



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:** July 12, 2022  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Janette D. Pell, General Services Director (805) 560-1011  
Director(s)  
Contact Info: Skip Grey, Assistant Director, General Services (805) 568-3083  
**SUBJECT:** **First Amendment to Department of Social Services Lease Agreement at Medi-Cal and Food Stamps Benefits Service Center, 1318 South Broadway, Santa Maria; Fourth Supervisorial District (R/P File: 003539)**

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:** It is recommended that the Board of Supervisors:

- a) Approve and authorize the Chair to execute the original and duplicate original for the First Amendment to the Lease Agreement between the County of Santa Barbara Department of Social Services (hereinafter "DSS") and the Santa Maria Broadway Plaza II, LLC for the continued use of 30,000 square feet of commercial office space located at 1318 South Broadway, in Santa Maria, for a Medi-Cal and Food Stamps Benefits Service Center with a monthly rental rate of \$59,504.36 (\$1.98 per square foot), adjusted annually, for an additional term of five (5) years commencing August 1, 2023 and terminating on July 31, 2028 with two (2) additional 5-year options to extend; and
- b) Determine that the proposed actions are exempt from the California Environmental Quality Act (CEQA) Guidelines, pursuant to Section 15301 Existing Facilities, as the lease will not involve any expansion of 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 requiring the Board’s approval and execution of the First Amendment to the Lease agreement with the County of Santa Barbara Department of Social Services and the Santa Maria Broadway Plaza II, LLC for the continued use of 30,000 square feet of commercial office space located at 1318 South Broadway, in Santa Maria, for a Medi-Cal and Food Stamps Benefits Service Center for an additional term of five (5) years commencing August 1, 2023 and terminating on July 31, 2028 with two (2) additional 5-year options to extend. The current rental rate—for the year ending July 31, 2022—is \$59, 504.36 per month. The monthly rental rate is adjusted annually by the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles-Long-Beach-Anaheim, CA area not to exceed five (5) percent; the rate will continue to be adjusted by this factor in succeeding years according to the provisions of the lease agreement.

The First Amendment also includes the addition of a generator and transfer switch, which DSS purchased for \$99,074 and \$6,461, respectively, and County Facilities and Fleet on-going maintenance of the generator. The decision to lease a facility has been evaluated, studied and assessed by staff from General Services and Social Services over the past months. On December 7, 2007 the County Debt Advisory Committee approved the leasing of commercial office space for the program.

**Background:**

The County of Santa Barbara entered into an agreement with Santa Maria Broadway Plaza II, LLC to lease commercial office space located at 1318 South Broadway in the City of Santa Maria for a five-year term beginning on August 1, 2008. The agreement grants the County options to renew the lease for two additional five-year periods, with the final renewal period terminating on July 31, 2023.

DSS has operated the Benefits Service Center (hereinafter “BSC”) in the leased space since 2008. To maintain operations at the BSC during a power outage, DSS purchased and installed a generator and transfer switch to supply the office space with backup power; the generator and transfer switch became operational in September 2021. County Facilities and Fleet will be responsible for maintenance of the generator, annual permitting, and any other repairs. County Facilities will perform the bi-weekly testing and reporting and Fleet will do a service every six (6) months to service the engine.

The continued use by the Department of Social Services does not involve any expansion of use, or any significant physical changes that would have any potential effect on the environment.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

Execution of this First Amendment to the Lease Agreement will have no General Fund impact. DSS has budgeted leasing costs totaling \$695,000 in its FY 2022-23 budget; DSS will claim these costs under its federal and State allocations. As per the lease agreement provisions, the cost to lease the commercial office space will increase by the CPI-U annually up to five (5) percent. Assuming leasing costs increase by five (5) percent annually during the additional five-year term beginning August 1, 2023, the lease is estimated to cost \$3.1 million. Additionally, DSS will pay General Services for annual maintenance, permitting, testing, and reporting through Internal Service Fund charges and the Cost Allocation Plan. Costs for these activities, which DSS will also claim under its federal and State allocations, are estimated to total \$3,900 annually and include the following:

- Bi-weekly testing by Facilities staff at a total annual cost of \$1,200;
- Monthly review of generator at a total annual cost of \$900;
- Troubleshooting during failures at a projected total annual cost of \$500;
- Annual permit fee of \$450 for APCD certification;
- Annual permit fee of \$350 for CERS certification; and
- Maintenance by Fleet Services at a total annual cost \$500.

**Staffing Impacts:**

**Special Instructions:**

Upon Board approval and execution, please distribute as follows:

1. File the fully-executed, original executed First Amendment to the Lease Agreement with the Clerk of the Board.
2. Return the fully-executed, duplicate original First Amendment to the Lease Agreement and Minute Order to: Real Property Division, Attn: Alanna Chumney.
3. Post the CEQA Notice of Exemption in the Clerk of the Board office.

**Attachments:**

1. First Amendment to Lease Agreement
2. CEQA –Notice of Exemption

**Authored by:**

Alanna Chumney, Real Property Supervisor, Real Property Division