



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: October 1, 2019
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Public Health Van Do-Reynoso, MPH, PHD, Director (805) 681-5102
General Services Janette D. Pell, Director (805) 568-2626
Contact Info: Suzanne Jacobson, Chief Financial Officer, Public Health
Department (805) 681-5983
Skip Grey, Assistant Director, General Services Support Services
Division (805) 568-3083

SUBJECT: Public Health Clinic Lease at Franklin Neighborhood Center, 1136 E. Montecito Street, Santa Barbara; First Supervisorial District (RP File #002547)

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Manager

As to form: Yes

Recommended Actions: That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute a Lease Agreement between the County of Santa Barbara and the City of Santa Barbara for the County's use of the Franklin Center Clinic located at 1136 East Montecito Street with an initial rental amount of \$9,420.03 per month, adjusted annually, for a term of ten (10) years beginning September 1, 2019, with an option to extend for an additional ten (10) years by providing ninety (90) days prior written notice to the landlord. Annual adjustments of the monthly rent is based on the Community Center Non-Profit lease rate set by the City Council, with a maximum of not more than 3%; and
- b) Determine that the proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities, finding that the action consists of the operation, repair, maintenance, and leasing of existing public or private structures involving negligible or no expansion of existing or former use and approve and direct staff to file and post the attached Notice of Exemption on that basis.

Summary Text:

This item is on the agenda to execute an agreement with the City of Santa Barbara for leased space at the Franklin Neighborhood Center that will allow the Public Health Department to provide Medical Health Services to the community in this area from the clinic located at 1136 East Montecito Street, in Santa Barbara.

Background:

The Public Health Department has a long-standing relationship with the City of Santa Barbara dating back to 1974 when both parties agreed to build the Franklin Neighborhood Center allowing the clinic to relocate from a temporary trailer. There have been numerous lease agreements since that time and the need for additional clinic space has grown with the demand for services to the residents of that community. On September 4, 2007, the Public Health Department went to the Board to request approval of: 1) a ten (10) year lease agreement with a ten (10) year renewal option; 2) a Construction Agreement, based on the March 27, 2007 approval of Plans and Specifications for the Clinic Remodel project, between the County and City for common area facility improvements as part of the County's \$1.1 Million renovation; and 3) a Personnel Resolution for 3 new medical staff positions.

On June 26, 2018, the Director of the General Services Department executed a Lease Agreement pursuant to County Code Section 12A-11 with the City for an adjacent 144 square foot office space at the Franklin Center for the Public Health Department's use for Medical Health Services. This Agreement includes a monthly rent amount of \$195.84 for the additional leased space that has been incorporated into the current lease being presented to the Board today. Your Board's approval of this lease will provide for the continued operation of the clinic and many of the repair and maintenance responsibilities will now be handled by the City.

The commencement date for the Lease Agreement is set for September 1, 2019. Due to the City's process of requiring an Ordinance for all leases with terms of 10 years or more, the item has been placed on your Board's October 1, 2019 agenda to allow the Ordinance's 30-day challenge time to expire. The 2007 lease is currently in the second year of an approved extended term and the above-stated 12A-11 lease expired on June 30, 2019 and is currently in holdover status pursuant to Section 8.B of the agreement.

The action will involve negligible expansion of use, and is not likely to have a significant environmental impact. Therefore, this project is exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines, Section 15301 – Class 1, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>FY 2019-2020 Cost:</u>	<u>Annualized Average On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal: HRSA Funding	\$ 113,040.00	\$ 129,600.00	
Fees			
Other:			
Total	\$ 113,040.00	\$ 129,600.00	0

Approval of this lease agreement will allow for the continued provision of primary care and other healthcare services at the Franklin Health Care Center site for an approximate cost of \$113,040 for Fiscal Year 2019-20 and an approximate average ongoing cost of \$129,600 through the end of the ten year lease term through FY 2028-29. The lease provides for annual increases of the rent at the City’s Non-Profit lease rate set at no more than 3% per year, which brings the total contract amount for the ten year lease term to an estimated \$1,296,000.

The FY 2019-20 amount of \$113,040 is included in the Public Health Department’s Adopted Budget and is funded through the Public Health Department’s Federal Health Resources and Services Administration (HRSA) Public Health Service Act Section 330 funding, which also affords the department its status as a Federally Qualified Health Center.

Special Instructions:

After Board action, the Clerk shall distribute as follows:

1. Forward the original, fully-executed Lease Agreement and a copy of the Minute Order to the General Services Real Property Division, Attn: Connie Smith for delivery to the City of Santa Barbara and forwarding copies to the Public Health Department.
2. Maintain the duplicate original, fully-executed Lease Agreement and Minute Order for the Official File.

Attachments:

1. Lease Agreement (1 Original, 1 Duplicate Original)
2. CEQA - Notice of Exemption