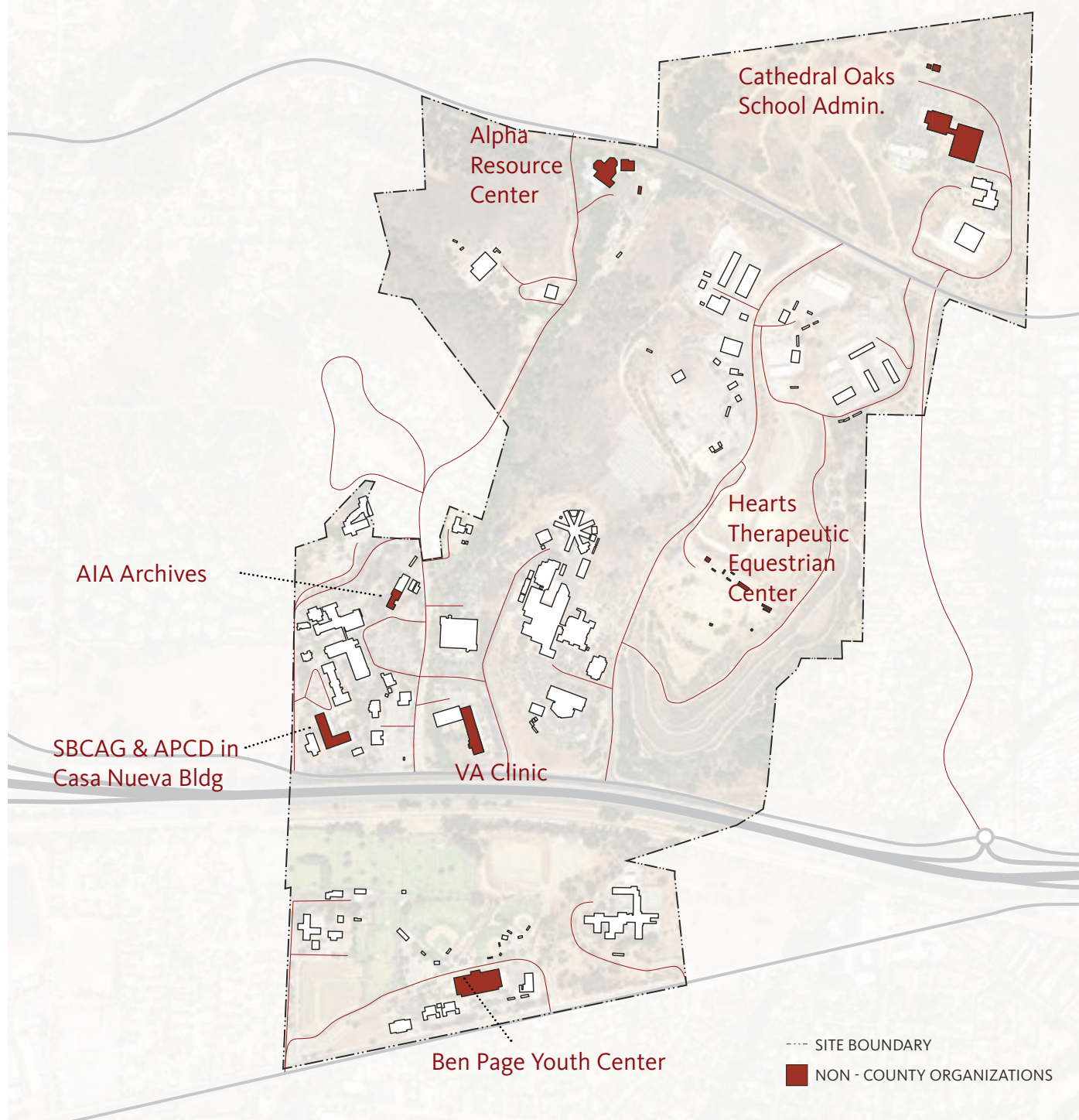
The Calle Real campus is not only home to critical County functions, but it is also occupied by important non-County partners.

There are eight non-County organizations that use varying sizes and space types across the campus. These relationships, and in some cases, adjacencies, are important to the community and should be maintained.

The County should continue acknowledging non-County relationships currently located on the Calle Real campus and retain space for these organizations.

07 Acknowledge Partnerships

Non-County Uses on Campus



NON-COUNTY ORGANIZATIONS:

***Alpha Resource Center**

Hearts Therapeutic Equestrian Center

VA Clinic

***SBCAG**

***APCD**

Ben Page Youth Center

Cathedral Oaks County School Admin

AIA Archives

*Interviewed by Gensler.



CAMPUS OPPORTUNITIES

04

Key Campus Opportunities

KEY CAMPUS OPPORTUNITIES

The current supply of facilities on the Calle Real campus is insufficient to support the County's future demand.

This chapter highlights seven potential opportunities for the campus that are consistent with the guiding principles of the overall Calle Real Master Plan. The opportunities were presented to the Steering Committee as a part of the Findings presentation in December of 2019.

The following opportunities have been developed using the lens of Renew 2022 to ensure alignment with the County's goals.



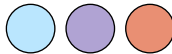
**RENEW 2022
GOALS**



Optimize campus facilities and increase developable area for new workspaces with enhanced functionality and environment



Establish an identifiable campus center and create a cohesive sense of place



Create a one-stop center for enhanced and accessible service delivery



Adopt more efficient design principles to support collaborative work styles



Integrate amenities for County staff and constituents



Practice environmental stewardship by prioritizing sustainable and resilient development of facilities and campus



Relocate functions in County Admin and Engineering Buildings in DTSB to Calle Real

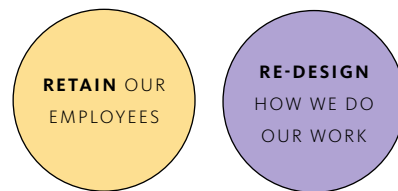
01

INCREASE DEVELOPABLE
AREA FOR NEW AND
ENHANCED WORKSPACES

The previous section identified 147.73 acres available for development. In addition to those sites, there are additional opportunities to create new development sites by demolishing buildings that are designated as “poor” or “fair” based on the following criteria:

- FCI %
- Building Age
- Site Observations

Together, these buildings offer an additional 7.35 acres of developable area to add or improve workspaces.



TOTAL DEVELOPMENT AREA = 147.73 ACRES
ADDITIONAL AREA AFTER DEMOLITION = 7.35 ACRES





TBD - MORE INFO NEEDED:
Buildings with no Facility
Assessment or formal evaluation

02

ESTABLISH AN IDENTIFIABLE CAMPUS CENTER AND CREATE A COHESIVE SENSE OF PLACE

The campus consists of 324 acres and lends itself to the natural development of zones. Movement between zones could best be supported by intentional grids and courtyards, linked open spaces, pedestrian walkways, and vehicular connectivity.

In addition, the campus is lacking a central core that attracts employees and visitors to a definable area and reflects a cohesive sense of place.



Place Making Concepts

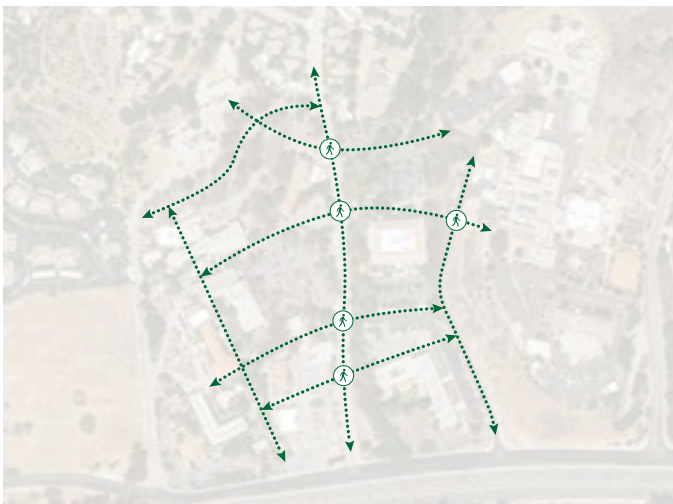
Grids and Courtyard



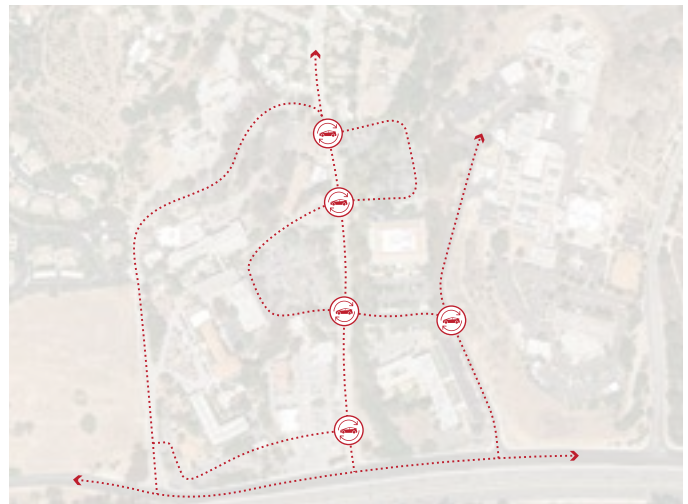
Linked Open Space



Pedestrian Connectivity



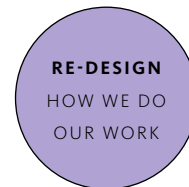
Vehicular Connectivity



03

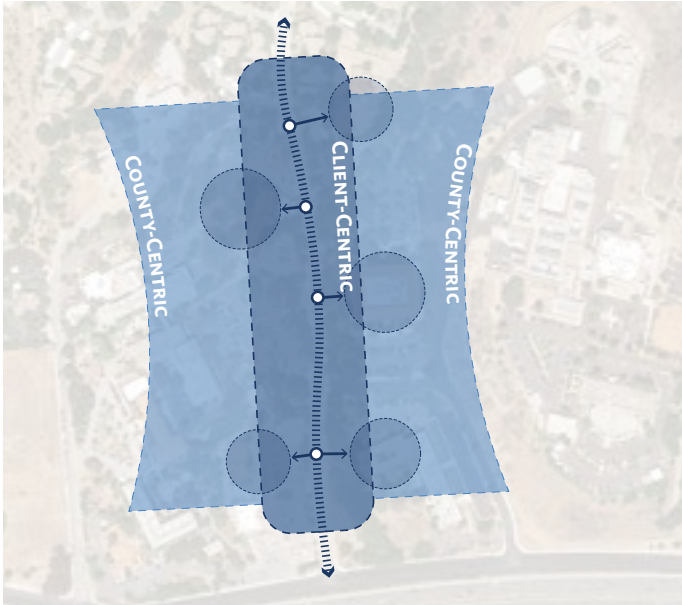
CREATE A ONE-STOP
CENTER FOR ENHANCED
SERVICE DELIVERY

Given the size and expansiveness of the campus, it would be beneficial to consolidate similarly accessed services in a one-stop center. In particular, customers who access health and public assistance departments frequently depend on services across more than one department. Co-locating the customer-facing portions of these departments in a single center would enhance the service delivery experience for these customers.

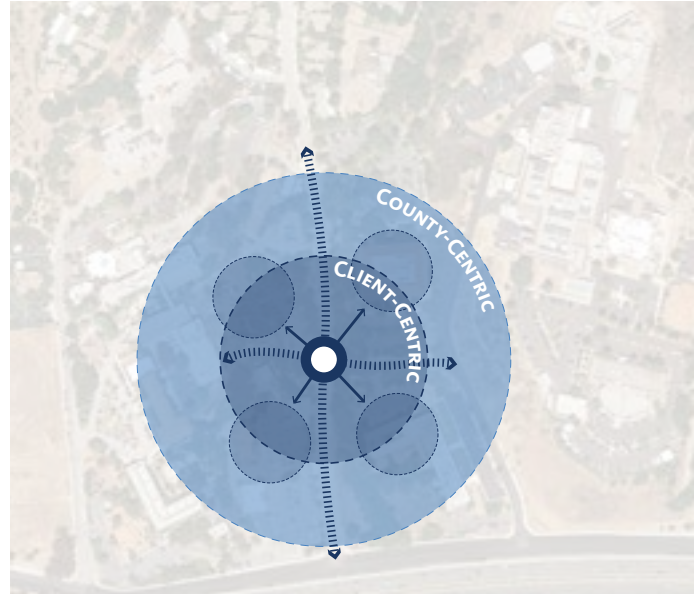


Client/County-Centric Zones

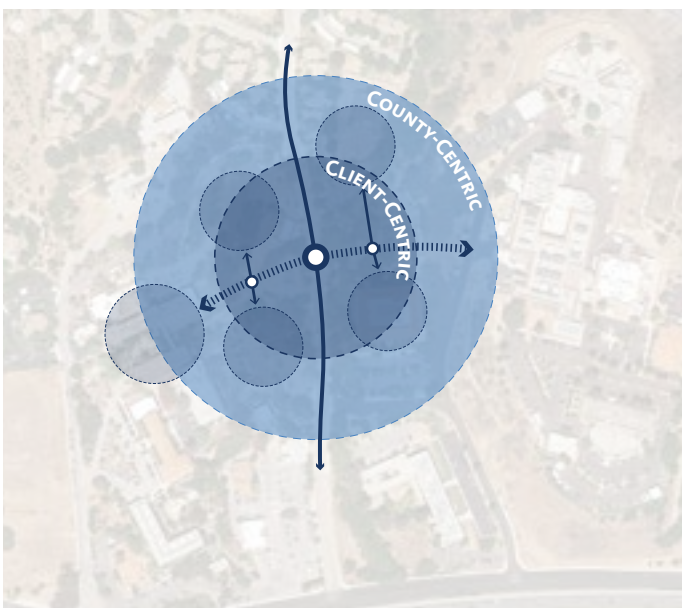
Along Camino Del Remedio



Core at Intersection



East-West Spine

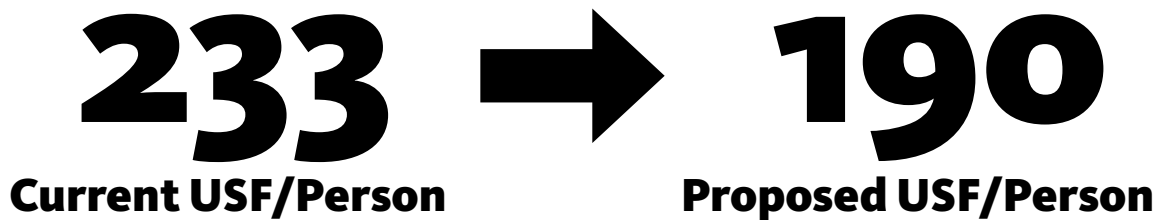
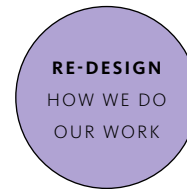


04

ADOPT MORE EFFICIENT DESIGN PRINCIPLES TO SUPPORT COLLABORATION

The Master Plan presents the opportunity to prioritize agility in organizational structures, processes, people, and spaces on campus.

An agile workplace is flexible, adaptable, efficient, and fit to the purpose. One solution does not fit all. Having a consistent approach to space layout and design will provide flexibility to the County as space needs ebb and flow going forward.



Creates opportunities to:

- » Densify office footprint
- » Decrease individual office spaces
- » Increase shared collaboration spaces
- » More easily relocate County teams





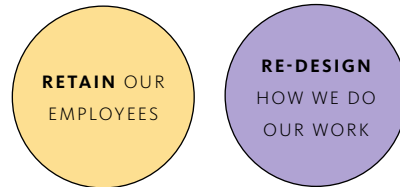
05

INTEGRATE AMENITIES
FOR COUNTY STAFF &
CONSTITUENTS

To further enhance the experience for staff and visitors, the County has the opportunity to upgrade the non-critical offerings on campus. For example, multi-purpose areas would provide flexible space for staff to meet. Public-facing recreation, community, and training spaces could bring new visitors to the campus. This all contributes to making Calle Real a more vibrant and healthier place to work and visit.

To further entice campus visitors, a “campus coordinator” position could be created to coordinate food truck arrangements, a farmers market, lunchtime concerts, and other community-focused activities.

To best accommodate a potential influx of visitors, parking on campus would need to be addressed through an ordinance across all five sub-campuses that clearly defines all parking locations and vehicular paths of travel.



Training Facility



Employee Hoteling Center



Recreation Space



Multipurpose spaces



Conference Center

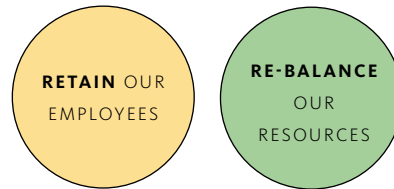
































06

PRIORITIZE SUSTAINABLE
& RESILIENT DEVELOPMENT

Rethinking the Calle Real campus also provides an opportunity to implement strategies that advance the County's commitment to a more sustainable footprint.

- » Produce and/or purchase renewable energy sources; utilize smart technology and efficient lighting; install hybrid/electric vehicle stations
- » Reduce impervious surfaces; create rain gardens; slow and treat storm water
- » Implement recycling initiatives; utilize responsibly-sourced materials
- » Develop bike and walking paths and health-focused amenities; design to maximize natural daylight
- » Incentivize public transit ridership; enhance place making; strengthen identity as a community gathering space
- » Minimize grading and soil compaction; plant native low-maintenance and non-invasive vegetation



| | REDUCE OPERATION COST | IMPROVE PRODUCTIVITY | ATTRACT & RETAIN STAFF | REDUCE LIABILITY | BUILD SOCIAL CAPITAL |
|-----------|---|---|---|---|---|
| Energy |  |  |  |  |  |
| Water |  |  |  |  |  |
| Materials |  |  |  |  |  |
| Health |  |  |  |  |  |
| Community |  |  |  |  |  |
| Ecology |  |  |  |  |  |

Quantitative Benefits: Reducing consumption and operating costs

Qualitative Benefits: Improving the workplace environment and satisfaction

07

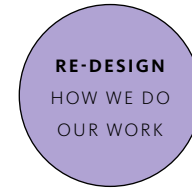
RELOCATE FUNCTIONS IN
COUNTY ADMINISTRATION
AND ENGINEERING
BUILDINGS TO CALLE REAL

As part of this study, the team was asked to consider relocating some of the downtown departments to the Calle Real Campus.

In the City of Santa Barbara, potential office space demand is expected to grow by 521,000 square feet over the next 10 years, while office space demand as a share of current supply represents only 10% of the current building space inventory in Downtown Santa Barbara.

In considering this option, the County could be in a position to monetize some of their most lucrative downtown real estate, following the procedures documented in the recently updated California AB-1486 (the so-called Surplus Land Act).

Note: This analysis was performed prior to the March 2020 COVID-19 pandemic. Future demand for office space as a result of continued remote work is not known.



Downtown Campus

Current office space utilization*

Administration Building: 217 USF/person

Engineering Building : 272 USF/person



*DOES NOT INCLUDE SPACE OR HEADCOUNT FOR THE BOARD OF SUPERVISORS OR COMMUNITY SERVICES.

Economic Conditions

An Economic Analysis of the downtown market was conducted by Gruen Gruen + Associates. The full report can be found in the Appendix, but the key highlights are below:

The primary market area in Santa Barbara County is the City of Santa Barbara, particularly within Downtown Santa Barbara; and to a lesser extent Goleta.

A high proportion of the office space users in Downtown Santa Barbara are smaller, in the finance, insurance, real estate, professional, and technical services sectors and tend to serve area residents or other businesses in or near Santa Barbara.

High technology office space users are an emerging and growing important category of demand for office space.

The Downtown area includes a limited supply of larger buildings capable of accommodating larger space users. The Santa Barbara County Administration Building may be positioned to capture a high proportion of out-of-Downtown larger office space users who export their services outside the local market but want a Downtown location to recruit and retain talent.

The Downtown Santa Barbara County buildings are extremely well located in an amenity-laden location proximate to the Courthouse, Santa Barbara Art Museum, and numerous eating and drinking establishments, retail space, and support services.

An anchor tenant will be needed to kick off re-

use of the County Administration Building as office space for private or other users. With a large positively-viewed anchor tenant, space absorption of the 96,000-square-foot County Administration Building is likely to be robust.

The “engineering” building adjoining the Administration headquarters should be evaluated, but a new office development for an owner-occupant, build-to-suit tenant, or for a major user with the capacity to expand, may hold the greatest potential to generate the most net revenue.

Given the compelling comparative advantages associated with the location of the Santa Barbara County buildings in Downtown Santa Barbara, including available parking and the ability to accommodate larger users, office space monthly rents are likely to be toward the high end of the market at \$2.75 to \$3.25 per square foot.



Office Market Opportunity

The Administration and Engineering Buildings are uniquely positioned with several locational advantages:

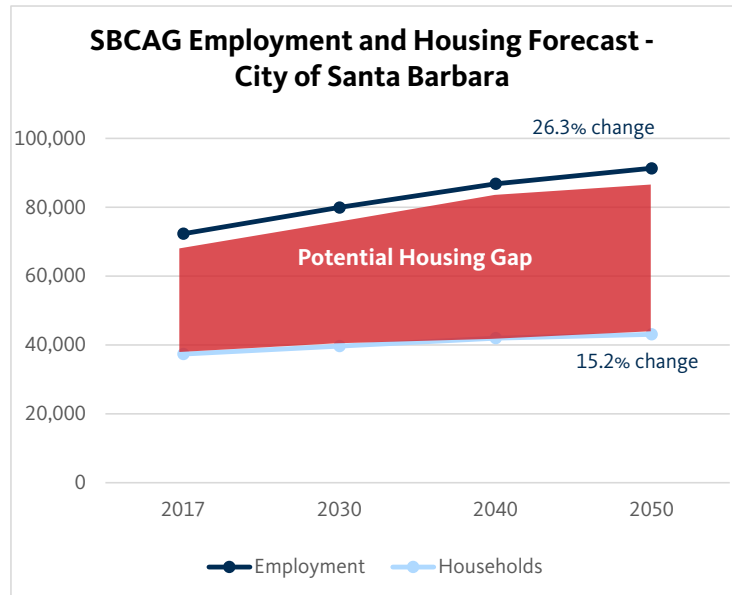
- » An amenity-laden location proximate to the Courthouse, Art Museum, and eating and drinking establishments, retail space, and support services;
- » Availability of parking unique asset; and
- » Near other office space, accessible to skill labor, near desirable residential neighborhoods.
- » Limited supply of competing buildings able to accommodate larger office space users.



Housing Opportunity

The housing inventory is estimated to have grown by approximately 88 units per year since 2000. Almost all of the net change in citywide housing inventory has been for single-family housing. The multi-family housing inventory has grown by only about 13 units per year.

The potential supply of 422 market-rate units represents less than one-quarter of potential multi-family housing needed to accommodate forecast household growth, let alone facilitate mobility of existing households. In addition, the City of Santa Barbara economy is forecast over the long term to add more than three jobs for each household.



Engineering Building



\$32.4 Million (Estimated Market Value)

\$9.1 Million (Estimated Residual Land Value)



The Opportunity

With a gross building area of approximately 60,000 square feet, the building could potentially accommodate approximately 66 apartment units assuming an average unit size of 739 square feet.

The building includes 66 parking spaces.



Housing Opportunity

The limited production of housing has resulted in the failure of housing needs to be satisfied in Santa Barbara. As a result, prices for both rental and for-sale multi-family housing uses have increased.

The County's Downtown Santa Barbara sites/buildings are well located near amenities and services and close by desirable residential neighborhoods to the east.

If quality multi-family apartments or condominium units were made available at County properties in Downtown Santa Barbara, they will be absorbed quickly at relatively high prices.

Administration Building



\$37 Million (Estimated Market Value)

\$19 Million (Estimated Residual Land Value)



The Opportunity

With a gross building area of approximately 70,500 square feet of space converted to apartment uses, approximately 65 units assuming an average unit size of 950 square feet can likely be accommodated.

The building includes an additional approximately 25,000 square feet of space (i.e., basement and penthouse) which are not assumed to be converted to residential uses.



MASTER PLAN RECOMMENDATIONS

05

Overview
Recommendations

OVERVIEW

The Calle Real Master Plan provides for the future growth and evolution of this important community resource.

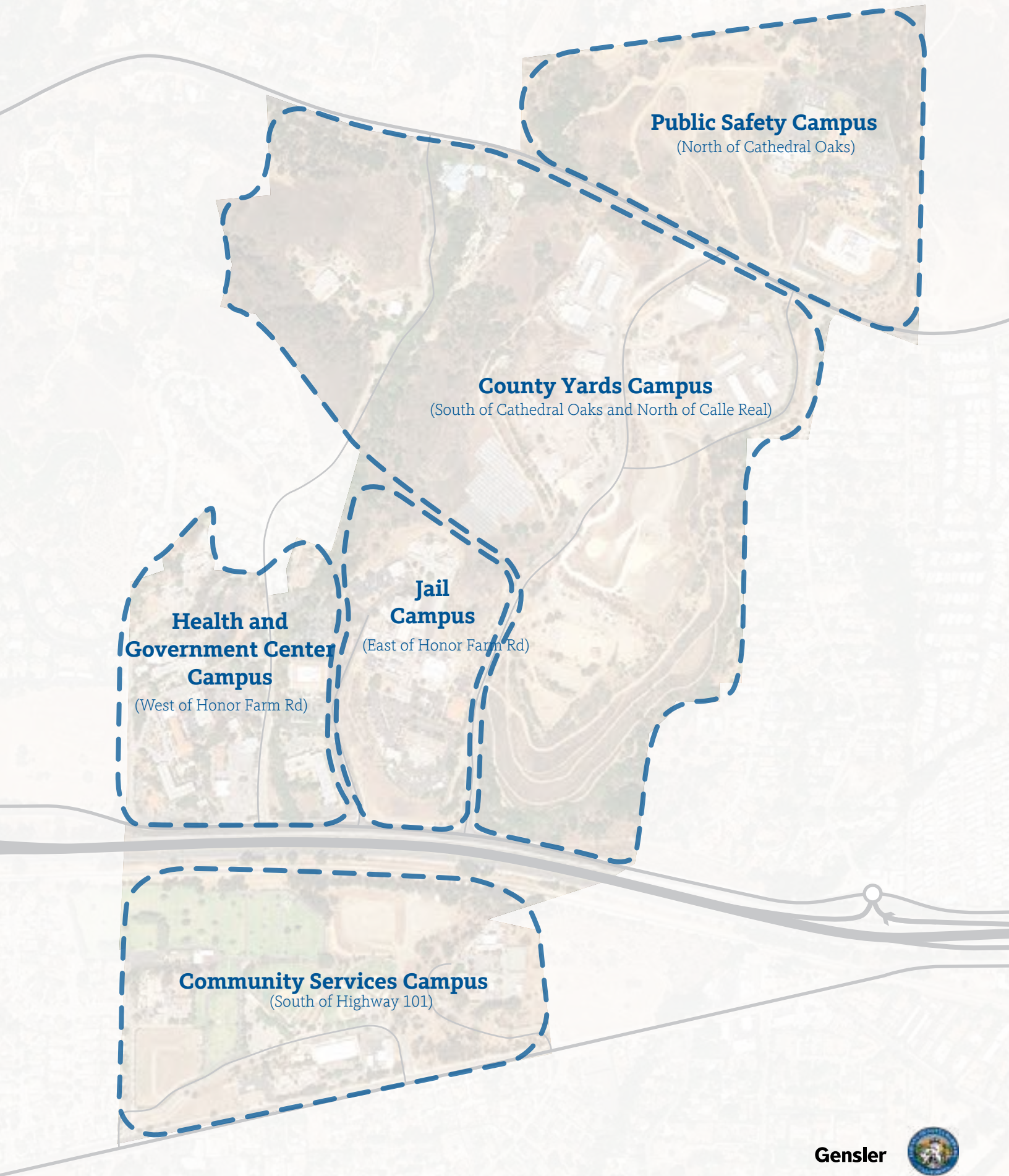
The recommendations that follow are grouped using the main campus geographies as an organizing principle. From north to south, these include:

Public Safety Campus
County Yards Campus
Health and Government Center Campus
Jail Campus
Community Services Campus

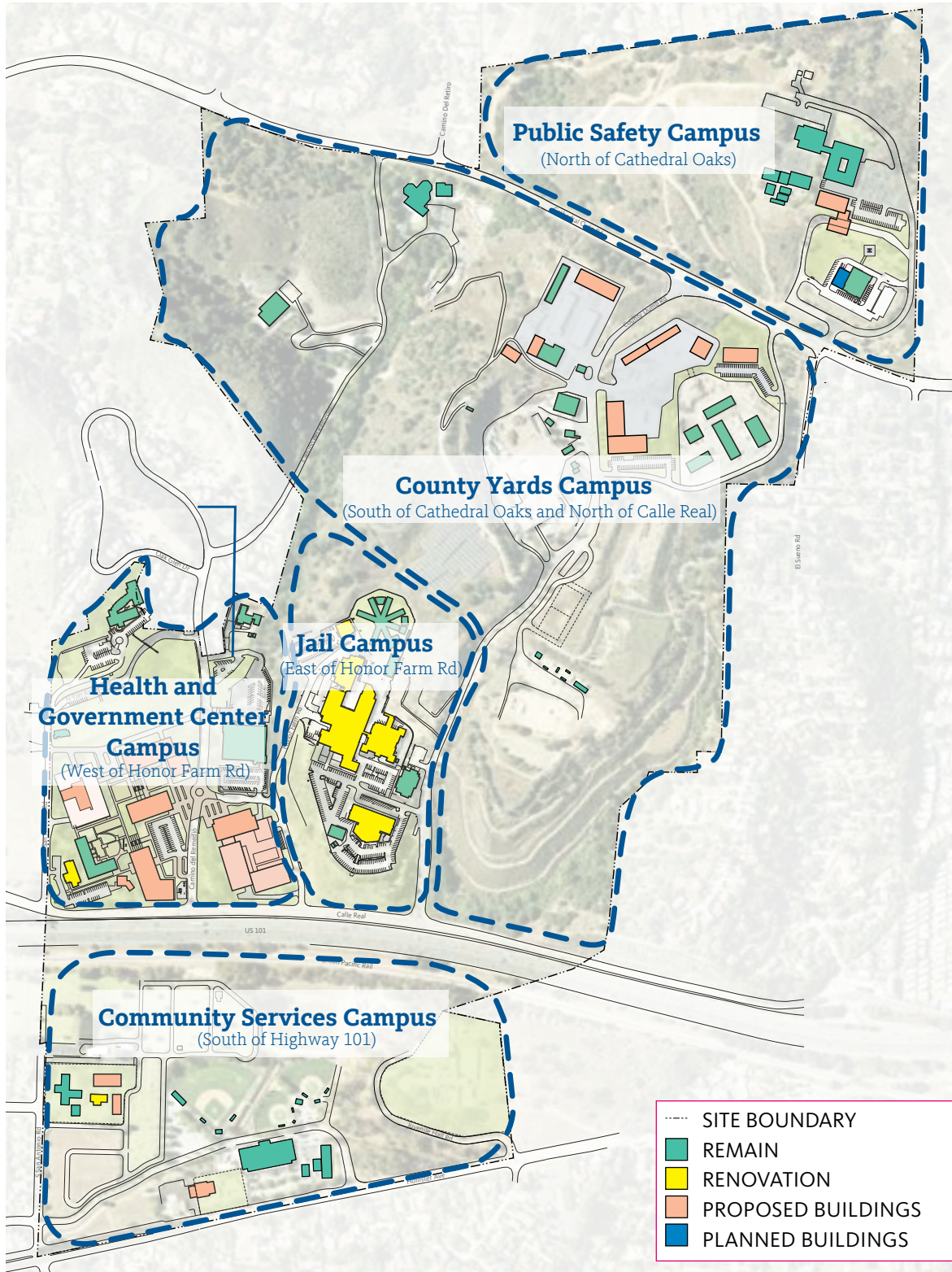
The Master Plan calls for the renovation of older yet valuable facilities, the demolition and, if warranted, replacement of facilities that are past their useful life, the centralization of parking facilities into a new parking garage, and an optional relocation of the County administrative functions from Downtown Santa Barbara. The Master Plan also identifies several key vacant land areas suitable for future development as the need arises.

Program square footages were provided by County departments.





RECOMMENDATIONS



Overall Master Plan

The main priority of the Master Plan is to consolidate County functions in the two central sections of Calle Real for streamlined service delivery and to make the best use of the County's land. This includes the Health and Government Center Campus. By consolidating external-facing services and potentially relocating the County government seat from Downtown Santa Barbara, these two campuses will function as the Calle Real central core.

Due to efficient space utilization in proposed newer facilities, available land in the Public Safety Campus to the north, the Community Services Campus to the south, and the Health and Government Center Campus to the west can remain open, which aligns with the County's priority of sustainability and preserving space for future development.

The Plan includes a proposed development phasing strategy for each section of the campus. New building square footages were estimated and provided by County departments. Actual building sizes will need to be determined through a detailed programming effort during the design process for each building.

As identified earlier in this master plan, there are several non-County organizations that operate at Calle Real. Some will be impacted by the recommended development. For example, due to the condition of the County Archives Building, the building is proposed for demolition, which would require the relocation of the AIA Archives currently housed there. The County would work with the AIA Archives to identify a suitable relocation alternative either at Calle Real or potentially elsewhere.

| | |
|---------------------------|----------------|
| EXISTING COUNTY BUILDINGS | ±791,700 GSF |
| REMAIN | ±256,400 GSF |
| RENOVATE | ±229,000 GSF |
| DEMO | ±306,300 GSF |
| NEW COUNTY FACILITIES | ±538,800 GSF |
| FUTURE TOTAL COUNTY GSF | ±1,024,200 GSF |

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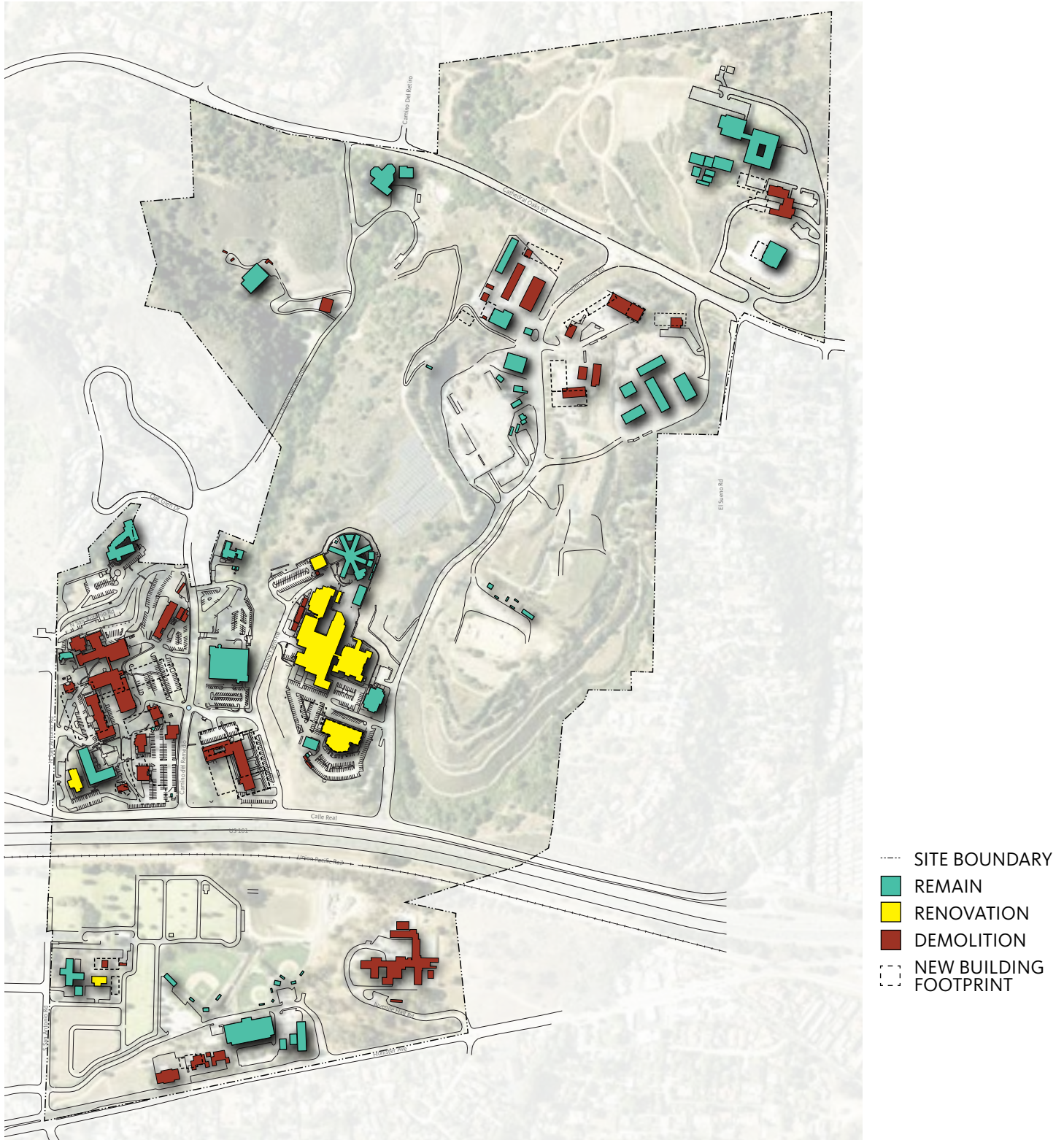
Overall Master Plan Program Summary

| PROGRAM | REMAIN/RENOVATION | NEW/EXPANSION | TOTAL |
|--|-------------------|---------------|-----------|
| AGRICULTURAL COMMISSIONER | - | 5,200 | 5,200 |
| BEHAVIORAL WELLNESS (ADMHS) | 26,277 | 68,500 | 94,777 |
| CHILD SUPPORT SERVICES | 7,101 | - | 7,101 |
| PUBLIC HEALTH | - | 78,000 | 78,000 |
| HUMAN RESOURCES | - | 11,000 | 11,000 |
| SOCIAL SERVICES | 54,251 | - | 54,251 |
| SHERIFF | 211,507 | 30,600 | 242,107 |
| CLERK-RECORDER-ASSESSOR | - | 21,600 | 21,600 |
| FIRE | - | 30,800 | 30,800 |
| EMERGENCY OPERATIONS CENTER | 11,080 | 4,830 | 15,910 |
| PUBLIC WORKS | 30,215 | 20,985 | 51,200 |
| GENERAL SERVICES | 20,020 | 21,370 | 41,390 |
| PARKS | - | 24,450 | 24,450 |
| TREASURER-TAX COLLECTOR | - | 3,700 | 3,700 |
| NEW CAMPUS AMENITIES / SERVICE CENTER | - | 30,800 | 30,800 |
| INFORMATION AND COMMUNICATION TECHNOLOGY | - | 170,500 | 170,500 |
| NEW GOVERNMENT CENTER | - | 8,500 | 8,500 |
| NON-COUNTY ORGANIZATIONS | 114,533 | 8,000 | 122,533 |
| PARKING STRUCTURE | - | - | - |
| UNDEFINED USE | 10,460 | - | 10,460 |
| TOTAL : | 474,984 | 538,835 | 1,024,279 |



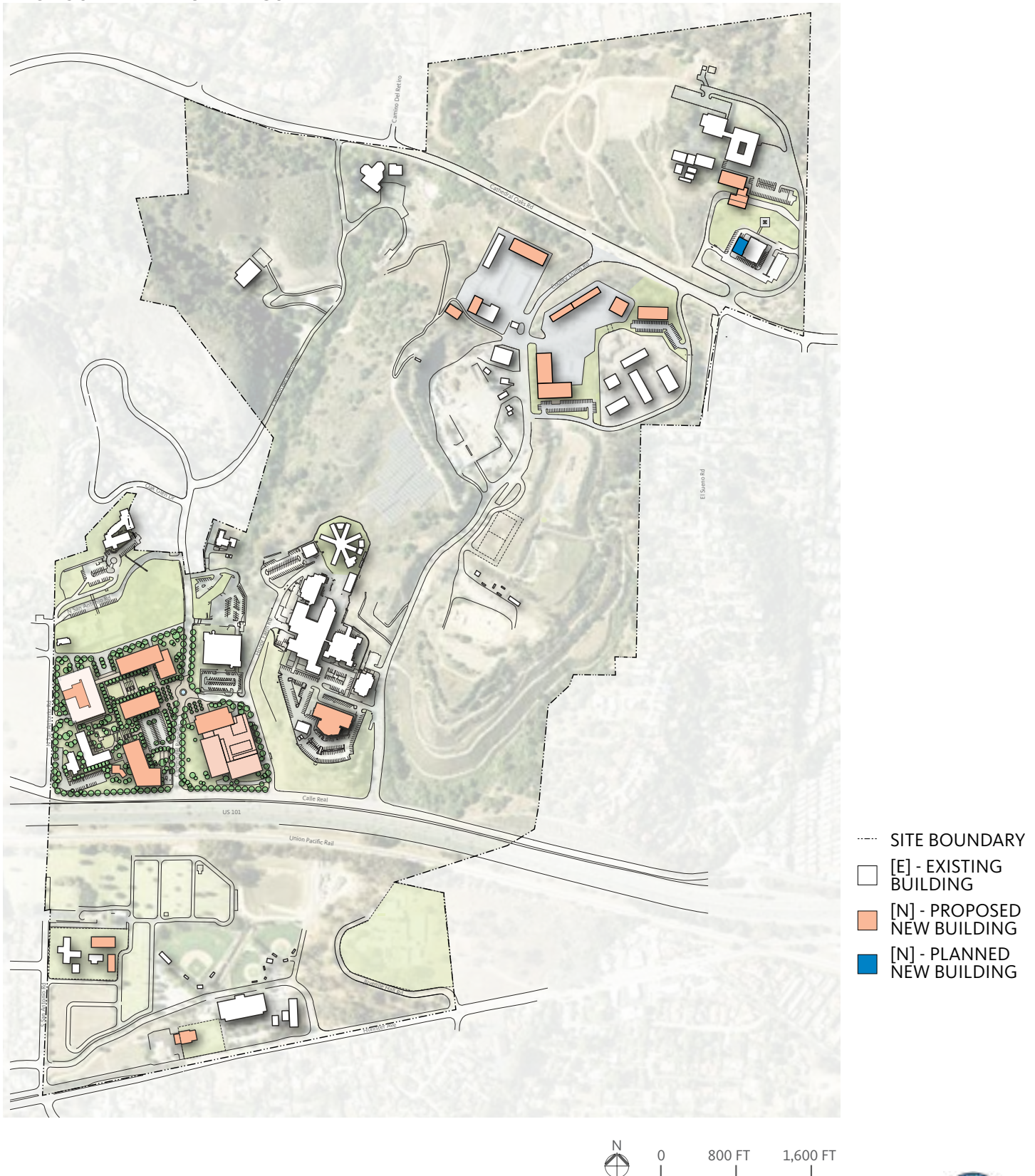
OVERALL MASTER PLAN

EXISTING BUILDING DISPOSITION



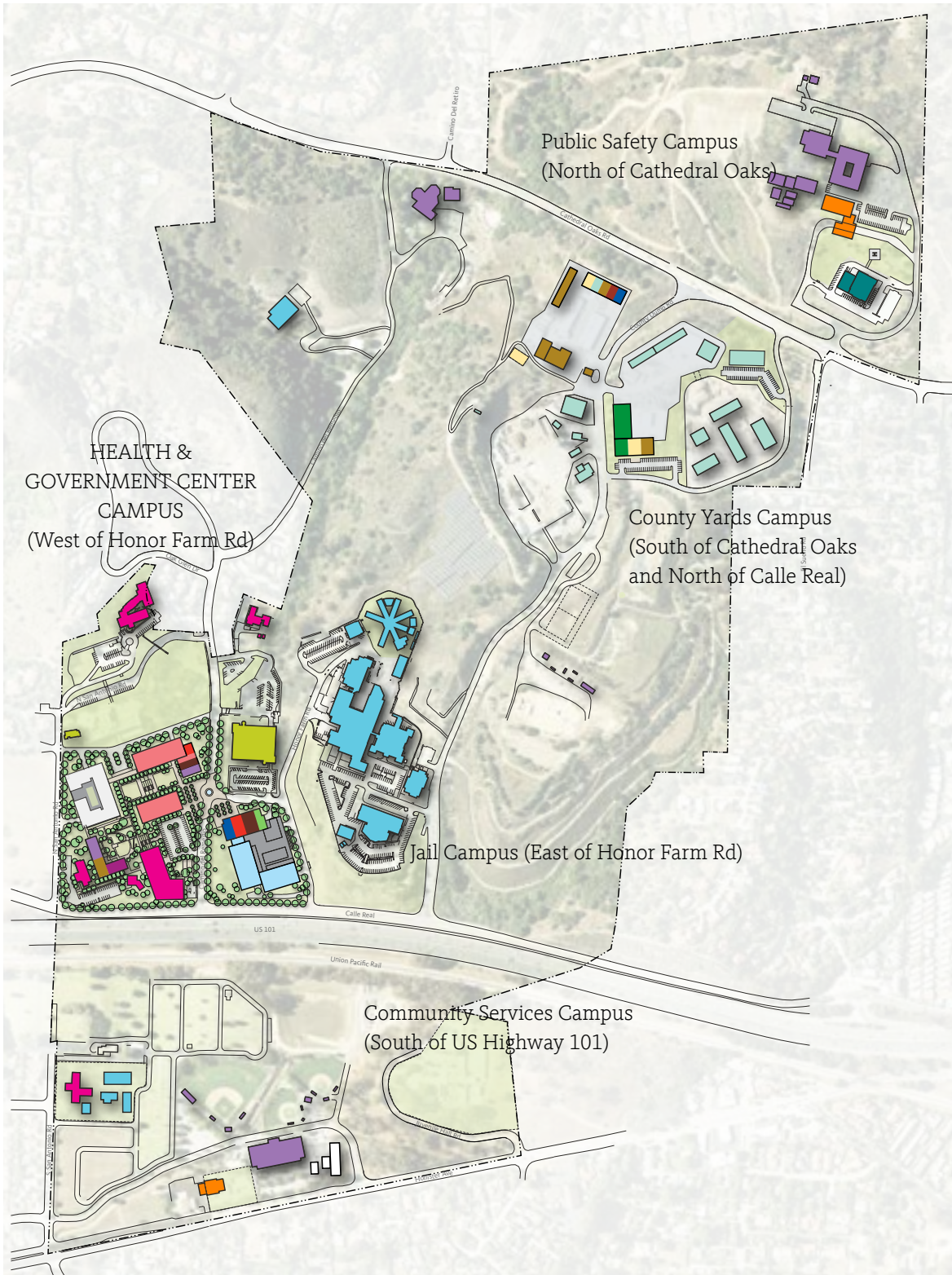
OVERALL MASTER PLAN

PROPOSED NEW BUILDINGS



OVERALL MASTER PLAN

BUILDING USE



Building Use

The Master Plan addresses needs in the five discrete sections of the Calle Real Campus:














Public Safety Campus: the area north of Cathedral Oaks Road. Includes the Emergency Operations Center (EOC), Fire Department headquarters, and the County Office of Education.

County Yards Campus: the area of the campus just south of Cathedral Oaks, including the Transfer Station, and the Public Works, Community Services (Parks) and General Services yards.

Health and Government Center Campus: the area of the campus just north of Calle Real and west of Honor Farm Rd. This includes Public Health, Behavioral Wellness services and facilities, the Department of Social Services Main Office, the proposed new Commons Building and Service Center, and a site earmarked for the potential relocation of the County government functions currently located in Downtown Santa Barbara in the County Administration Building, the County Engineering Building, and the County Courthouse.

Jail Campus: the area of the campus just north of Calle Real and east of Honor Farm Rd. This includes the Sheriff headquarters and County Main Jail facilities.

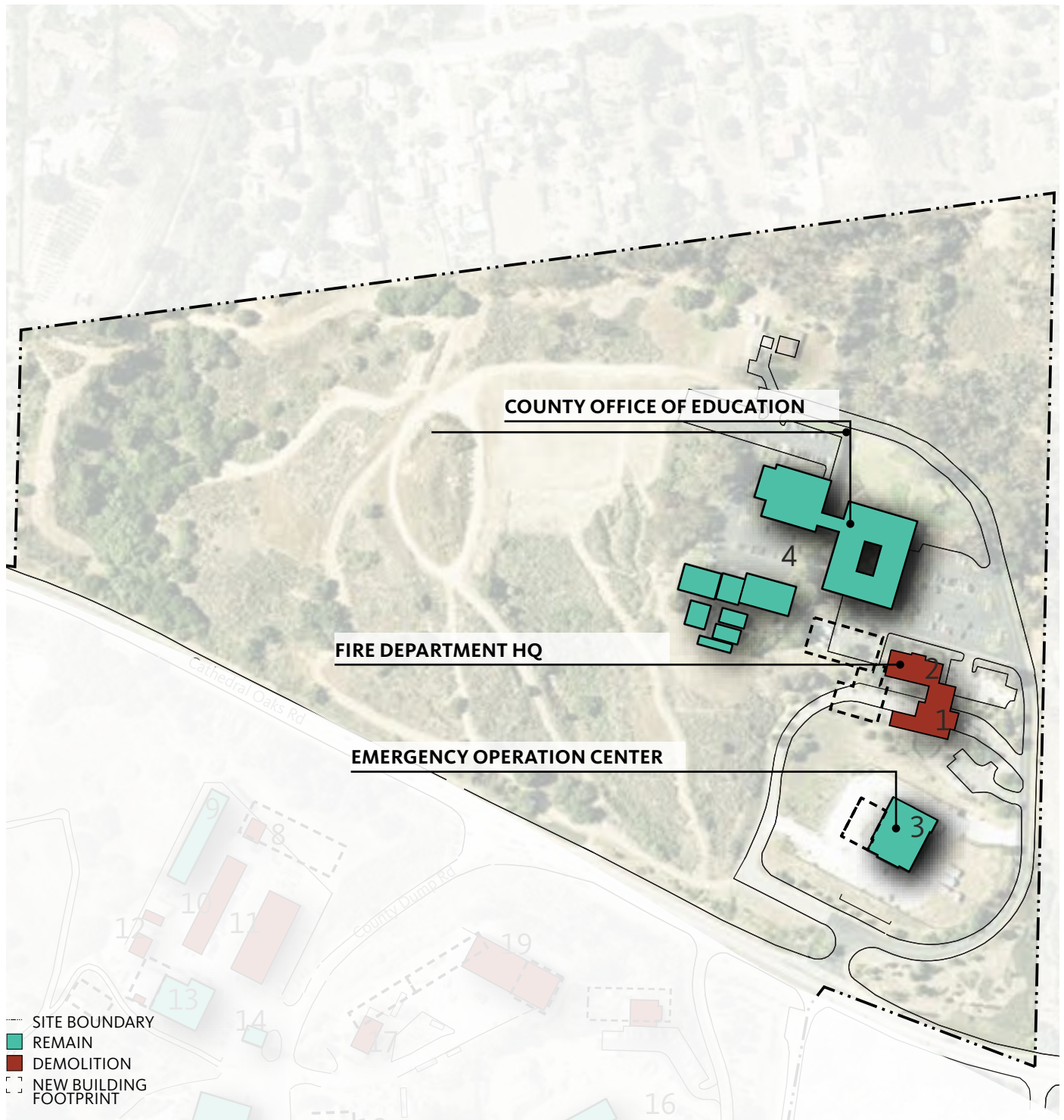
Community Services Campus: the area south of Calle Real, bordered by Hollister to the south and the U.S. 101 to the north. This includes the former juvenile detention center, the Ben Page Youth Center.

| USE | BUILDING GSF | REMARKS |
|--|------------------|---|
|  AGRICULTURAL COMMISSIONER | 5,200 | |
|  BEHAVIORAL WELLNESS (ADMHS) | 94,777 | |
|  CHILD SUPPORT SERVICES | 7,101 | |
|  PUBLIC HEALTH | 78,000 | |
|  HUMAN RESOURCES | 11,000 | <i>Including Employee University</i> |
|  SOCIAL SERVICES | 54,251 | |
|  SHERIFF | 242,107 | |
|  CLERK-RECORDER-ASSESSOR | 21,600 | <i>Including storage in County Yards Campus</i> |
|  FIRE | 30,800 | |
|  EMERGENCY OPERATIONS CENTER | 15,910 | |
|  PUBLIC WORKS | 51,200 | |
|  GENERAL SERVICES | 41,390 | |
|  PARKS | 24,450 | |
|  TREASURER-TAX COLLECTOR | 3,700 | |
|  NEW CAMPUS AMENITIES / SERVICE CENTER | 30,800 | |
|  INFORMATION AND COMMUNICATION TECHNOLOGY | 170,500 | |
|  NEW GOVERNMENT CENTER | 8,500 | |
|  NON-COUNTY ORGANIZATIONS | 122,533 | <i>Estimate</i> |
|  PARKING STRUCTURE | - | |
|  UNDEFINED USE | 10,460 | <i>Food Bank is moving off the campus</i> |
| TOTAL : | 1,024,279 | |



PUBLIC SAFETY CAMPUS

EXISTING BUILDING DISPOSITION



Public Safety Campus Master Plan Strategy

The majority of the Public Safety Campus has been left for potential future development, especially given its location within a high fire hazard area. The location and adjacencies of the EOC and Fire Department headquarters in this area of the campus work well for their functions. The plan recommends continuing with the proposed expansion of the EOC. Given the poor condition and limited functionality of the Fire Department facilities, the Plan recommends demolishing and construction a new, expanded headquarters facility in the same location to also include dormitory space that could be utilized by Fire or the EOC during an activation.

County Office of Education

- » Existing buildings to remain
- » May lease to other institutions

Fire Department Headquarters

- » Demolish the existing building
- » Build a new Fire Department Headquarters building

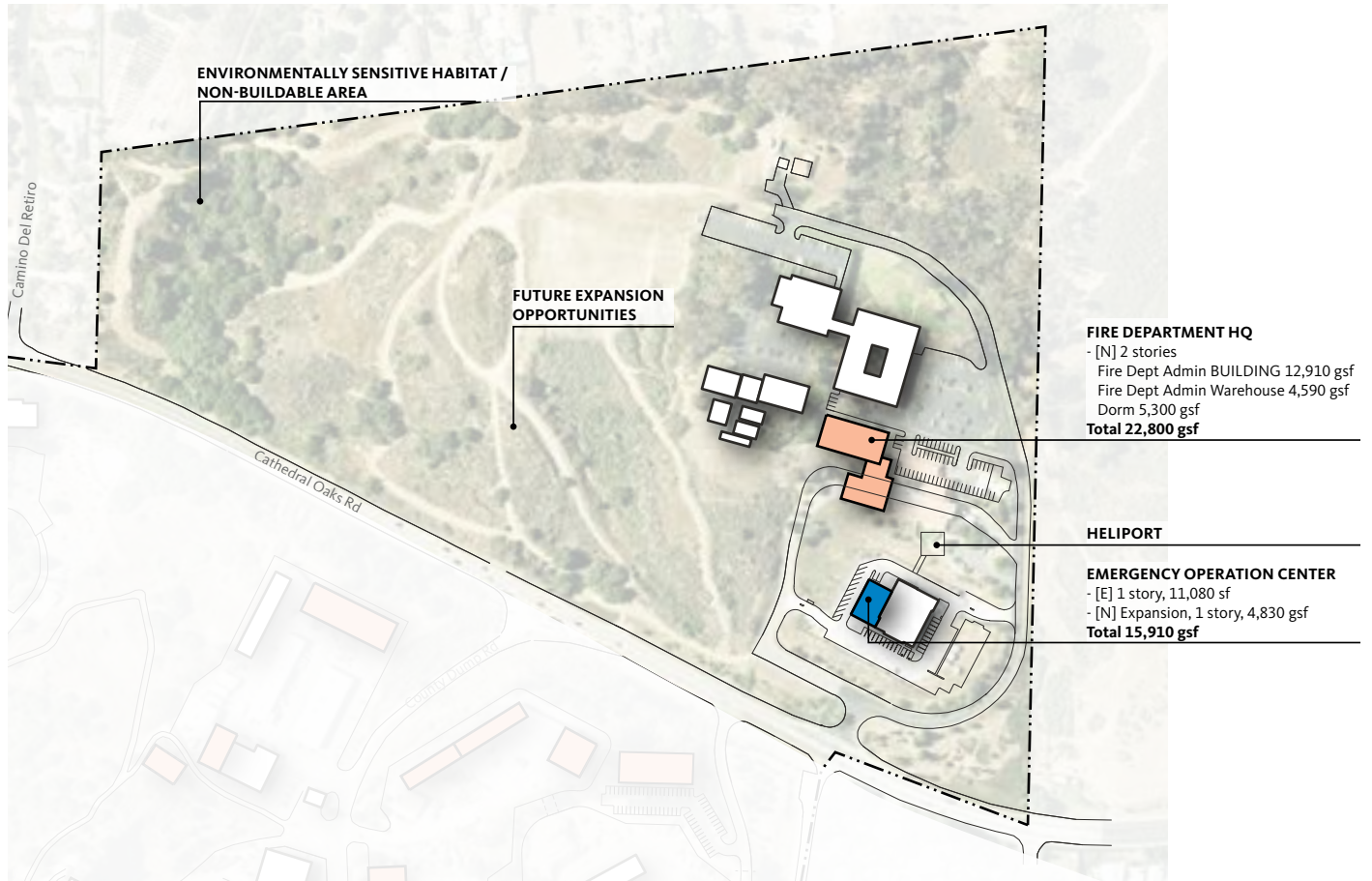
Emergency Operation Center

- » Existing buildings to remain
- » Build the planned addition

| | FACILITY CODE | BUILDING NAME | EXISTING | DEMOLITION | REMAINING OR RENOVATION | EXPANSION / NEW* |
|----------|---------------|---|---------------|----------------|-------------------------|------------------|
| EXISTING | 1 | J05002 FIRE DEPT ADMIN WAREHOUSE | 6,000 | -6,000 | - | |
| | 2 | J05001 FIRE DEPT ADMIN BLDG | 7,612 | -7,612 | - | |
| | 3 | J05020 EMERGENCY OPERATION CENTER | 11,080 | - | 11,080 | + 4,830 |
| | 4 | J05011, J05016, J05021, J05022, J05023, J05024, J05025 COUNTY OFFICE OF EDUCATION | 44,459 | - | 44,459 | |
| | | sub-total | 69,151 | -13,612 | 55,539 | +4,830 |
| NEW | J05002 | FIRE DEPARTMENT HQ | | | | +22,800 |
| | | sub-total | | | | +22,800 |
| | | TOTAL | 69,151 | -13,612 | 55,539 | +27,630 |

* New building areas are estimated.

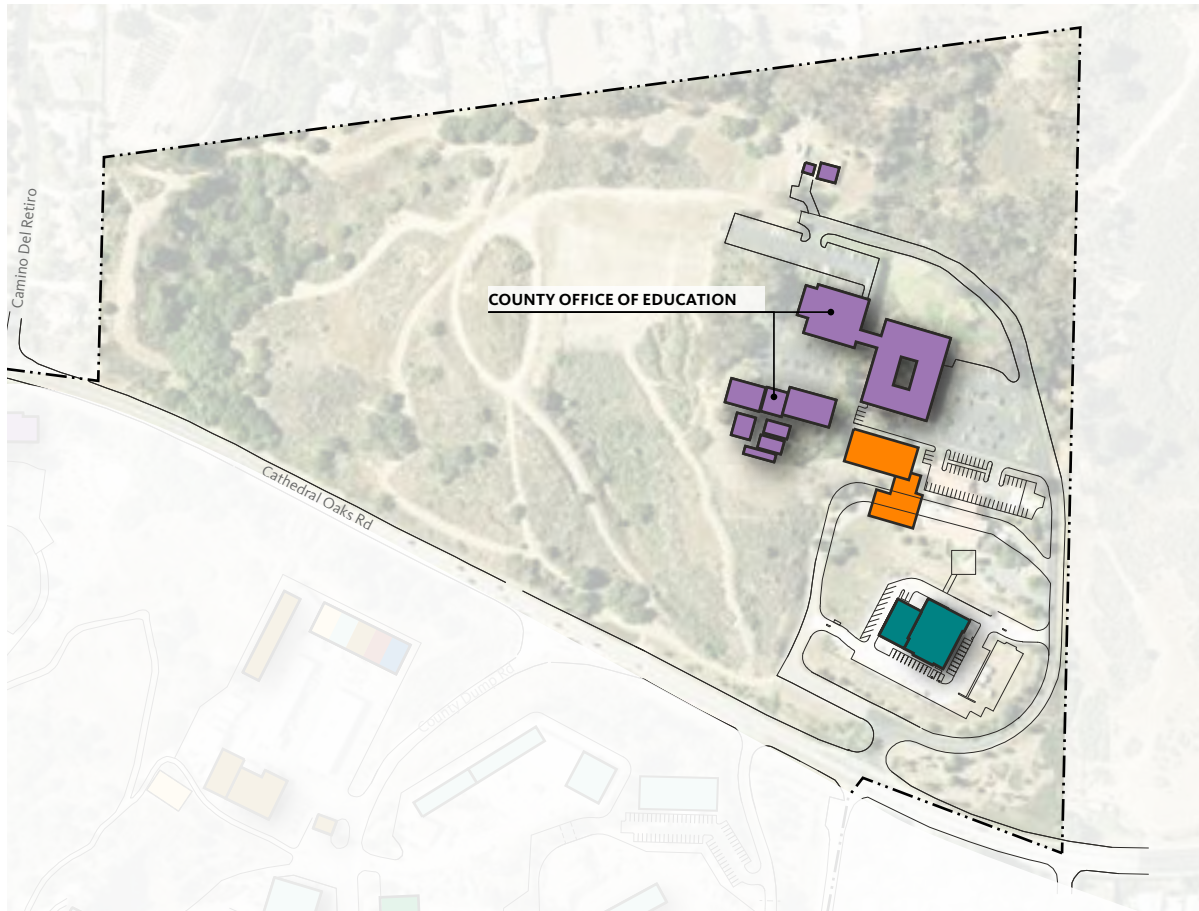
SITE PLAN



- SITE BOUNDARY
- [E] - EXISTING BUILDING
- [N] - PROPOSED NEW BUILDING
- [N] - PLANNED NEW BUILDING



BUILDING USE



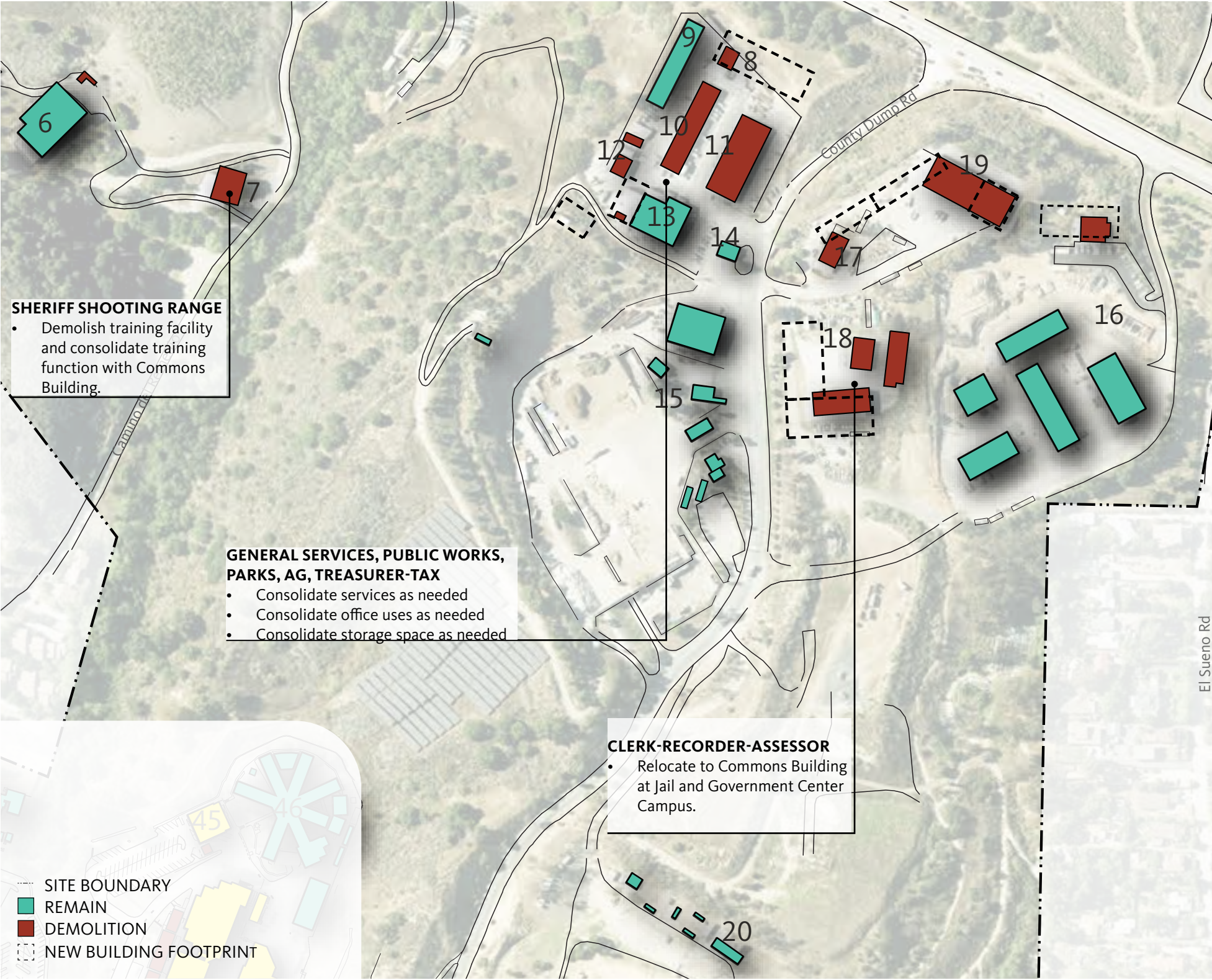
- SITE BOUNDARY
- NON-COUNTY ORGANIZATION
- FIRE
- EMERGENCY OPERATION CENTER



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COUNTY YARDS CAMPUS - DEVELOPMENT STRATEGY

DEVELOPMENT STRATEGIES - EXISTING BUILDING DISPOSITION



County Yards Campus Master Plan Strategy

This portion of campus functions as the primary Public Works Yard and Transfer Station for the County. The Transfer Station is functioning effectively and has been left as-is, with facility changes being made to consolidate like-functions and expand square footage for shop, storage, office, and yard space. The site of the landfill is currently being utilized for sediment and debris separation and proposed for light surface purposes in the future, such as the Sheriff's Evidence Lot and General Services Auction Lot.

- General Service, Public Works, Parks, etc.
- » Consolidate services, office uses, and storage space as needed

- Clerk-Recorder-Assessor
- » Demolish and relocate to new storage building and Commons Building at the Jail and Government Center Campus

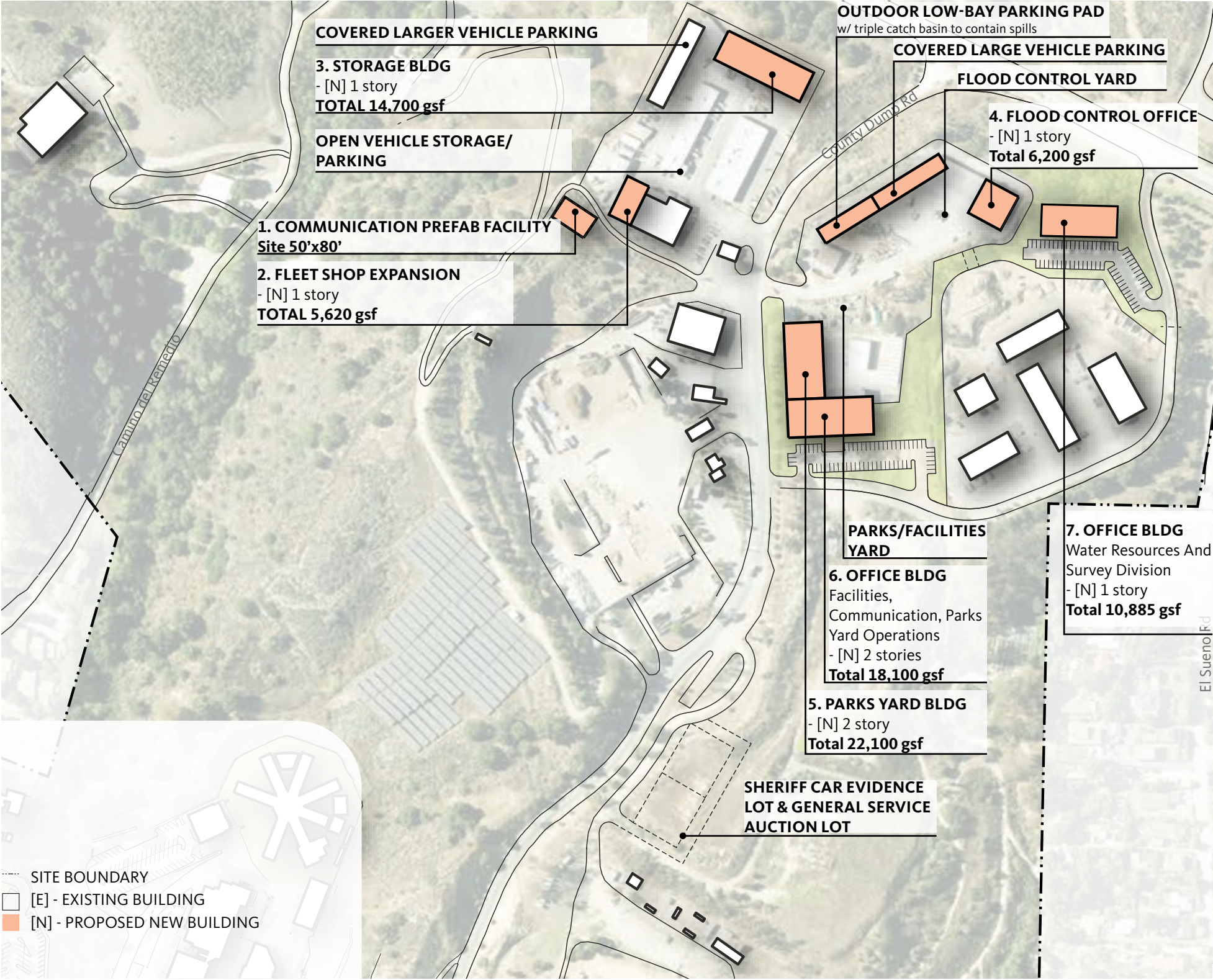
- Sheriff Shooting Range
- » Demolish and relocate training function into the Commons Building

| | FACILITY CODE | BUILDING NAME | EXISTING | DEMOLITION | REMAINING OR RENOVATION | EXPANSION / NEW |
|----------|---------------|--|----------|------------|-------------------------|-----------------|
| EXISTING | 5 | ALPHA RESOURCE CENTER | 17,660 | | 17,660 | |
| | 6 | J04001 SHERIFF INDOOR SHOOTING RANGE | 10,591 | | 10,591 | |
| | 7 | J04002 SHERIFF TRAINING FACILITY | 3,600 | -3,600 | - | |
| | 8 | J04009 PUBLIC WORKS FLOOD CONTROL STORAGE | 200 | -200 | - | |
| | 9 | J04008 PUBLIC WORKS SHADE STRUCTURE | 2,880 | | 2,880 | |
| | 10 | J04013 GENERAL SERVICES FACILITIES SHOP AND OFFICE | 11,008 | -11,008 | - | |
| | 11 | J04010 PUBLIC WORKS FLOOD CONTROL BUILDING | 7,800 | -7,800 | - | |
| | 12 | J04015 GENERAL SERVICES VEHICLES PAINT SHOP | 432 | -432 | - | |
| | 13 | J04014 GENERAL SERVICES VEHICLE OPS BUILDING | 12,640 | | 12,640 | +5,620 |
| | 14 | J04017 GENERAL SERVICES FUELING STATION | | | - | |
| | | J04018, J04022, J04023, J04024, J04025, J04026, J04027, J04028, J04029, J04030, J04031 | | | | |
| | 15 | PUBLIC WORKS TRANSFER STATION | 12,000 | | 12,000 | |
| | 16 | J04037, J04038, J04039, J04040, J04041, J04042 | 22,573 | -4,358 | 18,215 | |
| | 17 | J04033 PARKS STORAGE BUILDING | 2,500 | -2,500 | - | |
| | 18 | J04035 CRA ARCHIVES BUILDING | 6,000 | -6,000 | - | |
| | 19 | J04034 CSD PARK OPERATIONS OFFICE | 11,016 | -11,016 | - | |
| | 20 | HEARTS THERAPEUTIC EQUESTRIAN CENTER | 3,460 | | 3,460 | |
| | | sub-total | 124,360 | -46,914 | 77,446 | +5,620 |
| NEW | | STORAGE BUILDING | | | | +14,700 |
| | | OFFICE BUILDING | | | | +18,100 |
| | | PARKS YARD BUILDING | | | | +22,100 |
| | | FLOOD CONTROL OFFICE | | | | +6,200 |
| | | WATER RESOURCES AND SURVEY DIVISION | | | | +10,885 |
| | | NEW PREFAB COMM TOWER BUILDING | | | | +4,000 |
| | | sub-total | | | | +75,985 |
| | | TOTAL | 124,360 | -46,914 | 77,446 | +81,605 |

* Building areas may be subject to change based on real condition

COUNTY YARDS CAMPUS - SITE PLAN

SITE PLAN

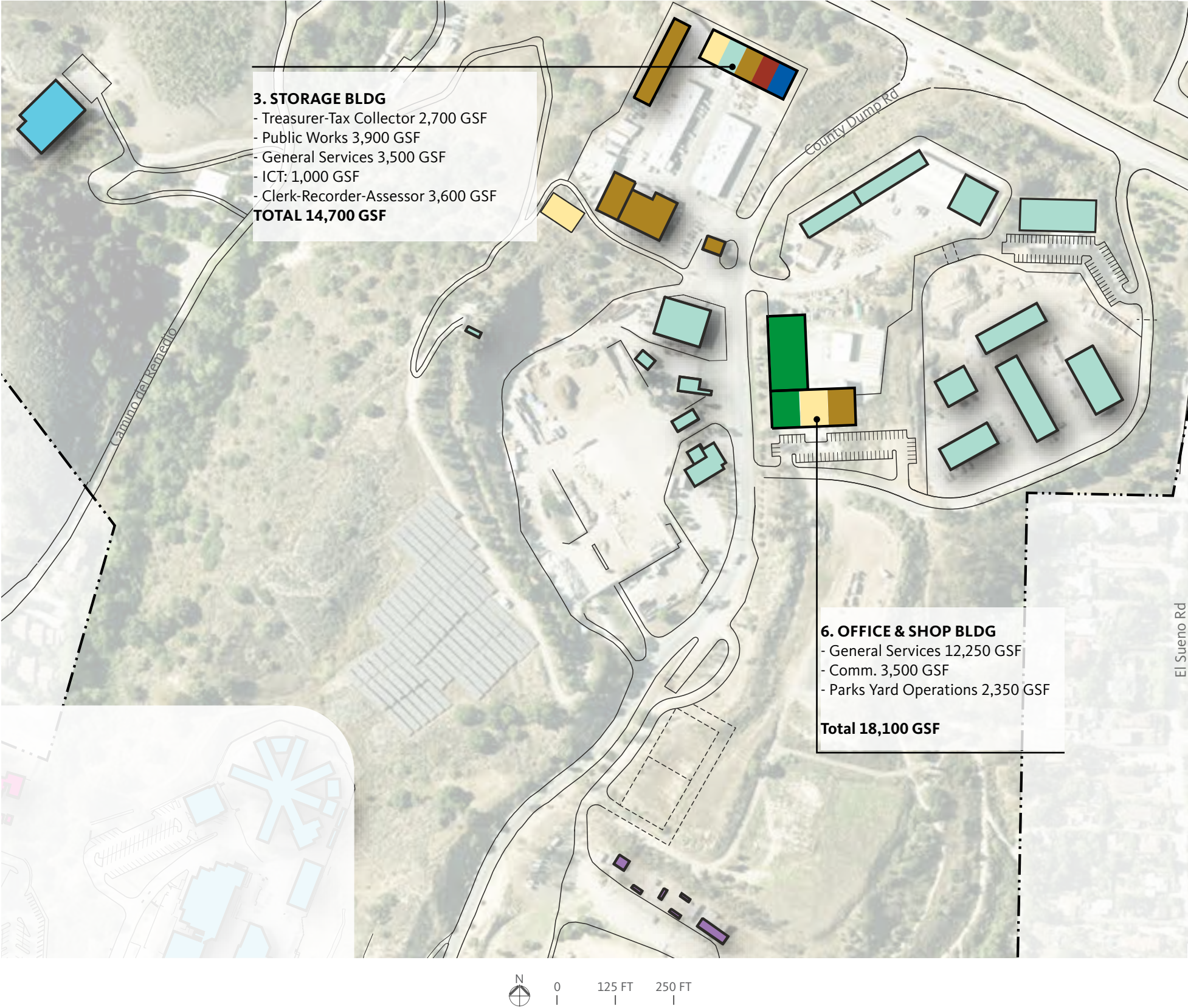


Proposed Development

1. Communication Prefab Facility & Site
 - » Communications is going forward with a prefab facility on the upper middle campus that will house a generator, fuel tank, equipment storage, and 80-100' radio tower. Communications said they need a site approximately 50'x80'
2. Fleet Shop Expansion
 - » Adjacent to the existing Fleet Shop west of County Dump Road, the expansion would provide space for:
 - » Fleet maintenance and operations including a large vehicle bay to work on fire engines and other large County vehicles
 - » Open vehicle and equipment yard
 - » Communications vehicle bays for the installation of radios and equipment in County vehicles
3. Storage Building
 - » Separate storage facility west of County Dump Road for Parks, Public Works, General Services, ICT, Treasurer-Tax Collector, Clerk-Recorder
4. Flood Control Building
 - » Located at the Flood Control Yard east of County Dump Road with covered large vehicle parking
5. Parks Yard Building
 - » High-bay Parks Yard Building east of County Dump Road; this yard will be used for maintenance shop warehouse space and storage
6. Office Building
 - » A large office and storage building east of County Dump Road easily accessible to the Yard space for Communications, General Services, and Parks Yard Operations
7. Office Building
 - » Approx. 11,000 SF facility to house a portion of the Water Resources Division of Public Works relocated from the downtown campus and Survey Division

COUNTY YARDS CAMPUS - MULTI-USE BUILDING DETAIL

MULTI-USE BUILDING DETAIL



Multi-Use Buildings

- Storage Building
- » Separate storage facility west of County Dump Road for Public Works, General Services, Information and Communication Technology, Treasurer-Tax Collector, Clerk-Recorder-Assessor
- Office & Shop Building
- » A large office and storage building east of County Dump Road easily accessible to the Yard space for General Services, Information and Communication Technology and Parks Yard Operations

HEALTH AND GOVERNMENT CENTER CAMPUS - DEVELOPMENT STRATEGY

EXISTING BUILDING DISPOSITION



- SITE BOUNDARY
- REMAIN
- DEMOLITION
- RENOVATION
- NEW BUILDING FOOTPRINT



Health And Government Center Campus Master Plan Strategy

The Health Campus is at a primary location and it is accessible by transit and visible from the 101.

Public Health and Behavioral Wellness services are consolidated here with a majority of buildings needing to be replaced for effective service delivery. The VA Clinic and other health services have also been consolidated in this campus for more streamlined service delivery and effective use of space.

A proposed new “Commons” building will serve as a hub for employee training, conferencing and hoteling on the Calle Real Campus, and include a one-stop public service center counter function. Along with the Health Campus, this serves as the effective “core” of the entire campus. It is the most accessible by transit and visible from the 101.

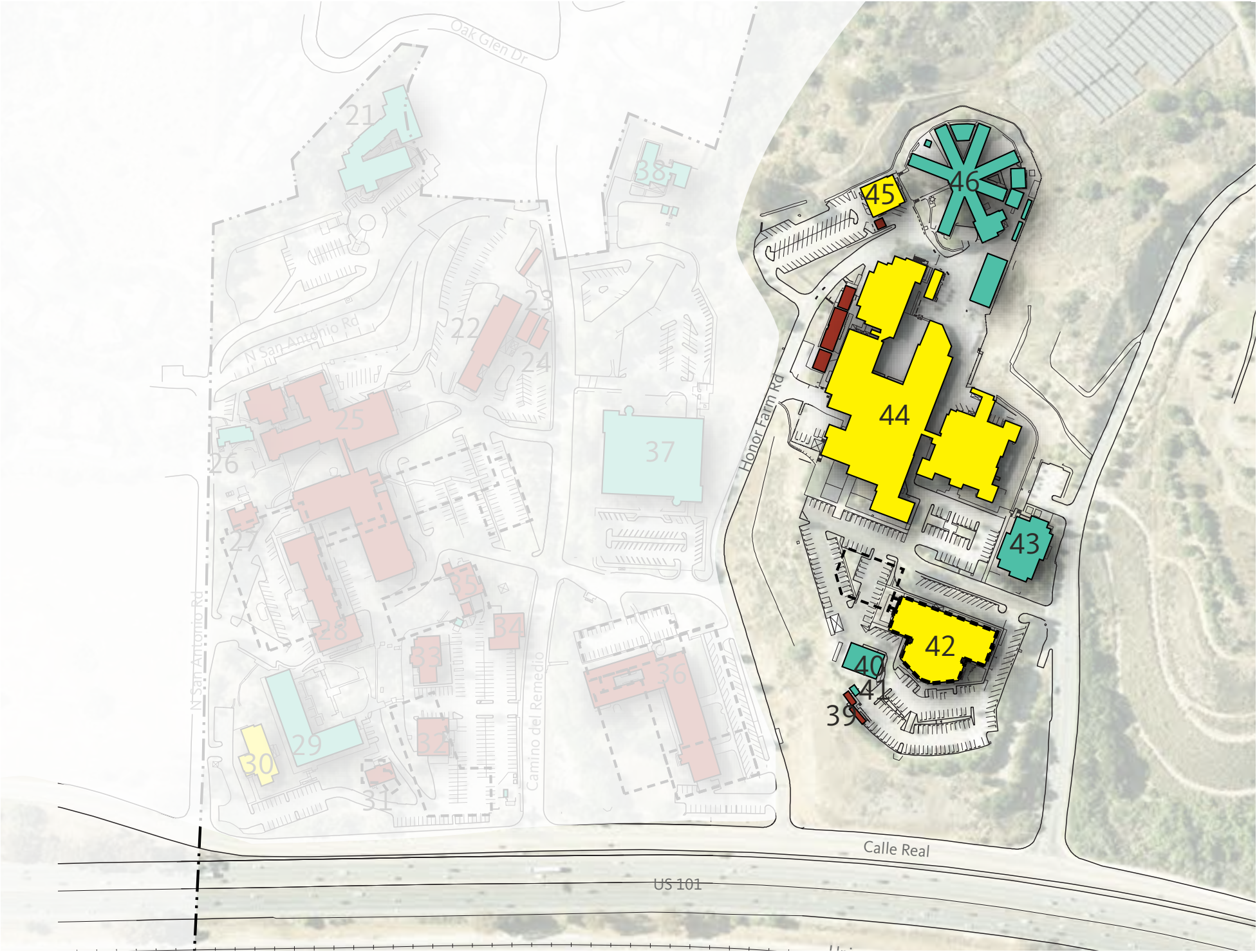
There is also a location for a potential new County administration building on the site of the current VA building, which would house staff relocated from Downtown. This would position Calle Real as the new County seat.

| | FACILITY CODE | BUILDING NAME | EXISTING | DEMOLITION | REMAINING OR RENOVATION | EXPANSION / NEW |
|----------|---------------|---------------------------------------|--------------------------------|------------|-------------------------|-----------------|
| EXISTING | 21 | J02007 | ADMHS CHILDRENS SERVICE CENTER | 11,836 | 11,836 | |
| | 22 | J02013 | ARCHIVE BUILDING | 13,060 | -13,060 | - |
| | 23 | J02008 | HEALTH STAT MODULAR | 1,440 | -1,440 | - |
| | 24 | J02029 | BEWELL ADULT SERVICES | 9,100 | -9,100 | - |
| | 25 | J02014, J02016 | PHD BUILDING | 113,867 | -113,867 | - |
| | 26 | J02006 | WOMENS ANNEX | 3,831 | | 3,831 |
| | 27 | J02004 | PHD ADMIN BUILDING | 2,691 | -2,691 | - |
| | 28 | J02003 | SAN ANTONIO BUILDING | 22,828 | -22,828 | - |
| | 29 | J02002 | CASA NUEVA | 28,655 | - | 28,655 |
| | 30 | J02001 | CASA MURAL | 4,461 | - | 4,461 |
| | 31 | J02031 | CASA NUEVA ANNEX | 1,200 | -1,200 | - |
| | 32 | J02021 | PHD ENVIRONMENTAL MODULAR | 4,032 | -4,032 | - |
| | 33 | J02020 | AGRICULTURAL OFFICE | 3,884 | -3,884 | - |
| | 34 | J02022 | EMPLOYEE UNIVERSITY | 4,320 | -4,320 | - |
| | 35 | J02017 | OLD BOILER BUILDING | 4,599 | -4,599 | - |
| | 36 | J02030 | VA CLINIC & ELECTIONS | 23,844 | 23,844 | 0 |
| | 37 | J02028 | SOCIAL SERVICES BUILDING | 50,420 | 0 | 50,420 |
| | 38 | J02023 | CASA OMEGA HOUSE | 3,580 | | 3,580 |
| | | sub-total | 307,648 | -204,865 | 102,783 | |
| NEW | | BEHAVIORAL WELLNESS BUILDING | | | | +63,000 |
| | | MHRC (16 bed) | | | | +5,500 |
| | | PUBLIC HEALTH ADMIN BUILDING | | | | +30,000 |
| | | HEALTH CARE CENTER | | | | +60,000 |
| | | NEW COMMONS BUILDING / SERVICE CENTER | | | | 62,000 |
| | | NEW GOVERNMENT CENTER | | | | 170,500 |
| | | sub-total | | | | +391,000 |
| | | TOTAL | 307,648 | -204,865 | 102,783 | +391,000 |

* Building areas may be subject to change based on real condition

JAIL CAMPUS - DEVELOPMENT STRATEGY

EXISTING BUILDING DISPOSITION



- SITE BOUNDARY
- REMAIN
- DEMOLITION
- RENOVATION
- NEW BUILDING FOOTPRINT

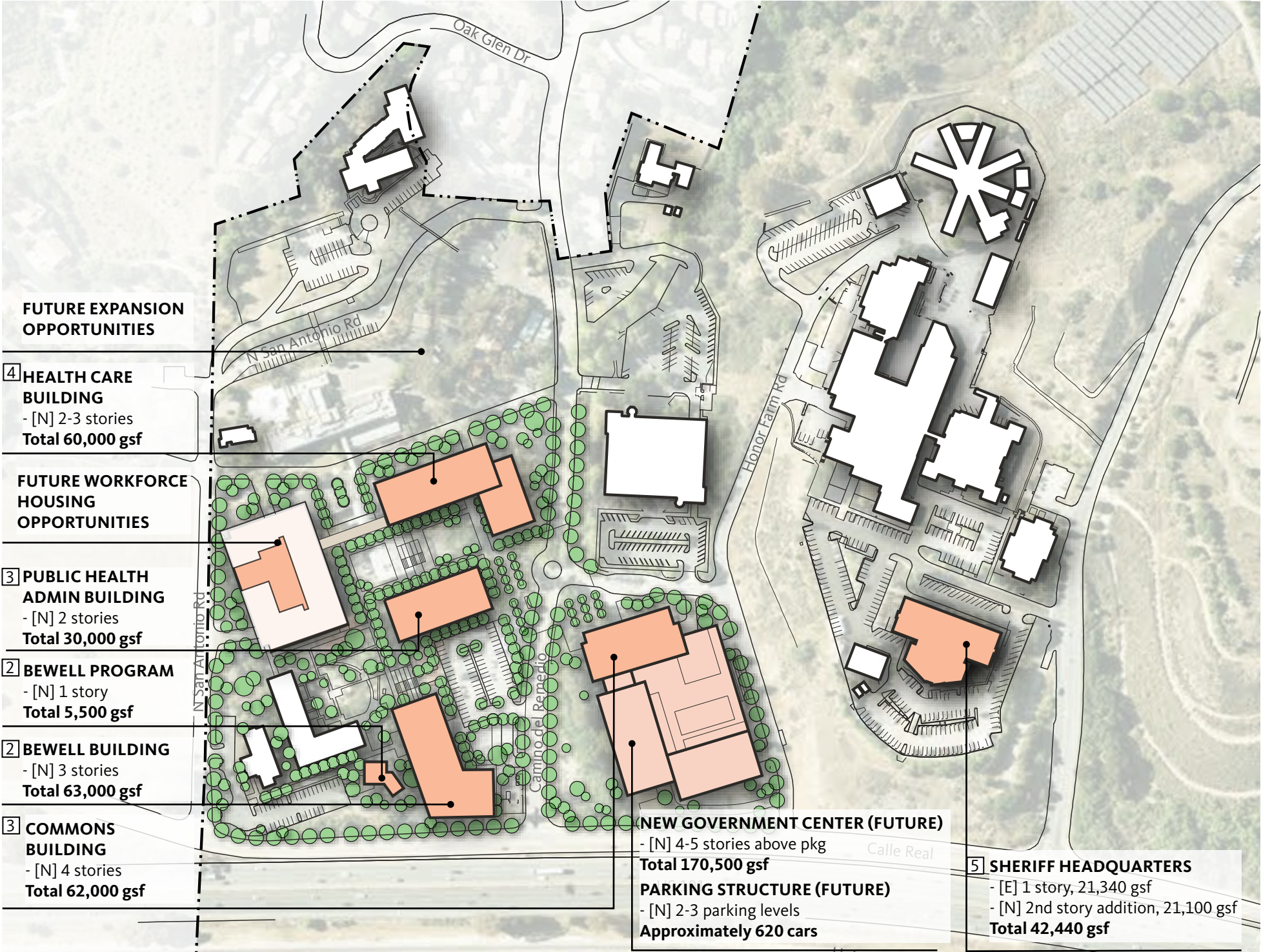
Jail Campus Master Plan Strategy

The Jail Campus houses the Sheriff headquarters, along with the County detention facilities. Most of the buildings will remain on site and some of them will be renovated.

| FACILITY CODE | | BUILDING NAME | EXISTING | DEMOLITION | REMAINING OR RENOVATION | EXPANSION / NEW |
|---------------|---|---------------------------------|----------|------------|-------------------------|-----------------|
| 39 | J03002 | SHERIFF CAPITAL PROJECTS OFFICE | 400 | -400 | - | |
| 40 | J03003 | SHERIFF PROPERTY BUILDING | 3,672 | | 3,672 | |
| 41 | J03004 | SHERIFF PROPERTY ADMIN STORAGE | 480 | | 480 | |
| 42 | J03005 | SHERIFF ADMINISTRATION BUILDING | 21,340 | | 21,340 | +21,100 |
| 43 | J03034 | 911 DISPATCH CENTER | 6,400 | | 6,400 | |
| 44 | J03028, J03010, J03012, J03014, J03015, J03016, J03036, etc | JAIL BUILDINGS | 139,759 | -707 | 139,052 | |
| 45 | J03016 | SHERIFF INMATE SERVICES | 4,320 | | 4,320 | |
| 46 | J03017, J03019, J03020 | MSF FACILITIES | 22,177 | | 22,177 | |
| TOTAL | | | 198,548 | -1,107 | 197,441 | +21,100 |

* Building areas may be subject to change based on real condition

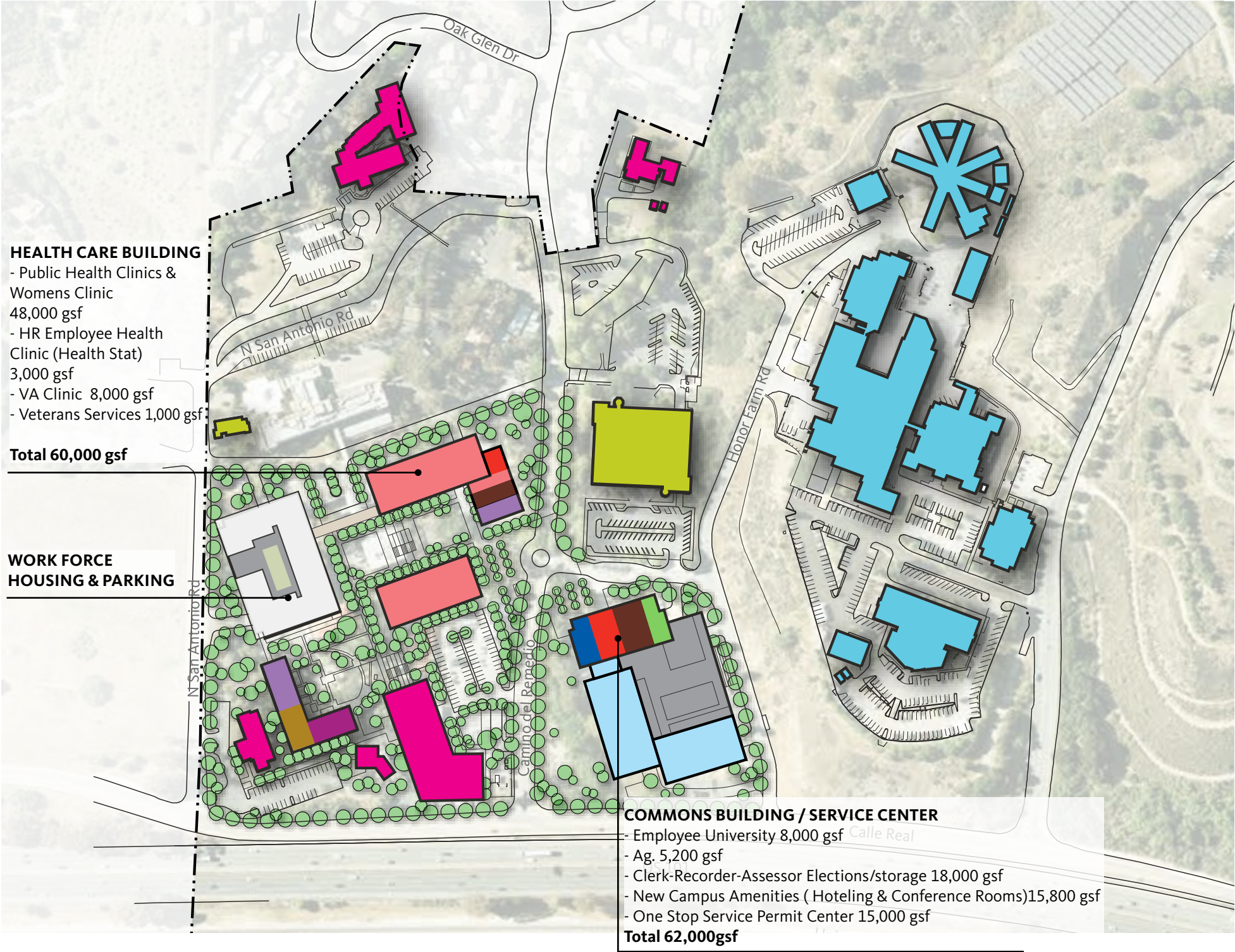
HEALTH AND GOVERNMENT CENTER CAMPUS & JAIL CAMPUS - POTENTIAL PHASING



Health Campus & Jail and Government Center Campus Potential Phasing Strategy

- PHASE 1: EXISTING BUILDING RENOVATION
- » Move Environmental health, Ag. Department and Employee University (locations to be determined); demolish vacated facilities
- Note: Main Jail Facilities Renovations are not included as a part of the master plan. These projects are anticipated to begin in 2023*
- PHASE 2: NEW BEWELL BUILDING
- » Build BeWell Complex and move BeWell Department into Building(s)
 - » Demolish Boiler Bldg and Mental Health Clinic
- PHASE 3: NEW COMMONS AND PUBLIC HEALTH ADMIN BUILDINGS
- » Build new Commons Building and move Elections, Employee University and the Ag. Department to the new building
 - » Build new Public Health Administration Building and move Public Health Department Administration and Environmental Health to the new building
 - » Demolish San Antonio Building, Public Health Administration Building #8, and Psych/PHD Building #3
- PHASE 4: NEW HEALTH CARE BUILDING & PARKING
- » Build New Health Care Building and move Public Health Clinic, Womens Clinic, Employee Health Clinic (Health Stat), VA Clinic, and Veterans Services to the new building
 - » Demolish existing Public Health Clinic Building, Womens Clinic, Health Stat Trailer, Brown Trailer, and County Archives Building
 - » Install temporary trailers for Sheriff Administration
- PHASE 5: SHERIFF BUILDINGS
- » Build 2nd story on Sheriff Headquarters facility

HEALTH CAMPUS & JAIL AND GOVERNMENT CENTER CAMPUS - MULTI-USE BUILDING DETAIL



Multi-Use Buildings

NEW COMMONS BUILDING / SERVICE CENTER

- » Build new Commons Building and move Elections, Employee University and the Ag. Department to the new building

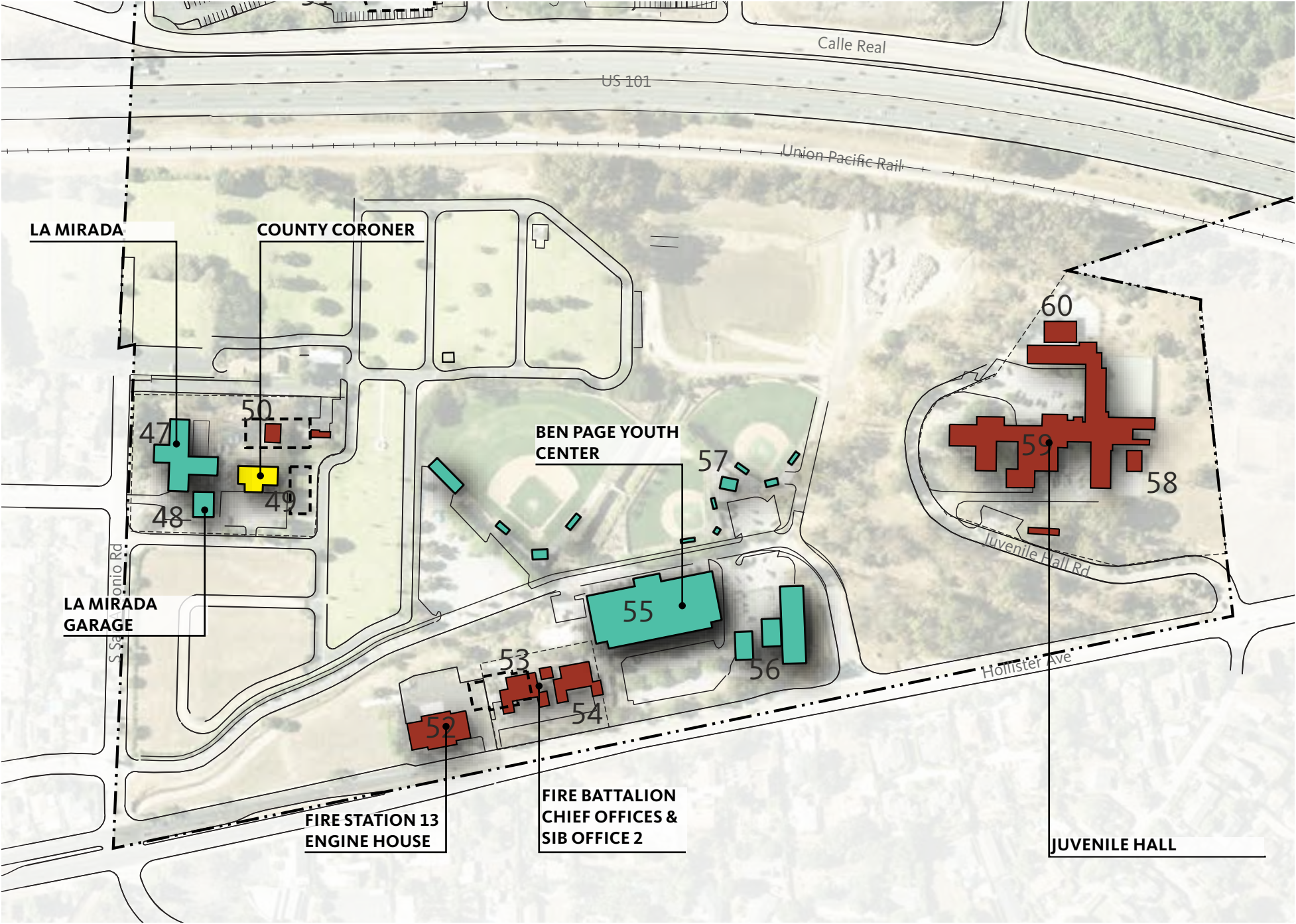
NEW HEALTH CARE BUILDING AND PARKING STRUCTURE

- » Build New Health Care Building and move Public Health Clinic, Employee Health Clinic (Health Stat), VA Clinic, and Veterans Services to the new building
- » Build new Parking Structure

- | | |
|-----------------------------|---------------------------------------|
| ----- SITE BOUNDARY | SHERRIFF |
| AGRICULTURAL COMMISSIONER | CLERK-RECORDER-ASSESSOR |
| BEHAVIORAL WELLNESS (ADMHS) | NEW GOVERNMENT CENTER |
| CHILD SUPPORT SERVICES | NEW CAMPUS AMENITIES / SERVICE CENTER |
| PUBLIC HEALTH | NON-COUNTY ORGANIZATION |
| HUMAN RESOURCES | PARKING STRUCTURE |
| SOCIAL SERVICES | |

COMMUNITY SERVICES CAMPUS - SITE PLAN

DEVELOPMENT STRATEGIES - EXISTING BUILDING DISPOSITION



Community Services Campus
Master Plan Strategy

The Community Services Campus will function as the home for the Coroner along with the Ben Page Youth Center, an important community organization. With the proposed demolition of the old Juvenile Hall, land is available for future development.

Sheriff facilities will expand through the addition of a new Coroners Building and Special Investigations Bureau (SIB) building adjacent to the existing Coroners Building, which is slated for renovation. Once SIB is relocated to it's new building, the existing SIB building will be demolished and a new Fire Station 13 will be constructed in its place.

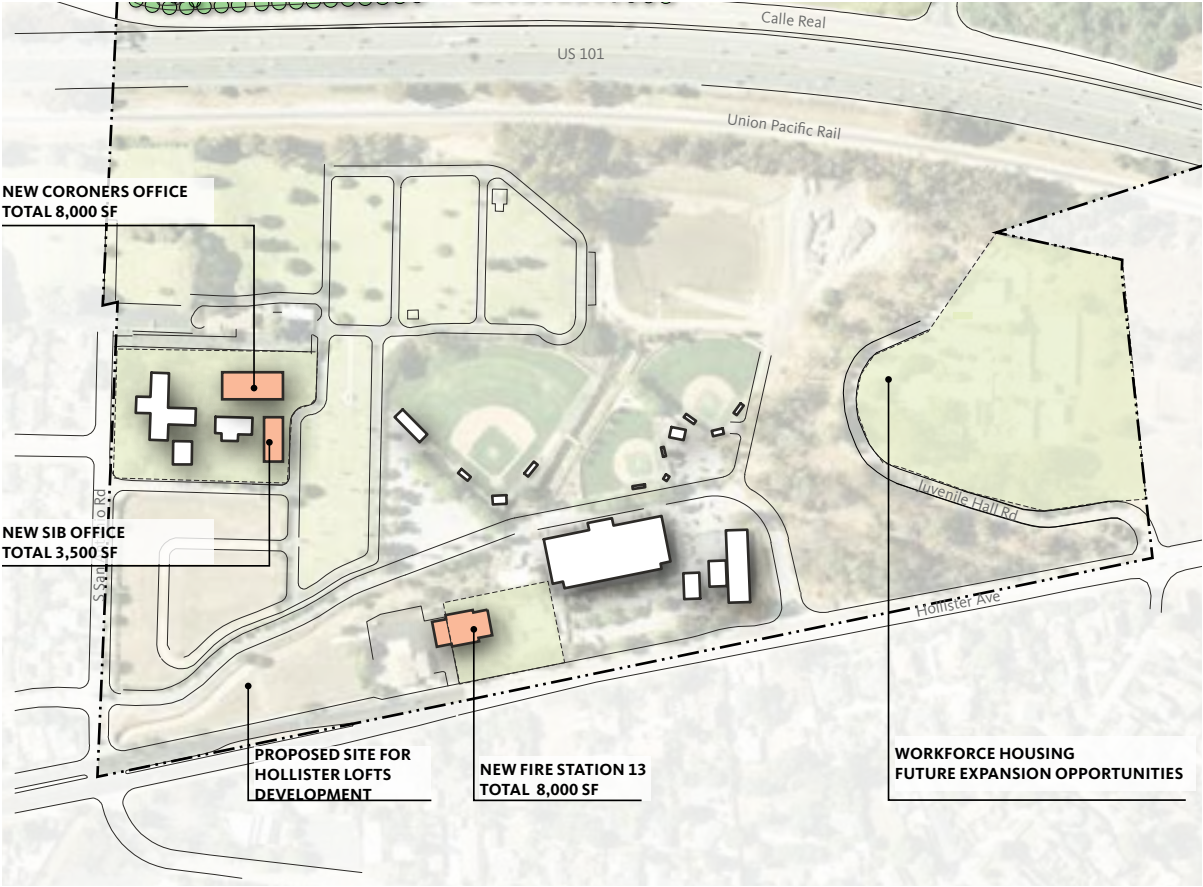
| | FACILITY CODE | BUILDING NAME | EXISTING | DEMOLITION | REMAINING OR RENOVATION | EXPANSION / NEW |
|-----------|---------------|---|----------|------------|-------------------------|-----------------|
| EXISTING | 47 | J01001 LA MIRADA BLDG | 6,400 | | 6,400 | |
| | 48 | J01002 SEARCH AND RESCUE BLDG | 1,225 | | 1,225 | |
| | 49 | J01005 SHERIFF CORONER FACILITY | 2,250 | | 2,250 | |
| | 50 | J01003 SHERIFF CORONER OFFICE ANNEX | 800 | -800 | | |
| | 51 | J01006 SHERIFF CORONER STORAGE | 200 | -200 | | |
| | 52 | C13001 FIRE STATION 13 | 5,560 | -5,560 | | |
| | 53 | J01009 FIRE BATTALION CHIEF OFFICE BUNK | 2,184 | -2,184 | | |
| | 54 | J01010 SHERIFF SOD FACILITY | 5,074 | -5,074 | | |
| | 55 | PAGE YOUTH CENTER | 31,900 | | 31,900 | |
| | 56 | FOOD BANK BUILDINGS** | 10,460 | | 10,460 | |
| | 57 | DUGOUT STRUCTURE | | | | |
| | 58 | J01016 JUVENILE HALL VE MODULAR | 720 | -720 | | |
| | 59 | J01018 JUVENILE HALL | 22,462 | -22,462 | | |
| | 60 | COURTROOM MODULAR | 2,800 | -2,800 | | |
| sub-total | | | 92,035 | -39,800 | 52,235 | |
| NEW | | NEW FIRE STATION 13 | | | | +8,000 |
| | | NEW CORONERS OFFICE | | | | +6,000 |
| | | NEW SIB OFFICE | | | | +3,500 |
| sub-total | | | | | | +17,500 |
| TOTAL | | | 92,035 | -39,800 | 52,235 | +17,500 |

* Building areas may be subject to change based on real condition

**Food Bank is relocating, timing to be determined

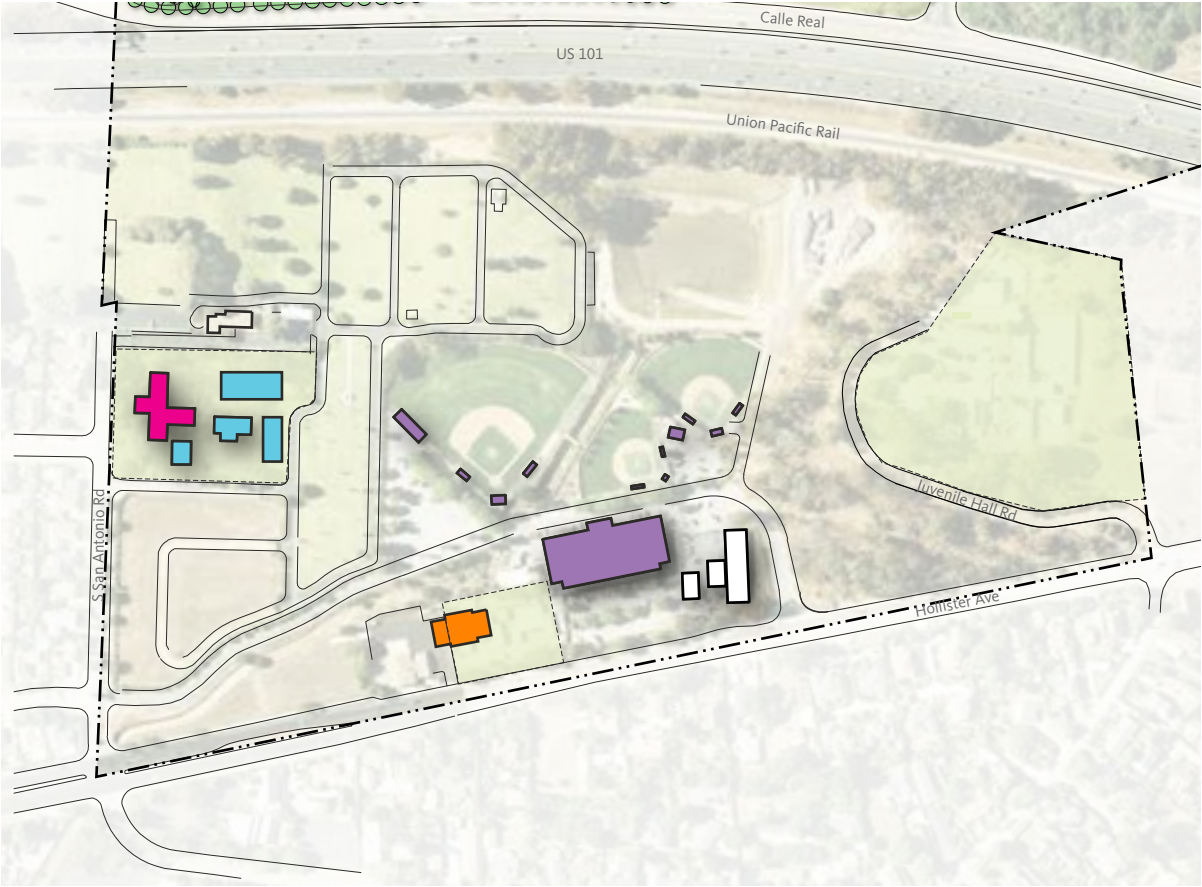
COMMUNITY SERVICES CAMPUS - SITE PLAN

SITE PLAN



- SITE BOUNDARY
- [E] - EXISTING BUILDING
- [N] - PROPOSED NEW BUILDING

BUILDING USE



- SITE BOUNDARY
- ORANGE FIRE
- PINK BEHAVIORAL WELLNESS
- BLUE SHERIFF
- PURPLE NON-COUNTY ORGANIZATION
- WHITE UNIDENTIFIED USE

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ESTIMATED CONSTRUCTION COSTS

The team developed conceptual cost estimates in order to provide the County with a sense of what implementing the master plan would cost. The costs are summarized below for each of the mini campuses. The estimates are presented in 2022 dollars and are not escalated. They estimates further include hard construction costs related to demolition, construction of new buildings, renovations of existing buildings as applicable, and a 15% design contingency. Site clearance and soft costs (such as furniture/fixtures/equipment) are excluded. A more detailed list of costs related to each building is included in the Appendix.

| PROGRAM | DEMOLITION (INC HAZARDOUS MA- TERIAL ABATEMENT) | REMAINING OR RENOVATION | EXPANSION | NEW CONSTRUCTION | TOTAL CONSTRUCTION COST |
|--------------------------------------|---|----------------------------|---------------------|----------------------|-------------------------------|
| Public Safety Campus | \$217,792 | \$0 | \$4,588,500 | \$17,100,000 | \$21,906,292 |
| County Yards Campus | \$718,192 | \$0 | \$2,950,500 | \$38,000,625 | \$41,669,317 |
| Health & Government Center Campus | \$3,254,206 | \$0 | \$0 | \$320,712,500 | \$323,966,706 |
| Jail Campus | \$35,196 | \$0 | \$15,297,500 | \$0 | \$15,332,696 |
| Community Services Campus | \$532,072 | \$0 | \$0 | \$14,725,000 | \$15,257,072 |
| TOTAL : | \$4,225,386 | \$0 | \$22,836,500 | \$375,813,125 | \$402,875,011 |







APPENDIX

06

Cost estimates

Real estate economic analysis of prototypical development option for engineering building site in downtown Santa Barbara

The potential demand for housing at Santa Barbara county properties in downtown Santa Barbara

Real estate economic analysis and estimated Value of Santa Barbara county administration Building assuming adaptive reuse for apartment units

April 15, 2022



Santa Barbara County

Campus Master Plan

Rough Order of Magnitude Cost Model

for

Gensler

© KPJ Consulting Cost Planning

ph.213.215.9146.e.pmathur@kpjconsultingusa.com

BASIS OF ESTIMATE

Unit Rates

The stated unit rates include two primary elements (1) Trade Costs & (2) General Contractor Costs.

Trade Costs

Direct construction costs typically performed by subcontractors contracted by the GC. Based on Prevailing Wage rates.

General Contractor Costs

Staffing - GC will include in their bids supervision staff such as Project Manager, Superintendent and Project Engineer. Total hours committed will depend on project size.

General requirements - Includes costs for temporary protection, bench marks & floor surveys, clean up labor, OT deliveries and mock ups.

Insurances - depends on the clients requirements can include general liability, builders risk SDI and bonds.

Fee - This is the General Contractors profit.

Estimating/Design Contingency

Recommended as a risk mitigation cost. As this study is high level and does not include detailed surveys or design, costs generated are based on perceived similarities with like projects. Therefore aspects of specific design and existing conditions are unknown. To cover these unknown elements an estimating/design contingency of 15% is carried as part of the estimated cost.

Soft Costs

Are excluded

Escalation

Is excluded



CALLE REAL MASTER PLAN

Santa Barbara County
Campus Master Plan



CAMPUS CONSTRUCTION COST SUMMARY

| CAMPUS | DEMOLITION (INCLUDING HAZARDOUS MATERIAL ABATEMENT) | REMAINING OR RENOVATION | EXPANSION | NEW CONSTRUCTION | TOTAL CONSTRUCTION COST |
|---|---|-------------------------|---------------------|----------------------|-------------------------|
| PUBLIC SAFETY CAMPUS | \$217,792 | \$0 | \$4,588,500 | \$17,100,000 | \$21,906,292 |
| COUNTY YARDS CAMPUS | \$718,192 | \$0 | \$2,950,500 | \$37,810,625 | \$41,479,317 |
| HEALTH CAMPUS (West of Camino del Remedio) | \$2,872,702 | \$0 | \$0 | \$136,805,000 | \$139,677,702 |
| JAIL AND GOVERNMENT CAMPUS (East of Camino del Remedio) | \$476,820 | \$0 | \$15,297,500 | \$178,672,500 | \$194,446,820 |
| COMMUNITY SERVICES CAMPUS | \$532,072 | \$0 | \$0 | \$14,725,000 | \$15,257,072 |
| | \$4,817,578 | \$0 | \$22,836,500 | \$385,113,125 | \$412,767,203 |

All of the above costs are based on building construction only. Site development costs (outside of a 5' building perimeter) are excluded.

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Santa Barbara County
Campus Master Plan



DISPOSITION CHART CONSTRUCTION COST SUMMARY

| PUBLIC SAFETY CAMPUS | | | | DEMOLITION (INCLUDING HAZARDOUS MATERIAL ABATEMENT) | | | REMAINING OR RENOVATION | | | EXPANSION / NEW | | |
|----------------------|--|---|----------|---|----------|-------------------|-------------------------|----------|-------------------|-----------------|----------|-------------------|
| | FACTOR TYPE CODE | BUILDING | EXISTING | | COST/ SF | CONSTRUCTION COST | | COST/ SF | CONSTRUCTION COST | | COST/ SF | CONSTRUCTION COST |
| EXISTING BUILDINGS | 1 J05002 | FIRE DEPT ADMIN WAREHOUSE | 6,000 | 6,000 | \$16.00 | \$96,000 | | | | | | |
| | 2 J05001 | FIRE DEPT ADMIN BLDG | 7,612 | 7,612 | \$16.00 | \$121,792 | | | | | | |
| | 3 J05020 | EMERGENCY OPERATIONS CENTER | 11,080 | | | | 11,080 | \$0.00 | \$0 | 4,830 | \$950.00 | \$4,588,500 |
| | J05011, J05016, J05021, J05022, J05023, J05024, J05025 | COUNTY OFFICE OF EDUCATION | 44,459 | | | | 44,459 | \$0.00 | \$0 | | | |
| sub-total | | | 68,151 | 13,612 | | \$217,792 | 55,539 | | \$0 | 4,830 | | \$4,588,500 |
| NEW BUILDINGS | | FIRE DEPARTMENT HQ | | | | | | | | 22,800 | \$750.00 | \$17,100,000 |
| | sub-total | | | | | | | | | 22,800 | | \$17,100,000 |
| COUNTY YARDS CAMPUS | | | | DEMOLITION (INCLUDING HAZARDOUS MATERIAL ABATEMENT) | | | REMAINING OR RENOVATION | | | EXPANSION / NEW | | |
| | FACTOR TYPE CODE | BUILDING | EXISTING | | COST/ SF | CONSTRUCTION COST | | COST/ SF | CONSTRUCTION COST | | COST/ SF | CONSTRUCTION COST |
| EXISTING BUILDINGS | 5 J04001 | ALPHA RESOURCE CENTER | 17,660 | | | | 17,660 | \$0.00 | \$0 | | | |
| | 6 J04002 | SHERIFF INDOOR SHOOTING RANGE | 10,591 | | | | 10,591 | \$0.00 | \$0 | | | |
| | 7 J04002 | SHERIFF TRAINING FACILITY | 3,600 | 3,600 | \$16.00 | \$57,600 | | | | | | |
| | 8 J04009 | PUBLIC WORKS FLOOD CONTROL STORAGE | 200 | 200 | \$16.00 | \$3,200 | | | | | | |
| | 9 J04008 | PUBLIC WORKS SHADE STRUCTURE | 2,880 | | | | 2,880 | \$0.00 | \$0 | | | |
| | 10 J04013 | GENERAL SERVICES FACILITIES SHOP AND OFFICE | 11,008 | 11,008 | \$16.00 | \$176,128 | | | | | | |
| | 11 J04010 | PUBLIC WORKS FLOOD CONTROL BUILDING | 7,800 | 7,800 | \$16.00 | \$124,800 | | | | | | |
| | 12 J04015 | GENERAL SERVICES VEHICLES PAINT SHOP | 432 | 432 | \$16.00 | \$6,912 | | | | | | |
| | 13 J04014 | GENERAL SERVICES VEHICLE OPS BUILDING | 12,640 | | | | 12,640 | \$0.00 | \$0 | 5,620 | \$525.00 | \$2,950,500 |
| | 14 J04017 | GENERAL SERVICES FUELING STATION | | | | | | | | | | |
| | J04018, J04022, J04023, J04024, J04025, J04026, J04027, J04028, J04029, J04030, J04031 | PUBLIC WORKS TRANSFER STATION | 12,000 | | | | 12,000 | \$0.00 | \$0 | | | |
| | J04037, J04038, J04039, J04040, J04041, J04042 | PUBLIC WORKS TROAD YARD BUILDINGS | 22,573 | 4,358 | \$12.00 | \$52,296 | 18,215 | \$0.00 | \$0 | | | |
| | 17 J04033 | PARKS STORAGE BUILDING | 2,500 | 2,500 | \$10.00 | \$25,000 | | | | | | |
| | 18 J04035 | CRA ARCHIVES BUILDING | 6,000 | 6,000 | \$16.00 | \$96,000 | | | | | | |
| | 19 J04034 | CSD PARK OPERATIONS OFFICE | 11,016 | 11,016 | \$16.00 | \$176,256 | | | | | | |
| 20 | HEARTS THERAPEUTIC EQUESTRIAN CENTER | 3,460 | | | | 3,460 | \$0.00 | \$0 | | | | |
| sub-total | | | 124,360 | 46,914 | | \$718,192 | 77,446 | | \$0 | 5,620 | | \$2,950,500 |
| NEW BUILDINGS | | STORAGE BUILDING | | | | | | | | 16,600 | \$375.00 | \$6,225,000 |
| | | OFFICE BUILDING | | | | | | | | 18,100 | \$625.00 | \$11,312,500 |
| | | PARKS YARD BUILDING | | | | | | | | 20,200 | \$475.00 | \$9,595,000 |
| | | FLOOD CONTROL OFFICE | | | | | | | | 6,200 | \$625.00 | \$3,875,000 |
| | | STORM WATER DIVISION & CONSTRUCTION PERMIT | | | | | | | | 10,885 | \$625.00 | \$6,803,125 |
| | | NEW PREFAB COMM TOWER BUILDING | | | | | | | | 4,000 | \$475.00 | \$1,900,000 |
| sub-total | | | | | | | | | | 75,985 | | \$37,810,625 |

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CALLE REAL MASTER PLAN

Santa Barbara County
Campus Master Plan



DISPOSITION CHART CONSTRUCTION COST SUMMARY

HEALTH CAMPUS (West of Camino del Remedio)

| | FAO LI TY CODE | BUI LDI NG | EXI STI NG | DEMOLITI ON (I NC HAZARDOUS MATERI AL ABATEMENT) | COST/ SF | CONSTRUCTI ON COST | REMAI NI NG OR RENOVATI ON | COST/ SF | CONSTRUCTI ON COST | EXPANSI ON / NEW | COST/ SF | CONSTRUCTI ON COST |
|-----------------------|----------------|----------------|---------------------------------|--|----------|-----------------------|-------------------------------|----------|-----------------------|---------------------|-----------|-----------------------|
| EXI STI NG BUI LDI NG | 21 | J02007 | ADMS CHI LORENS SERM CE CENTER | 11, 836 | | | 11, 836 | \$0. 00 | \$0 | | | |
| | 22 | J02013 | ARCH VE BUI LDI NG | 13, 060 | | \$16. 00 | | | \$208, 960 | | | |
| | 23 | J02008 | HEALTH STAT MODULAR | 1, 440 | | \$10. 00 | | | \$14, 400 | | | |
| | 24 | J02029 | BEVELL ADULT SERM CES | 9, 100 | | \$16. 00 | | | \$145, 600 | | | |
| | 25 | J02014, J02016 | PHD BUI LDI NG | 113, 867 | | \$16. 00 | | | \$1, 821, 872 | | | |
| | 26 | J02006 | WOMENS ANNEX | 3, 831 | | | 3, 831 | \$0. 00 | \$0 | | | |
| | 27 | J02004 | PHD ADM N BUI LDI NG | 2, 691 | | \$16. 00 | | | \$43, 056 | | | |
| | 28 | J02003 | SAN ANTONI O BUI LDI NG | 22, 828 | | \$16. 00 | | | \$365, 248 | | | |
| | 29 | J02002 | CASA NUEVA | 28, 655 | | | 28, 655 | \$0. 00 | \$0 | | | |
| | 30 | J02001 | CASA MURAL | 4, 461 | | | 4, 461 | \$0. 00 | \$0 | | | |
| | 31 | J02031 | CASA NUEVA ANNEX | 1, 200 | | \$16. 00 | | | \$19, 200 | | | |
| | 32 | J02021 | PHD ENV RMENTAL MODULAR | 4, 032 | | \$10. 00 | | | \$40, 320 | | | |
| | 33 | J02020 | AGRI CULTURAL OFFI CE | 3, 884 | | \$16. 00 | | | \$62, 144 | | | |
| | 34 | J02022 | EMPLOYEE UNI VERSI TY | 4, 320 | | \$16. 00 | | | \$69, 120 | | | |
| | 35 | J02017 | QLD BOI LER BUI LDI NG | 4, 599 | | \$18. 00 | | | \$82, 782 | | | |
| | | | sub-total | 229, 804 | | \$2, 872, 702 | 48, 783 | | \$0 | | | |
| NEW BUI LDI NG | | | BEHAVI ORAL WELLNESS BUI LDI NG | | | | | | | 63, 000 | \$955. 00 | \$60, 165, 000 |
| | | | MRC (16 bed) | | | | | | | 5, 500 | \$980. 00 | \$5, 390, 000 |
| | | | PUBLIC HEALTH ADM N BUI LDI NG | | | | | | | 30, 000 | \$725. 00 | \$21, 750, 000 |
| | | | HEALTH CARE CENTER | | | | | | | 60, 000 | \$925. 00 | \$49, 500, 000 |
| | | | sub-total | | | | | | | 158, 500 | | \$136, 805, 000 |

JAI L AND GOVERNMENT CAMPUS (East of Camino del Remedio)

| | FAO LI TY CODE | BUI LDI NG | EXI STI NG | DEMOLITI ON (I NC HAZARDOUS MATERI AL ABATEMENT) | COST/ SF | CONSTRUCTI ON COST | REMAI NI NG OR RENOVATI ON | COST/ SF | CONSTRUCTI ON COST | EXPANSI ON / NEW | COST/ SF | CONSTRUCTI ON COST |
|-----------------------|----------------|--|---|--|----------|-----------------------|-------------------------------|----------|-----------------------|---------------------|-----------|-----------------------|
| EXI STI NG BUI LDI NG | 36 | J02030 | VA CLI NI C & ELECTI ONS | 23, 844 | | \$16. 00 | | | \$381, 504 | | | |
| | 37 | J02028 | SOCI AL SERM CES BUI LDI NG | 50, 420 | | | 50, 420 | \$0. 00 | \$0 | | | |
| | 38 | J02023 | CASA OREGA HOUSE | 3, 580 | | | 3, 580 | \$0. 00 | \$0 | | | |
| | 39 | J03002 | SHER FF CAPI TAL PROJECTS OFFI CE | 400 | | \$16. 00 | | | \$6, 400 | | | |
| | 40 | J03003 | SHER FF PROPERTY BUI LDI NG | 3, 672 | | | 3, 672 | \$0. 00 | \$0 | | | |
| | 41 | J03004 | SHER FF PROPERTY ADM N STORAGE | 480 | | | 480 | \$0. 00 | \$0 | | | |
| | 42 | J03005 | SHER FF ADM N STRATI ON BUI LDI NG | 21, 340 | | | 21, 340 | \$0. 00 | \$0 | | | |
| | 43 | J03034 | 911 DI SPATCH CENTER | 6, 400 | | | 6, 400 | \$0. 00 | \$0 | 21, 100 | \$725. 00 | \$15, 297, 500 |
| | 44 | J03028, J03010, J03012, J03014, J03015, J03016, J03036, etc | JAI L BUI LDI NG | 139, 759 | | \$28. 00 | | | \$19, 796 | | | |
| | 45 | J03016 | SHER FF I N MATE SERM CES | 4, 320 | | \$16. 00 | | | \$69, 120 | | | |
| | 46 | J03017, J03019, J03020 | MSF FAO LI TI ES | 22, 177 | | | 22, 177 | \$0. 00 | \$0 | | | |
| | | | sub-total | 276, 392 | | \$476, 820 | 247, 121 | | \$0 | 21, 100 | | \$15, 297, 500 |
| NEW BUI LDI NG | | | JAI L I N MATE SERM CE REPLACEMENT BUI LDI NG | | | | | | | 9, 000 | \$810. 00 | \$7, 290, 000 |
| | | | NEW COMMONS BUI LDI NG | | | | | | | 47, 000 | \$835. 00 | \$39, 245, 000 |
| | | | NEW GOVERNMENT CENTER | | | | | | | 170, 500 | \$775. 00 | \$132, 137, 500 |
| | | | sub-total | | | | | | | 226, 500 | | \$176, 672, 500 |

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Santa Barbara County
Campus Master Plan



DISPOSITION CHART CONSTRUCTION COST SUMMARY

COMMUNI TY SERM CES CAMPUS

| COMMUNITY SERVICES CAMPUS | | | DEMOLITION (INC HAZARDOUS MATERIAL ABATEMENT) | | | REMAINING OR RENOVATION | | EXPANSION / NEW | |
|---------------------------|-----------|----------------------------------|--|----------------------|-----------|----------------------------|---------|----------------------|-------------|
| | BUILDING | EXISTING | COST/SF | CONSTRUCTION COST | COST/SF | CONSTRUCTION COST | COST/SF | CONSTRUCTION COST | |
| EXISTING BUILDINGS | 47 J01001 | LA MIRADA BLDG | 6,400 | | | 6,400 | \$0.00 | \$0 | |
| | 48 J01002 | SEARCH AND RESCUE BLDG | 1,225 | | | 1,225 | \$0.00 | \$0 | |
| | 49 J01005 | SHERIFF CORNER FACILITY | 2,250 | | | 2,250 | \$0.00 | \$0 | |
| | 50 J01003 | SHERIFF CORNER OFFICE ANNEX | 800 | 800 | \$16.00 | \$12,800 | | | |
| | 51 J01006 | SHERIFF CORNER STORAGE | 200 | 200 | \$12.00 | \$2,400 | | | |
| | 52 C13001 | FIRE STATION 13 | 5,560 | | \$16.00 | \$88,960 | | | |
| | 53 J01009 | FIRE BATTALION CHIEF OFFICE BUNK | 2,184 | 2,184 | \$16.00 | \$34,944 | | | |
| | 54 J01010 | SHERIFF SOD FACILITY | 5,074 | 5,074 | \$16.00 | \$81,184 | | | |
| | 55 | PAGE YOUTH CENTER | 31,900 | | | 31,900 | \$0.00 | \$0 | |
| | 56 | FOOD BANK BUILDINGS | 10,460 | | | 10,460 | \$0.00 | \$0 | |
| | 57 | DUGOUT STRUCTURE | | | | | | | |
| | 58 J01016 | JUVENILE HALL VEHICULAR | 720 | 720 | \$12.00 | \$8,640 | | | |
| | 59 J01018 | JUVENILE HALL VEHICULAR | 22,462 | | \$12.00 | \$269,544 | | | |
| | 60 | COURTROOM MODULAR | 2,800 | | \$12.00 | \$33,600 | | | |
| | | sub-total | 92,035 | 39,800 | \$532,072 | 52,235 | \$0 | \$0 | |
| NEW BUILDINGS | | NEW FIRE STATION 13 | | | | | 8,000 | \$975.00 | \$7,800,000 |
| | | NEW CORNERS OFFICE | | | | | 6,000 | \$775.00 | \$4,650,000 |
| | | NEW SIB OFFICE | | | | | 3,500 | \$650.00 | \$2,275,000 |
| | | sub-total | | | | | 17,500 | \$14,725,000 | |

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**REAL ESTATE ECONOMIC ANALYSIS OF
PROTOTYPICAL DEVELOPMENT OPTION FOR
ENGINEERING BUILDING SITE IN DOWNTOWN SANTA BARBARA**

A Report to

GENSLER

From

GRUEN GRUEN + ASSOCIATES

Urban Economists, Market Strategists & Land Use / Public Policy Analysts

December 2019

C1536



**REAL ESTATE ECONOMIC ANALYSIS OF
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CHAPTER I

INTRODUCTION AND PRINCIPAL CONCLUSIONS

INTRODUCTION

We focus in this report on identifying the real estate economics of a prototypical redevelopment alternative for the Engineering Building site in Downtown Santa Barbara. For the initial analysis summarized in this report, one prototypical development alternative is evaluated. The Engineering Building is assumed to be demolished and replaced with a new apartment building including 66 apartment units comprising 60,000 gross square feet of building space and 48,750 net rentable square feet of building space for an average unit size of 739 square feet.

The residual land value or discounted cash flow methodology used to evaluate the prototypical development alternative is similar to what is often referred to as an income approach, and provides an estimate of the amount of money a developer could afford to pay for land, given an estimate of the net cash flow that results from the development and operation of the development.¹ We used this methodology of estimating the land value that would be supported by the investment returns of the forecast revenues and costs associated with the apartment development alternative in order to identify whether it would be feasible to redevelop the Engineering Building site and the potential value the disposition of the site would generate for Santa Barbara County. A hurdle rate or return requirement of 14 percent Internal Rate of Return (“IRR”) is assumed for the postulated apartment development alternative. A project is feasible if a developer can achieve a return on the developer/investor equity that meets a hurdle rate commensurate with the associated risk. In essence, we asked the following question for the apartment use:

How much could a prospective developer pay for the land needed to site the postulated development alternative and earn the specified IRR?

¹ A residual land value refers to the amount a would-be developer could afford to pay for the land, given the cash flow that results from a specified set of cost and revenue forecasts and stipulated financial terms. An internal rate of return (“IRR”) means the rate of return at which the discounted future cash flows from an investment equal the rate of the initial cash outlay. In the jargon of finance theory, the IRR is the discount rate at which the net present value is zero. If the IRR exceeds the desired rate of return, the investment is financially feasible; if the IRR is lower than the desired rate of return, the investment is not financially feasible.



REAL ESTATE ECONOMICS FINDINGS AND CONCLUSIONS

- Under the building space program, development cost, revenue and expense, and investment and financing assumptions described below, the development of the prototypical apartment development alternative would be highly feasible.
- Under the building space program and assumptions used to structure the discounted cash flow financial analysis and estimates, an investor-developer could afford to pay approximately \$9.1 million for the site and earn a feasible return on its equity investment. This equates to approximately \$150 per square foot of land and \$138,000 per unit.



CHAPTER II

PROTOTYPICAL APARTMENT DEVELOPMENT ALTERNATIVE AND ASSUMPTIONS UNDERLYING DISCOUNTED CASH FLOW ANALYSIS

INTRODUCTION

This chapter reviews the physical parameters and development cost, financial, and market or revenue inputs used to simulate investment in the development, operation, and eventual sale of a prototypical apartment redevelopment of the Engineering Building site.

DESCRIPTION OF PROTOTYPICAL APARTMENT DEVELOPMENT ALTERNATIVE

Tables II-1 summarizes the physical parameters of the postulated prototypical apartment development alternative.

| TABLE II-1 | |
|---|--|
| Prototypical Apartment Development Alternative | |
| Use | Apartment |
| Total Dwelling Units | 66 |
| Average Unit Size in Square Feet ¹ | 739 (36 one bedroom units at 625 square feet; and 30 two bedroom units at 850 square feet) |
| Density in Units Per Acre | 47 |
| Building Height(s) | 3.0 stories |
| Gross Floor Area in Square Feet | 60,000 |
| Net Rentable Floor Area in Square Feet | 48,750 |
| Floor Area Ratio | 0.99 |
| Parking Spaces | 66 |
| Parking Ratio (Spaces Per Unit) | 1.0 on site |
| ¹ Average unit size assumes the multi-family building has a net-to-gross efficiency factor of approximately 81.25 percent. | |
| Source: Gruen Gruen + Associates | |

For this real estate economic analysis, we assume an apartment development prototype that would include a three-story building on a site of approximately 1.39 acres with a total of 66 units. The gross floor area would total approximately 20,000 square feet per floor for a total of 60,000 gross square feet. This equates to a floor area ratio of approximately 0.99. On-site surface parking of 66 spaces would be provided with a parking ratio of 1.0 spaces per unit. The average unit size would approximate 739 square feet assuming a net-to-gross efficiency factor of about 81.25 percent applied to the apartment building. This means some of the building area would be devoted to common area circulation and resident amenities rather than units (e.g., lobby, pet washing stations, bike storage, etc.).



ESTIMATED DEVELOPMENT COSTS

Table II-2 summarizes the estimated development costs for the postulated prototypical apartment development alternative.

| TABLE II-2 | | |
|---|-----------------|-----------|
| Development Cost Estimates for Prototypical Apartment Development Alternative | | |
| | Per Square Foot | Per Unit |
| Total Hard and Soft Development Costs | \$340 | \$309,000 |
| Demolition and Site Preparation Costs at \$15 per Square Foot for 54,000 Square Feet of Existing Building | \$810,000 | |
| Inclusionary Housing In-lieu Fees at \$25 Per Square Foot for 48,750 Square Feet of Rentable Space | \$1,219,350 | |
| TOTAL COST ¹ | \$22,429,350 | |
| ¹ Before land acquisition and financing costs. | | |
| Sources: Rider Levett Bucknall; Gensler; Gruen Gruen + Associates developer interviews | | |

Including demolition costs, sitework costs, hard and soft costs, and inclusionary housing in-lieu fees total development costs are estimated at \$22.4 million or nearly \$340,000 per unit (\$460 per square foot of rentable space). Hard and soft building costs are estimated at \$340 per square foot or an average of \$309,000 per unit. Demolition of the existing building and site preparation costs are estimated at \$15 per square foot for a total of \$810,000. Inclusionary housing in-lieu fees are estimated at over \$1.2 million.



FINANCIAL PARAMETERS

Table II-3 summarizes the financial terms stipulated for the discounted cash flow analysis of the prototypical development apartment alternative.

| TABLE II-3 Investment and Financing Assumptions for Prototypical Apartment Development Alternative | |
|---|-------------|
| Equity as Percent of Project Total | 35% |
| Internal Rate of Return (IRR) | 14% |
| Sale Year for IRR Calculation | 9 |
| Mortgage Rate | 4.5% |
| Mortgage Amortization Term in Years | 25 |
| Year Mortgage Taken Out | 3 |
| Construction Loan Financing Costs – Annual Interest Rate | 4.75% |
| Construction Loan Fee | One Percent |
| Capitalization Rate for Sale Year | 4.5% |
| Sales Expenses as Percent of Sales Price | 3% |
| Source: Gruen Gruen + Associates | |

Financial parameters include equity and debt terms, construction and permanent loan arrangements, IRR and capitalization rates. We estimate an equity requirement of 35 percent of project costs and a hurdle rate or IRR target threshold of 14 percent and a holding period of nine years. We assume a two-year construction period and a resulting construction loan period of two years. We estimate a construction loan interest rate of 4.75 percent and a loan fee of one percent. We assume a permanent mortgage loan is obtained in year three to take out or retire the construction loan. We estimate an annual interest rate of 4.5 percent for the permanent mortgage under a loan amortization schedule of 25 years. We estimate a capitalization rate, or buyer's required yield on the purchase of the property of 4.5 percent. We assume expenses associated with the sale of the property are three percent of the transaction value.



MARKET PARAMETERS

Table II-4 summarizes the market or revenue and expense parameters for the postulated prototypical apartment development alternative.

| TABLE II-4 | |
|---|----------|
| Market Parameters for Prototypical Apartment Development Alternative | |
| Average Unit Size in Square Feet | 739 |
| Average Monthly Base Rent Per Square Foot | \$4.25 |
| Average Monthly Base Rent Per Unit | \$3,140 |
| Annual Operating Expenses Per Unit | \$11,500 |
| Annual Rent Escalation | 4.0% |
| Annual Expense Escalation | 3.0% |
| Occupancy Rate Following Construction Completion | |
| Year 1 | 68% |
| Year 2 | 97% |
| Year 3 and Thereafter | 97% |
| Source: Gruen Gruen + Associates | |

We estimate average monthly rents of \$4.25 per square foot, or \$3,140 per unit. We assume monthly operating costs, including insurance and property taxes of 30 percent of revenues or about \$11,500 (annually) per unit. We assume that rents will escalate at four percent annually and expenses will escalate at three percent annually. The apartment units are estimated to be 68 percent leased during the first year after construction completion and 97 percent leased in the second year and thereafter.



CHAPTER III

RESIDUAL LAND VALUE ESTIMATE

RESULTS OF INVESTMENT ANALYSIS

GG+A simulated the real estate investment results of constructing, marketing, and operating the postulated apartment development alternative using GG+A's real estate cash flow model REALISM™. As indicated above, we calculated a land residual value that would permit an investor in the project which contributed 35 percent equity to earn a 14 percent IRR if the investor held the development for nine years. The simulation projects the financial results, including the residual land value of the apartment development alternative specified for the site.

Table III-1 summarizes the results of the simulation of the postulated prototypical apartment development.

| TABLE III-1 | |
|---|--------------------|
| Residual Land Value Estimate for Prototypical Apartment Development Alternative ¹ | |
| Residual Land Value | \$9,107,000 |
| Total Project Value | \$32,406,000 |
| Equity Investment | \$11,342,000 |
| Permanent Debt | \$21,064,000 |
| Annual Debt Service | \$1,420,000 |
| Debt Service Coverage Ratio ² | 1.23 |
| Internal Rate of Return in Year 11 | 14.0% |
| ¹ Figures are rounded. | |
| ² Debt coverage ratio when property is 97% percent leased. | |
| Source: Gruen Gruen + Associates | |

These figures present a perspective for evaluation rather than a cardinal array of hard forecasts. The results are limited by the development potential, market, financial, and other underlying assumptions outlined above. Under the development cost, revenue, expense, investment and financial parameters estimated above, the residual land value is estimated at nearly \$9.1 million or \$138,000 per unit (and \$150 per square foot of land). The total project value, including construction costs, financing costs, and land value, is estimated at \$32.4 million. Equity investment in the project would total \$11.3 million and permanent debt would total nearly \$21.1 million. Annual debt service would approximate \$1.4 million and the Internal Rate of Return on equity investment in year nine, when the property is assumed to be sold, would be 14.0 percent.

The reader is cautioned to note that the estimated residual land values presented exclude the effect of state and federal income taxes that would have to be paid. In effect, this simplifying



assumption increases the residual value over what it might be under the more realistic assumption that taxes on income would be paid. We used the before-tax case, however, so as to avoid the distortions created by taxes and the need to consider whether owners would have off-setting gains and losses from other sources, which is frequently the case.



Gruen Gruen + Associates (GG+A) is a firm of economists, sociologists, statisticians and market, financial and fiscal analysts. Developers, public agencies, attorneys and others involved in real estate asset management utilize GG+A research and consulting to make and implement investment, marketing, product, pricing and legal support decisions. The firm's staff has extensive experience and special training in the use of demographic analysis, survey research, econometrics, psychometrics and financial analysis to describe and forecast markets for a wide variety of real estate projects and economic activities.

Since its founding in 1970, GG+A has pioneered the integration of behavioral research and econometric analysis to provide a sound foundation for successful land use policy and economic development actions. GG+A has also pioneered the use of economic, social and fiscal impact analysis. GG+A impact studies accurately and comprehensively portray the effects of public and private real estate developments, land use plans, regulations, annexations and assessments on the affected treasuries, taxpayers, consumers, other residents and property owners.

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APPLYING KNOWLEDGE, CREATING RESULTS, ADDING VALUE



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**THE POTENTIAL DEMAND FOR HOUSING AT SANTA BARBARA
COUNTY PROPERTIES IN DOWNTOWN SANTA BARBARA**

To

GENSLER

&

COUNTY OF SANTA BARBARA

From

GRUEN GRUEN + ASSOCIATES

Urban Economists, Market Strategists & Land Use/Public Policy Analysts

November 5, 2019

C1536

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GRUEN GRUEN + ASSOCIATES
MEMORANDUM REPORT

Date: November 5, 2019
To: Paul Natzke, Gensler
From: Gruen Gruen + Associates
Subject: **Demand for Housing in Downtown Santa Barbara**

INTRODUCTION AND PRINCIPAL FINDINGS AND CONCLUSIONS

INTRODUCTION

This report presents the findings and conclusions drawn from research conducted to evaluate the market potential for multi-family uses to be absorbed and occupied if Downtown Santa Barbara buildings and sites controlled by Santa Barbara County were adapted or constructed to accommodate multi-family residential uses.

FINDINGS

- Santa Barbara's population, employed labor force, households and employment all declined slightly during the 2000-2010 decade but have grown modestly over the past nine years following the Great Recession.
- From 2000 to 2019, the supply of housing units in Santa Barbara increased by about 1,700 units, to approximately 38,900 units as of 2019. Most of the 4.5 percent growth in the citywide housing stock occurred from 2000 to 2010.
- The relationship between the City of Santa Barbara employment base and housing stock has remained relatively stable over time, ranging from roughly 1.3 to 1.4 wage and salary jobs for every housing unit.
- The housing inventory is estimated to have on average grown by approximately 88 units per year since 2000. Almost all of the net change in citywide housing inventory has been for single-family housing. The multi-family housing inventory has grown by only about 13 units per year.



- The City of Santa Barbara economy is forecast over the long term to add more than three jobs for each household. The jobs-household ratio is estimated currently at about 1.9 (that is, 1.9 jobs in the City for each household) and is forecast to increase to above 2.1 jobs per household by 2050. The City is forecast to grow by 5,700 households between 2017 and 2050, representing a total 15 percent growth. This equates to about 175 households added per year.
- A very high share of renter households in Santa Barbara remain cost-burdened at 52.1 percent.
- In Santa Barbara, median home values have increased from about \$530 per square foot in 2009 to almost \$750 per square foot in 2019. Santa Barbara per square foot values are estimated to have increased by about 21 percent over the past five years alone. Median monthly rents in Santa Barbara are estimated at about \$3.10 per square foot, up about 26 percent in the past five years.
- The Downtown neighborhood in which the County of Santa Barbara's administration site and buildings are located has the third highest median rent for multi-family units of approximately \$3,100 per month. The rents are for primarily older housing units as few new units have been built in Santa Barbara. New rental product is commanding much higher rents with the newest largest apartment development near Downtown obtaining very high monthly rents per square foot of \$4.62 per square foot. Based on an average unit size of 804 square feet, this rent equates to monthly rent of over \$3,700 per month.
- An estimated 34 multi-family condominium units were sold over the past year within and near the Downtown at an average price of just under \$930,000 per unit or \$664-per-square-foot. Units built since 2010 have sold at an average of \$840 per square foot.
- Demand from forecast annual household growth would support on average an additional 23 single-family and an additional 164 multi-family units per year for a total of 186 units per year.
- The income and turnover characteristics of the existing household base within Santa Barbara County suggest that approximately 2,300 households (with the minimum incomes likely necessary to afford new market rate housing) could move within Santa Barbara County each year.
- The supply of planned approved, or under construction 422 market-rate units represents less than one-quarter of potential multi-family housing needed to accommodate forecast household growth, let alone facilitate mobility of existing households.



CONCLUSIONS

- The limited production of housing has resulted in the failure of housing needs to be satisfied in Santa Barbara. As a result, prices for both rental and for-sale multi-family housing uses have increased.
- The Santa Barbara County Downtown Santa Barbara sites/buildings are well located, near amenities, services and desirable residential neighborhoods to the east.
- If quality multi-family apartments or condominium units were made available at County properties in Downtown Santa Barbara, they would likely be absorbed quickly at relatively high prices. We preliminarily estimate obtainable market-rate monthly rents of \$2,500 for one-bedroom and \$3,500 for two-bedroom apartment units. This would equate to about \$3.85 to \$4.20 per square foot for one-bedroom units (assuming a typical unit size of 600 to 650 square feet) and \$3.90 to \$4.10 per square foot for two-bedroom units (assuming 850 to 900 square feet for two-bedroom units). We estimate obtainable prices for condominium units of \$850 to \$1,000 per square foot. Assuming a larger average size of 1,200-square feet, prices for condominium units are estimated at \$1,020,000 to \$1,200,000.
- The existing City of Santa Barbara Inclusionary Housing Ordinance could have a significant impact on supportable building re-use or land values for County owned property. We estimate the ordinance, for example, would likely reduce the finished (sales) value of an ownership condominium use by approximately 10 percent (i.e., an \$85 to \$100 per square foot decline in average per-square-foot prices). The ordinance and proposed changes to it could have similar (if not more significant) effects on finished values for a rental apartment use.



HOUSING MARKET SUPPLY AND DEMAND CONDITIONS

INTRODUCTION

This chapter puts into context the specific pricing estimates made for apartment and condominium uses for the County-owned administration site and buildings in Downtown Santa Barbara. It reviews population, household, and employment growth patterns in Santa Barbara and then presents housing inventory trends in Santa Barbara and the history of vacancy rate decreases and price increases caused by demand increasing at faster rates than supply over an extensive period. The chapter also reviews forecasts of employment and housing demand attributable to employment growth and compares forecast housing demand due to employment growth to housing units under construction and entitled and under review as potential future housing supply.

POPULATION, HOUSEHOLD AND EMPLOYMENT GROWTH

Table 1 summarizes historical population, household and employment growth patterns for the City of Santa Barbara from 2000 to 2019.

Table 1: Population, Households and Employment in City of Santa Barbara

| | 2000 | 2010 | 2019 | Change, 2000-2019 | |
|---|--------|--------|--------|-------------------|-----|
| | | | | # | % |
| Employed Residents | 47,800 | 46,000 | 49,700 | 1,900 | 4.0 |
| Total Population | 89,606 | 88,410 | 93,532 | 3,926 | 4.4 |
| Household Population ¹ | 87,814 | 86,783 | 91,905 | 4,091 | 4.7 |
| Households | 35,607 | 35,449 | 36,753 | 1,146 | 3.2 |
| Employment (Jobs) ² | 50,473 | 50,157 | 53,034 | 2,561 | 4.8 |
| ¹ Excludes Group Quarters population. | | | | | |
| ² Wage and salary employment estimates for 2002, 2010, and 2017, which are the best available. | | | | | |
| Sources: State of California Department of Finance; U.S. Census Bureau; Gruen Gruen + Associates. | | | | | |

By all measures, growth in the City of Santa Barbara over the past 19 years has been low. The population, labor force, household, and employment base of the City have each expanded by approximately three to five percent since 2000. Santa Barbara's population, employed labor force, households and employment all declined slightly during the 2000-2010 decade but have grown modestly over the past nine years following the Great Recession.



The household population of Santa Barbara decreased by about 1,030 persons between 2000 and 2010. Household population has since grown by approximately 5,100 persons or six percent. Since 2010, the number of households has increased by 1,304 or 3.7 percent.

The number of wage and salary jobs in Santa Barbara increased by 2,561 over a 15-year period (the most current available) from 50,473 jobs in 2002 to 53,034 jobs by 2017. Since 2010, employment has grown at an average annual growth rate of 0.8 percent.

INVENTORY AND GROWTH OF HOUSING UNITS IN SANTA BARBARA

Table 2 shows the total number of housing units and housing vacancy rate in the City of Santa Barbara from 2000 through 2019.

Table 2: Total Housing Units in City of Santa Barbara (2000-2019)

| | 2000 | 2010 | 2019 | Change 2000-2019 # | Change 2000-2019 % |
|--|--------|--------|--------|--------------------------|--------------------------|
| Total Housing Units | 37,177 | 37,820 | 38,854 | 1,677 | 4.5 |
| Housing Vacancy Rate | 4.2% | 6.3% | 5.4% | | |
| Increase in Number of Housing Units | - | 643 | 1,034 | | |
| Sources: State of California Department of Finance; U.S. Census Bureau; Gruen Gruen + Associates. | | | | | |

From 2000 to 2019, the supply of housing units increased by about 1,700 units, to approximately 38,900 units as of 2019. The citywide housing stock grew by about 4.5 percent over the past 19 years. Most of the growth in housing units occurred from 2000 to 2010. The overall housing vacancy rate has approximated four to six percent.

The relationship between the City of Santa Barbara employment base and housing stock has remained relatively stable over time, ranging from roughly 1.3 to 1.4 wage and salary jobs for every housing unit.

Jobs-Housing Unit Ratio: 1.36 (2002), 1.33 (2010), 1.38 (2017)



Table 3 summarizes how the composition of the housing stock has changed since 2000.

Table 3: Change in Housing Inventory Mix of City of Santa Barbara

| | 2000 Census # Units | 2010 DOF # Units | 2019 DOF # Units | Average Annual Growth # Units |
|--|---------------------------|------------------------|------------------------|-------------------------------------|
| Single-family | | | | |
| Detached | 17,090 | 18,008 | 18,110 | 53.7 |
| Attached | 2,881 | 3,404 | 3,428 | 28.8 |
| Multi-family | | | | |
| 2-4 units | 5,487 | 5,392 | 5,644 | 8.3 |
| 5 or more units | 11,200 | 10,626 | 11,282 | 4.3 |
| Mobile homes | 519 | 390 | 390 | (6.8) |
| Total units | 37,177 | 37,820 | 38,854 | 88.3 |
| Sources: State of California Department of Finance; U.S. Census Bureau; Gruen Gruen + Associates. | | | | |

The housing inventory is estimated on average to have grown by approximately 88 units per year since 2000. Almost all of the net change in citywide housing inventory has been for single-family housing. The multi-family housing inventory has grown by about 13 units per year over the same period.



HOUSING COST INCREASES

Table 4 shows housing cost-burden rates in the City of Santa Barbara between 2000 and 2017.

Table 4: Housing Cost-Burden Rates in City of Santa Barbara

| | 2000 | 2010 | 2017 |
|---|-------|-------|-------|
| Owner-Occupied: Cost-Burdened Households ¹ | 35.6% | 39.3% | 30.3% |
| Renter-Occupied: Cost-Burdened Households ¹ | 49.7% | 54.6% | 52.1% |
| ¹ Refers to percentage of households spending more than 30 percent of their before-tax income on housing expenses. | | | |
| Sources: U.S. Census Bureau, American Community Survey; Gruen Gruen + Associates. | | | |

The cost-burden rate for ownership housing in Santa Barbara (that is, the percentage of households expending more than 30 percent of their before-tax income on housing) has declined slightly over the long-term. The cost-burden rate was 35.6 percent in 2000 and increased to 39.3 percent by 2010 for owner-occupied housing. It has since declined to about 30.3 percent. This reflects strong income growth among owner-occupied households between 2010 and 2017 (not a decline in housing costs).

A very high share of renter households in Santa Barbara remain cost-burdened at 52.1 percent. This represents a slight decline from 2010 levels, but a long-term increase relative to the cost-burden rate for renters which was estimated at 49.7 percent in 2000. This trend in increased cost-burden rates is a result of job and household growth from 2010 to 2019 with very little growth in housing units over the same period.

Table 5 summarizes estimates of median per-square-foot values and rents for the county, City of Santa Barbara, and other nearby South Coast communities.



Table 5: Median Values and Monthly Rents Per-Square-Foot (2009-2019)

| Community | 2009 \$ | 2014 \$ | 2019 \$ | 5-Yr Change 2014-2019 | 10-Yr Change 2009-2019 |
|--|------------|------------|------------|--------------------------|---------------------------|
| Ownership Housing | | | | | |
| <i>Countywide</i> | 302 | 323 | 401 | 24.1% | 32.8% |
| Santa Barbara | 532 | 619 | 749 | 21.0% | 40.8% |
| Goleta | 392 | 463 | 532 | 14.9% | 35.7% |
| Carpinteria | 443 | 468 | 599 | 28.0% | 35.2% |
| Montecito | 641 | 961 | 1,100 | 14.5% | 71.6% |
| Rental Housing² | | | | | |
| <i>Countywide</i> | NA | 1.17 | 1.83 | 56.4% | NA |
| Santa Barbara | NA | 2.47 | 3.12 | 26.3% | NA |
| Montecito | NA | 3.49 | 3.92 | 12.3% | NA |
| ¹ Estimates for July of each year. | | | | | |
| ² Estimates of median rent per-square-foot unavailable for other communities. | | | | | |
| Sources: Zillow Research; Gruen Gruen + Associates. | | | | | |

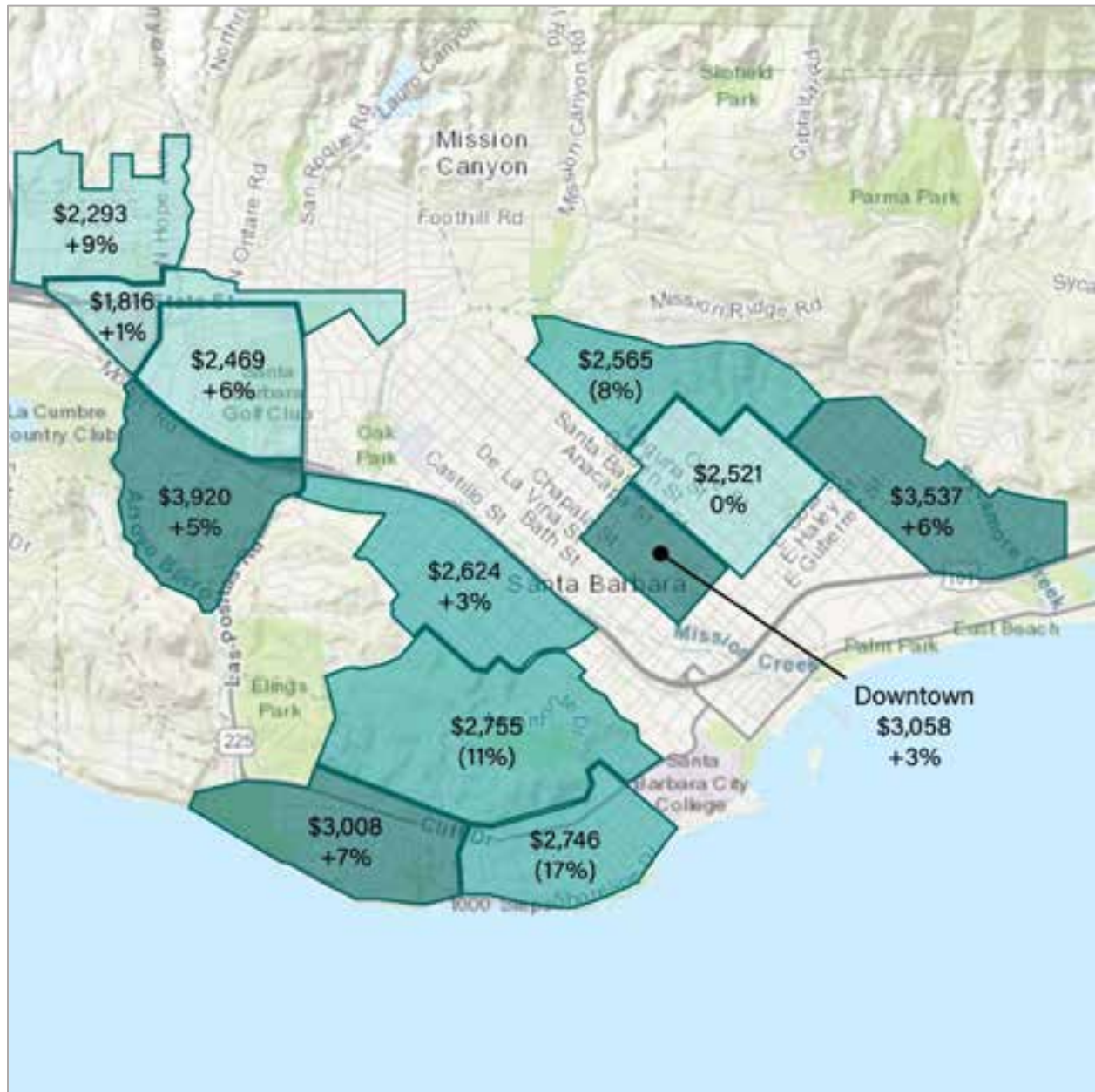
Median home values have increased by about 33 percent countywide and 41 percent citywide in Santa Barbara over the past 10 years. In Santa Barbara, median home values have increased from about \$530 per square foot in 2009 to almost \$750 per square foot in 2019. Santa Barbara per square foot values are estimated to have increased by about 21 percent over the past five years alone. Median monthly rents in Santa Barbara are estimated at about \$3.10 per square foot, up about 26 percent in the past five years. Median rents in Santa Barbara are higher than on a countywide basis but have experienced lower price escalation than the Countywide average.



LOCATIONAL AND PRICING CONTEXT

Maps 1 and Table 6 summarize estimates of median monthly rents for multi-family units (condominiums and apartment rentals) in Santa Barbara by neighborhood¹.

Map 1: Median Multi-Family Unit Rents by Neighborhood



¹ Neighborhood definitions from Zillow Research. Neighborhoods not shown do not have a sufficient inventory of multi-family units to present estimates.



Table 6: Median Multi-Family Unit Rents by Neighborhood

| Neighborhood | Median Rent July 2019 | Year-over-Year Change |
|---|--------------------------|--------------------------|
| Hidden Valley | \$3,920 | 5.3% |
| Eastside | \$3,537 | 6.2% |
| Downtown | \$3,058 | 2.7% |
| West Mesa | \$3,008 | 6.9% |
| Alta Mesa | \$2,755 | -11.1% |
| East Mesa | \$2,746 | -16.5% |
| Westside | \$2,624 | 2.7% |
| Lower Riviera | \$2,565 | -8.0% |
| Laguna | \$2,521 | -0.2% |
| Hitchcock | \$2,469 | 6.0% |
| Hope | \$2,293 | 8.7% |
| North State | \$1,816 | 0.7% |
| Sources: Zillow Research; Gruen Gruen + Associates. | | |

The Downtown neighborhood in which the County of Santa Barbara's administration site and buildings are located has the third highest median rent of approximately \$3,100 per month. Neighborhoods abutting the Downtown neighborhood generally have lower median monthly rents of less than \$3,000. The year-over-year change for median rent for Downtown approximates 2.7 percent.

The majority of rental units in Santa Barbara are in older projects. Little new rental supply has been added in the city. Table 7 summarizes rents for three newer apartment projects built under the City's Average Unit-size Density Incentive program.²

² The "Average Unit-size Density Incentive Multi-unit Housing Program" was approved by City Council in July 2013. The Program generally provides for increased densities and development standard incentives in most multi-family and commercial zones of the City to promote additional housing construction. The Program has an initial duration of eight years or until 250 new units under the Program have been constructed in the High Density Residential or Priority Housing Overlay areas. As of September 2019, a total of 151 units have been constructed as part of the initial trial period.



Table 7: Monthly Rents for Recent Santa Barbara Apartment Projects

| | The Marc AUD Project @ 3885 State St. | 604 E. Cota St. AUD Project | Arlington Village AUD Project @ 1330 Chapala St. |
|---|---|--------------------------------|--|
| Studios | N/A | \$1,500-\$1,900 | \$2,507 |
| 1-Bedroom | \$3,200 | \$2,300-\$2,900 | \$2,554 |
| 2-Bedroom | \$3,735 | \$2,900-\$3,700 | \$3,408 |
| 3-Bedroom | \$4,376 | N/A | \$4,357 |
| Average Unit Size | 804 sq. ft. | 595 sq. ft. | 822 sq. ft. |
| Monthly Rent Per Square Foot | \$4.62 | \$3.66 | \$3.23 |
| ¹ Source of rents from: https://www.santabarbaraca.gov/SBdocuments/Advisory_Groups/Planning_Commission/Archive/2019_Archives/04_Staff_Reports/2019-03-07_March_7_2019_Item_III.A_AUD_Incentive_Program_Amendment_for_Inclusionary_Rental_Housing_PowerPoint.pdf | | | |
| Source: City of Santa Barbara; Gruen Gruen + Associates. | | | |

One of the newer market rate projects is The Marc, an 89-unit apartment complex which opened in 2017. The project is located on State Street in the North State neighborhood, located about 1.5 miles north of Downtown. Average unit size in the project is 804 square feet. Monthly rents range from \$3,200 for a one-bedroom unit up to nearly \$4,400 for a three-bedroom unit. The project has 11 one-bedroom units, 72 two-bed room units and six three-bedroom units. Rents per square foot range from \$4.25 for one-bedroom units, \$3.78 for two-bedroom units, and \$3.44 for three-bedroom units. The overall average rent is \$4.62 per square foot, the highest of the most recent rental projects.

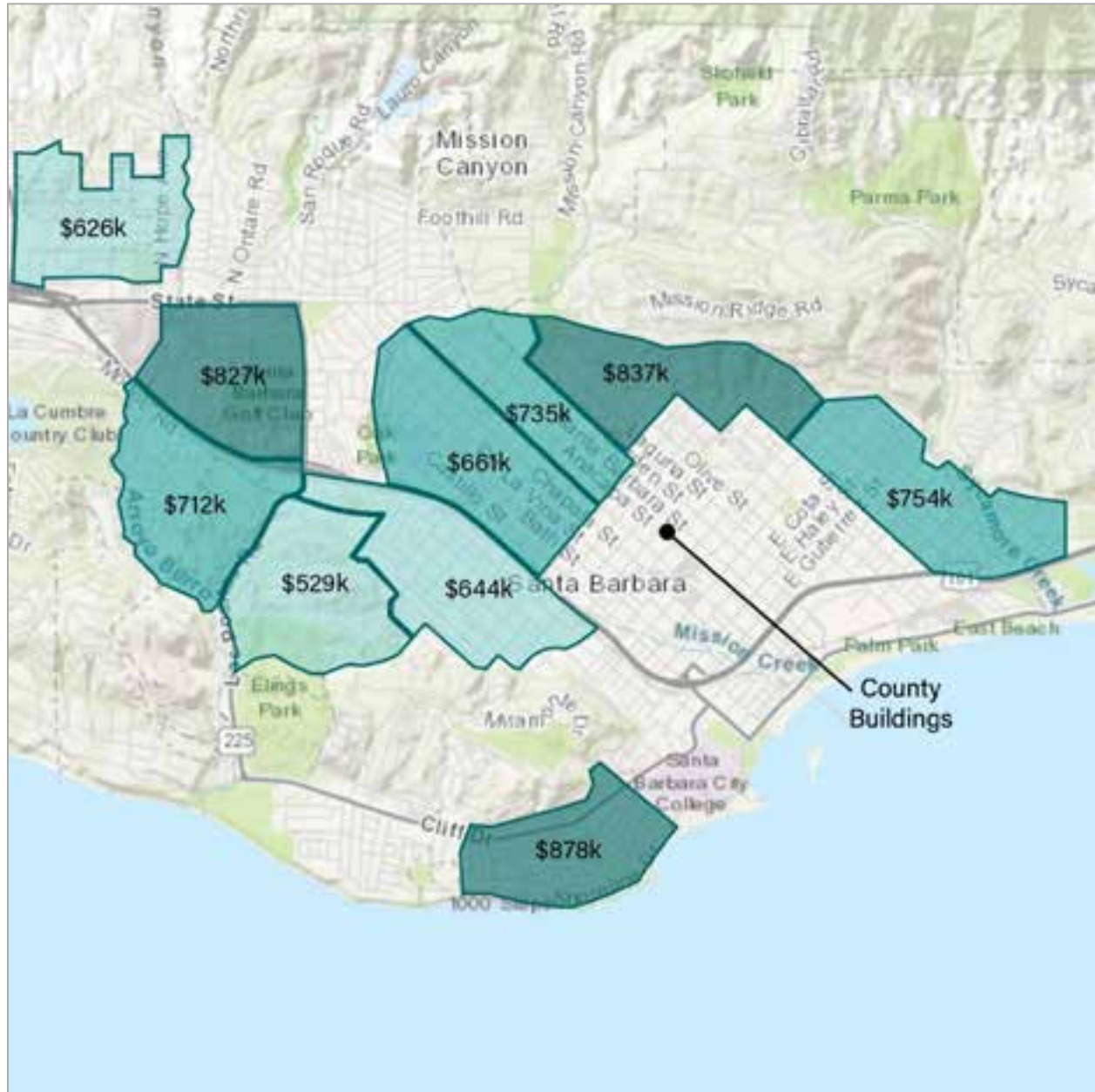
Another newer Downtown project, Arlington Village adjacent to Arlington Theater, is a 33-unit market rate apartment project which opened in 2018. Average unit size is 822 square feet with two studios, nine one-bedroom units, 18 two-bedroom units and four three-bedroom units. Monthly rents range from about \$2,500 for a studio unit up to over \$4,300 for a three-bedroom unit. The overall average rent is \$3.23 per square foot, the lowest of the most recent rental projects.

The 604 East Cota Street project in the Funk Zone in Santa Barbara added 29 new units under the City's Average Unit-size Density Incentive program. The project's average unit size is 595 square feet. Monthly rents range from \$1,500 to \$1,900 for a studio unit up to \$2,900 to \$3,700 for a two-bedroom unit. The Project has 16 studios, 10 one-bedroom units, and three two-bedroom units. Rents per square foot range from \$3.90 for a studio unit, \$3.90 for one-bedroom units, and \$3.38 for two-bedroom units. The overall average rent is \$3.66 per square foot, the middle of the three projects but for a project whose lower average unit size is weighted by a majority of studio and one-bedroom units.



Maps 2 and Table 8 summarize estimates of median values for multi-family units (condominiums) in Santa Barbara by neighborhood³.

Map 2: Estimated Median Condominium Values by Neighborhood



³ Neighborhood definitions from Zillow Research. Neighborhoods not shown do not have a sufficient inventory of multi-family units to present estimates.



Table 8: Median Condominium Values by Neighborhood

| Neighborhood | Median Value Estimate July 2019 | Year-over-Year Change |
|---|------------------------------------|--------------------------|
| East Mesa | \$878,300 | -0.6% |
| Lower Riviera | \$837,100 | -4.8% |
| Hitchcock | \$827,200 | 5.9% |
| Eastside | \$754,500 | -1.4% |
| Upper East | \$734,800 | 5.8% |
| Hidden Valley | \$712,100 | 1.3% |
| Oak Park | \$660,600 | -2.5% |
| Westside | \$644,400 | -10.0% |
| Hope | \$625,800 | -7.3% |
| Bel Air | \$529,000 | -0.8% |
| Sources: Zillow Research; Gruen Gruen + Associates. | | |

The Downtown neighborhood in which the County of Santa Barbara's administration site and buildings are located does not have a sufficient inventory of owner-occupied multi-family units for which value estimates from Zillow can be made. Neighborhoods north and east of Downtown, however, such as Lower Riviera, Eastside and Upper East tend to be higher priced than neighborhoods west of Downtown (i.e., Oak Park, Westside, Hope, and Bel Air).

A review of condominium sales over the past year within and near the Downtown indicates that newer units tend to command price premium over older inventory, as would be expected. Table 9 summarizes sales by year built.

Table 9: Recent Condominium Sales in or Near Downtown¹

| Years Built | Sales # | Average Unit Size # Square Feet | Average Sale Price \$ Total | Average Price Per- Square-Foot \$ Per Square Foot |
|---|------------|------------------------------------|--------------------------------|---|
| 2010-2019 | 6 | 1,179 | 990,133 | 840 |
| 2000-2009 | 8 | 1,900 | 1,279,875 | 674 |
| 1990-1999 | 0 | --- | --- | --- |
| 1980-1989 | 6 | 1,243 | 801,929 | 645 |
| Pre-1980 | 14 | 1,276 | 760,446 | 596 |
| Total | 34 | 1,395 | 926,844 | 664 |
| ¹ Sales within the past year as of October 31, 2019. Geographic area defined generally as the Downtown and central area neighborhoods of Eastside/Upper East, Laguna, Oak Park, and Lower Riviera. | | | | |
| Sources: Santa Barbara MLS; Redfin; Gruen Gruen + Associates. | | | | |



Six newer units built since 2010 sold for an average price of \$840-per-square-foot. Six units built between 1980 and 1989, with a nearly identical average unit size, sold at an average price of about \$645-per-square-foot or a 30 percent discount to units recently built. Overall, review of secondary sales data suggests that 34 multi-family condominium units were sold over the past year within and near the Downtown at an average price of just under \$930,000 or \$664-per-square-foot.

EMPLOYMENT AND HOUSING FORECASTS

Table 10 summarizes long-term job and housing unit forecasts prepared by the Santa Barbara County Association of Governments ("SBCAG") in January 2019 as part of its 2050 Regional Growth Forecast. Employment estimates from SBCAG are larger than the number of wage and salary jobs estimated for the City (they also include all government and self-employed workers).

Table 10: SBCAG Employment and Housing Forecast

| | 2017 # | 2030 # | 2040 # | 2050 # | Forecast Growth 2017-2050 | |
|--|-----------|-----------|-----------|-----------|------------------------------|------|
| | | | | | # | % |
| <u>Employment</u> ¹ | | | | | | |
| County | 222,300 | 252,800 | 266,900 | 280,700 | 58,400 | 26.3 |
| City of Santa Barbara | 72,300 | 79,940 | 86,800 | 91,300 | 19,000 | 26.3 |
| <u>Households:</u> | | | | | | |
| County | 148,900 | 166,000 | 180,500 | 186,900 | 38,000 | 25.5 |
| City of Santa Barbara | 37,400 | 39,700 | 42,000 | 43,100 | 5,700 | 15.2 |
| ¹ Estimates from SBCAG are higher than wage and salary employment estimates; they include all government and self-employed workers. | | | | | | |
| Sources: SBCAG, <i>Regional Growth Forecast 2050 Santa Barbara County</i> ; Gruen Gruen + Associates. | | | | | | |

SBCAG forecasts total employment growth in the County of approximately 58,000 jobs over a 33-year period from 2017 through 2050. This represents expected annual job growth of 0.7 percent annually. Employment within the City of Santa Barbara is projected to grow at the same annual rate, increasing by approximately 19,000 jobs over the 33-year period or about 575 jobs annually.

The local household base is forecast to grow less rapidly. The County currently includes about 1.5 jobs per household. This relationship between jobs and housing, countywide, is forecast to remain essentially stable over the long term. The City of Santa Barbara economy is forecast to add more than three jobs for each household over the 33-year forecast period. The jobs-household ratio is estimated currently at about 1.9 (that is, 1.9 jobs in the City for each household) and is forecast to increase to above 2.1 jobs per household by 2050. The City is forecast to grow by 5,700 households between 2017 and 2050, representing a total 15 percent growth. This equates to about 175 households added



per year. The SBCAG forecasts are predicting that the City of Santa Barbara will add significantly more jobs than households over the next three decades.

DEMAND FOR NEW HOUSING

Table 11 presents an estimate of potential demand for new housing in the City of Santa Barbara based on the SBCAG forecast and recent characteristics of housing inventory change. The estimate quantifies the potential needed housing to accommodate new growth, not housing demand associated with turnover of existing Santa Barbara households.

Table 11: Housing Demand Estimate Based on Household Growth Projection

| | Average Annual # | 10 Years # |
|---|---------------------|---------------|
| City of Santa Barbara Household Growth ¹ | 177 | 1,770 |
| Housing Unit Composition ² | | |
| Single-Family | 12.2% | |
| Multi-Family | 87.8% | |
| <i>Additional Housing Units Needed³</i> | | |
| Single-Family | 23 | 227 |
| Multi-Family | 164 | 1,636 |
| Total | 186 | 1,863 |
| ¹ Based on SBCAG forecast for the 2017-2030 period. | | |
| ² Reflects the distribution of housing units added within the City of Santa Barbara between 2010 and 2019. | | |
| ³ Includes a five percent (5%) frictional vacancy rate. | | |
| Source: SBCAG; U.S. Census; Gruen Gruen + Associates. | | |

Based on the estimated growth of 177 households per year and assuming that approximately 12 percent of households reside in single-family units and 88 percent reside in multi-family units, demand from household growth would support on average an additional 23 single-family and an additional 164 multi-family units per year for a total of 186 units.

Potential Housing Turnover Demand

Existing households already residing in Santa Barbara generate housing demands as they trade up or down in housing price, size, or quality, and/or as lifecycle events (such as aging, or children leaving the home, etc.) and changes in lifestyle preference dictate different housing needs. Housing demands



potentially associated with the “turnover” of existing Santa Barbara households represent a second and likely larger source of potential demand for residential space at county-owned properties.

According to most recent estimates from the 2017 American Community Survey (“ACS”), the City of Santa Barbara contained 17,100 households with annual incomes exceeding \$100,000. Approximately 57 percent of these existing households owned their housing and 43 percent occupied rental housing. Households with annual incomes below \$100,000 are not likely to be candidates for market-rate housing. The 2017 ACS also indicates that 21.6 percent of the existing City population residing in rental units moved within Santa Barbara County during the prior year. The turnover rate for the existing population residing in ownership housing was much lower at 7.1 percent.

The income and turnover characteristics of the existing household base suggest that approximately 2,300 households (with the minimum incomes likely necessary to afford new market rate housing) could move within Santa Barbara County each year.

New housing product created at the County administrative site and buildings in Downtown Santa Barbara would need to penetrate only a small fraction of the potential demand attributable to household growth and movement of existing households to support the development and absorption of multi-family uses at County sites/buildings in Downtown Santa Barbara.

POTENTIAL FUTURE SUPPLY OF HOUSING UNITS

Table 12 summarizes the multi-family supply pipeline within Santa Barbara as of September 30, 2019. These projects have been proposed or constructed via the AUD Incentive Multi-unit Housing Program.

Table 12: Multi-Family Residential Supply Pipeline in Santa Barbara

| | AUD High Density/Priority | AUD Medium High Density | AUD Affordable | AUD Total |
|---|------------------------------|----------------------------|-------------------|--------------|
| Proposed/Pending | 131 | 44 | 32 | 207 |
| Approved | 192 | 50 | 0 | 242 |
| Under Construction | 137 | 44 | 106 | 287 |
| Potential Net New Units (Total) | 460 | 138 | 138 | 736 |
| Sources: City of Santa Barbara; Gruen Gruen + Associates. | | | | |

A total of 736 multi-family units are proposed, approved, or currently under construction in central Santa Barbara through the AUD Incentive program. Approximately 180 market rate multi-family units are presently under construction and another 242 have been approved but not yet built. This supply of 422 market-rate units represents less than one-quarter of potential multi-family housing needed to accommodate forecast household growth (see Table 11) over the next 10 years.



**REAL ESTATE ECONOMIC ANALYSIS AND ESTIMATED
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A Report to

Gensler

From

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Urban Economists, Market Strategists & Land Use/Public Policy Analysts

December 2019

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CHAPTER I

PURPOSE AND CONCLUSIONS

PURPOSE

This report by Gruen Gruen + Associates presents the results of a preliminary real estate economic analysis to estimate the feasibility of and the residual property value supported by a postulated redevelopment alternative for the Santa Barbara County Administration Building located in Downtown Santa Barbara. In order to identify whether the postulated redevelopment option of the adaptive reuse of the Administration Building for apartment units is likely to be feasible under the present real estate economics, GG+A simulated the real estate investment results of the prototypical redevelopment option. We estimated the investment results of the prototypical redevelopment option based on the estimated cash flows produced from cost and revenue forecasts and stipulated financial terms from the viewpoint of a prospective investor-developer.

We analyzed the feasibility of redevelopment based on a financial yardstick or measure referred to as a residual property value, assuming a required rate of return on equity from the cash flow and the resale value of the redevelopment.¹ If the residual property value produced by the postulated investment is zero or negative, for example, the project would not be profitable for the investor-developer to undertake without a subsidy. If the estimated residual property value is positive, this amount gives an indication of what would-be investor-developers can pay for the property and obtain an acceptable return on investment.

The residual property value methodology is similar to what is often referred to as an income approach, and provides an estimate of the amount of money an investor-developer could afford to pay for the property, given an estimate of the net cash flow that results from the redevelopment, occupancy, and sale of the occupied redeveloped property.

In addition to the real estate economic analysis providing insight about potential sources of funding for implementation of the Calle Real Campus Master Plan, the analytical approach can be used to evaluate additional redevelopment scenarios and prospective disposition and development transactions.

¹ A residual property or land value refers to the amount a would-be developer could afford to pay for the property or land, given the cash flow that results from a specified set of cost and revenue forecasts and stipulated financial terms. An internal rate of return (“IRR”) means the rate of return at which the discounted future cash flows from an investment equal the rate of the initial cash outlay. In the jargon of finance theory, the IRR is the discount rate at which the net present value is zero. If the IRR exceeds the desired rate of return, the investment is financially feasible; if the IRR is lower than the desired rate of return, the investment is not financially feasible.



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REPORT ORGANIZATION

Market and operating inputs for the real estate economic analysis are largely drawn from the previously completed GG+A residential market study and are also summarized in Chapter II. Development cost assumptions are also detailed in Chapter II based upon estimates prepared by Rider Levett Bucknall and Gensler. The assumptions about financial parameters are also specified in Chapter II. The most important of those financial assumptions is the required hurdle rate or 14 percent internal rate of return (“IRR”). Chapter III presents estimates of the residual property value associated with the redevelopment and adaptive reuse of the Administration building for apartment units. The derivation of the estimates is explained in the remaining chapters of this report.

RESULTS

Value of Redeveloped and Occupied Space

Table I-1 summarizes the estimated market value and residual property value of the Administration building, assuming it is redeveloped and adaptively reused for apartment units.

| TABLE I-1 | |
|--|--------------|
| Estimated Market Value and Residual Value for Redeveloped, Adaptive Reuse of Administration Building for Apartment Units¹ | |
| Annual Net Income Per Square Foot ² | \$32 |
| Market Value of Built and 97 Percent Occupied Building | \$37,030,000 |
| Residual Property Value Assuming \$225 Per Square Foot Redevelopment Costs ³ | \$19,036,000 |
| ¹ Figures are rounded. ² The market value estimate is based on \$46.20 annual rent per square foot, annual operating costs and reserves of \$14 per square foot, 4.5 percent income capitalization rate, and a 14 percent IRR target for a holding period of nine years. ³ In addition to the redevelopment costs of \$225 per square foot, the residual property value estimate reflects in-lieu fees costs for rental residential units based on the City of Santa Barbara Average Unit-size Density (AUD) incentive program. | |
| Source: Gruen Gruen + Associates | |

As described in more detail below, the results of the real estate economic analysis suggest a potential market value of a redeveloped and 97 percent occupied building with apartment units of \$37.0 million. This equates to approximately \$570,000 per unit. (The newly built Marc development in Santa Barbara of 89 units recently sold for \$631,000 per unit or \$719 per net rentable area). Based on gross monthly rent of \$3.85 per square foot, operating and reserve costs of 31 percent of gross revenue, net income per square foot of approximately \$32 per square foot and a lease up period of two years following construction completion, the residual property value would total approximately \$19 million. That is, an investor-developer could



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afford to pay \$19 million for the property, complete the redevelopment and adaptive reuse and lease up of the building and earn a 14 percent IRR on an equity investment of 35 percent of total project costs or equity investment of nearly \$13 million.

Note the analysis includes the value effects of inclusionary housing requirements. The cost of inclusionary housing requirements flows directly to the bottom line and reduce the residual property value by \$1.5 million.² In other words, in the absence of in-lieu fees of \$1.5 million, the residual property value would increase to \$20.6 million.

CONCLUSIONS

These figures present a perspective for evaluation rather than a cardinal array of hard forecasts. The results are limited by the redevelopment cost, market, financial, and other underlying assumptions outlined in this report. As market factors, interest rates and construction costs change over time, the value supported by the redevelopment and re-occupancy of the Administration building will also change. The motivations of bidders for a particular property are also affected by the specific needs of each bidder. Bid prices can be above or below residual or use values depending upon expectations about the future and the level of competition for the property. Space users can typically pay more than developers which need to secure space users to occupy the property. Frequently, developers will discount the amount of value suggested by the residual analysis to reflect potential risks. Nevertheless, the investment simulation provides a basis for drawing conclusions about supportable property value.

The results of the analysis suggest the feasibility of the redevelopment and re-occupancy of the Administration building if the County elected to relocate its workforce to the Calle Real campus. Investor-developers could afford to pay approximately \$19 million if redevelopment and adaptive reuse costs (including soft costs such as municipal fees) do not exceed \$225 per square foot plus \$1.5 million for inclusionary housing requirements.

² We have included in-lieu fees of \$25.00 per square foot based on the net floor area of each Average Unit-Size Density Incentive Program rental housing residential unit based on the City of Santa Barbara AUD incentive program.



CHAPTER II

DESCRIPTION OF ADAPTIVE REUSE AND MARKET AND DEVELOPMENT COST PARAMETERS

ADAPTIVE REUSE PROGRAM

For purposes of this analysis, Gensler has estimated a gross building area of approximately 70,500 square feet of space is converted to apartment uses and 65 units of an average of 950 square feet are rentable. Therefore, development costs are estimated based on the 70,500 square feet of space, while rental revenue is estimated based on 62,000 square feet of space. The building includes an additional approximately 25,000 square feet of space (i.e., basement and penthouse) which are not currently identified to be converted to residential uses.

MARKET PARAMETERS

Operating Inputs for Adaptive Reuse into Apartment Units

For purposes of the real estate economic analysis, Table II-1 summarizes the market or revenue parameters for the rental of apartment units.

| TABLE II-1 | |
|--|--|
| Market Parameters for Apartment Units | |
| Annual Rent Per Rentable Square Foot of Apartment Units | \$46.20 |
| Annual Operating or Reserve Costs Per Square Foot @ 31 Percent of Gross Revenues | \$14.00 |
| Occupancy Rate Following Construction Completion | Year 1 68% Year 2 97% Year 3 97% |
| Annual Rent Increases | 4% |
| Annual Cost Increases | 3% |
| Source: Gruen Gruen + Associates | |

The estimates of rents, operating expenses, and leasing commission costs are drawn from the research including interviews with developers and brokers and review of secondary real estate market data. We assume that 68 percent of the units are rented in the first year following construction completion. The apartment units are estimated to be 97 percent leased in year two and subsequent years following construction completion. We estimate an average monthly rent of \$3.85 per square foot (annual rent of \$46.20 per square foot) with \$14 per square foot in annual operating/reserve expenses based on the assumption of expenses totaling 31 percent of gross revenue. We assume rents increase at a rate of four percent and operating costs increase at a rate of three percent.



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For simplicity and to be conservative, we have not factored parking revenue into the analysis. In effect this provides some contingency for costs being higher than initially estimated.

DEVELOPMENT COST ASSUMPTIONS

Based on a preliminary development cost estimate provided by Rider Levett Bucknall and Gensler, we assume total development costs, including soft costs (but excluding land costs) of \$225 per gross square foot of space. We have also included in-lieu fees of approximately \$1.5 million for rental residential units based on the City of Santa Barbara Average Unit-size Density (AUD) incentive program.

FINANCIAL PARAMETERS

Table II-2 summarizes the financial terms stipulated for the investment analysis of the office redevelopment.

| TABLE II-2 | |
|---|-------|
| Investment and Financing Assumptions of Adaptive Reuse of Administration Building into Apartment Units | |
| Equity as Percent of Project Total | 35% |
| Net Present Value (NPV) Discount Rate and IRR | 14% |
| Sale Year for Calculation | 9 |
| Mortgage Rate | 4.5% |
| Mortgage/Amortization Term in Years | 25 |
| Year Mortgage Taken Out | 3 |
| Construction Loan Financing Costs – Annual Interest Rate | 4.75% |
| Construction Loan Fee | 1.0% |
| Capitalization Rate –Sale Year | 4.5% |
| Sales Expense as Percent of Sales Price | 3% |
| Source: Gruen Gruen + Associates | |

Financial parameters include equity and debt terms, construction and permanent loan arrangements, IRR, and capitalization rates. We assume an equity requirement of 35 percent of project costs and a hurdle rate or IRR target threshold of 14 percent and a holding period of nine years. The 35 percent equity requirement results in a permanent debt coverage ratio of about 1.23 at lease up (i.e., \$1.23 of net income for each \$1.00 of debt issued). The debt coverage improves each year thereafter. We assume a construction loan period of two years. We estimate a higher than prevailing currently construction loan interest rate of 4.75 percent and a loan fee one point (i.e., one percent of the loan value). We assume a permanent mortgage loan is obtained in year three to take out or retire the construction loan. We estimate an annual



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interest rate of 4.5 percent for the permanent mortgage and a loan amortization schedule of 25 years. We estimate the capitalization rate or required yield on the purchase of an income-producing property of 4.5 percent. We assume expenses associated with the sale of the property of three percent of the transaction value.



CHAPTER III

REAL ESTATE ECONOMIC ANALYSIS OF ADAPTIVE REUSE OF ADMINISTRATION BUILDING

INTRODUCTION

This chapter presents estimates of the market value and residual property value associated with the postulated adaptive Reuse of the Administration Building. Based on the estimates outlined in Chapter II, we simulated the investment results of the adaptive reuse redevelopment into apartment units from the viewpoint of a would-be developer or investor. In essence, we asked the following question:

"How much could a prospective investor/ developer pay for the property given the costs, revenues and hypothetical sale of the redevelopment and earn an IRR of 14 percent?"

Note that the residual property value estimate is best used to compare alternatives and obtain insight on the "ability to pay". Actual market value is also affected by the price of competing entitled land supply and available buildings. Actual market prices are influenced by the buyer's perception of use value, expectations about the timing and risk of development, and the price of other available locations. A user or developer with a tenant committed to the redevelopment will tend to be willing and able to pay more for the property than a speculative developer assuming the risk of purchasing without a commitment from a tenant or tenants.

As indicated above, the calculations presented below provide a perspective for evaluation rather than a cardinal array of hard forecasts. The results are limited by the development cost, market, financial, and other underlying assumptions outlined in Chapter II.

ESTIMATED RESIDUAL AND MARKET VALUE OF ADAPTIVE REUSE REDEVELOPMENT

The real estate investment results of constructing, marketing, and operating the adaptive reuse redevelopment was simulated on GG+A's real estate cash flow model REALISM™. As indicated above, based upon revenue and cost assumptions we calculated a residual property value that would permit an investor in the project which contributed 35 percent equity to earn a 14 percent IRR if the investor held the development for nine years. The simulation yields the residual property value; or in other words, the price the developer/investor could afford to pay for property and still earn the target return on equity.



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Table III-1 presents the results of the discounted cash flow analysis and estimate of residual property value and market value.

| TABLE III-1 | |
|---|--------------|
| Results of Residual Property Value Analysis¹ | |
| Residual Property Value | \$19,036,000 |
| Development Cost: | |
| Hard & Soft Costs | \$17,413,000 |
| Financing Costs | \$581,000 |
| Total Project Value/Market Value | \$37,030,000 |
| Equity | \$12,960,000 |
| Permanent Mortgage | \$24,070,000 |
| Annual Debt Service | \$1,623,000 |
| Debt Service Coverage Ratio ² | 1.23 |
| Internal Rate of Return in Year Nine | 14.0% |
| ¹ Figures are rounded. | |
| ² Debt coverage ratio when property is 97% percent leased. | |
| Source: Gruen Gruen + Associates | |

The results of the investment analysis indicate that the postulated adaptive reuse redevelopment of the Administration building into apartment units would support a residual property value of approximately \$19 million. In other words, the investor-developer could afford to pay \$19 million for the property, redevelop it at a cost of \$17.8 million and a 14 percent IRR on the nearly \$13 million equity investment in the project. The permanent loan would total \$24.1 million. The annual debt service would total nearly \$1.6 million. The debt coverage ratio would be adequate, beginning at 1.23 at project stabilization (97 percent leased) and increasing every year thereafter. The project or market value is estimated to total nearly \$37.0 million or \$597 per square foot of net rentable building space.

The reader is cautioned to note that the estimated residual property value presented exclude the effect of state and federal income taxes that would have to be paid. In effect, this simplifying assumption increases the residual value over what it might be under the more realistic assumption that taxes on income would be paid. We use the before-tax case to avoid the distortion created by taxes and the need to consider whether owners would have offsetting gains and losses from other sources, which is frequently the case.



Gruen Gruen + Associates (GG+A) is a firm of economists, sociologists, statisticians and market, financial and fiscal analysts. Developers, public agencies, attorneys and others involved in real estate asset management utilize GG+A research and consulting to make and implement investment, marketing, product, pricing and legal support decisions. The firm's staff has extensive experience and special training in the use of demographic analysis, survey research, econometrics, psychometrics and financial analysis to describe and forecast markets for a wide variety of real estate projects and economic activities.

Since its founding in 1970, GG+A has pioneered the integration of behavioral research and econometric analysis to provide a sound foundation for successful land use policy and economic development actions. GG+A has also pioneered the use of economic, social and fiscal impact analysis. GG+A impact studies accurately and comprehensively portray the effects of public and private real estate developments, land use plans, regulations, annexations and assessments on the affected treasuries, taxpayers, consumers, other residents and property owners.

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