

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 10/28/2014	(3) CONTACT/PHONE Machelle Vieux, (805) 781-5200	
(4) SUBJECT Request to approve a Lease agreement with Robert B. Fraser and Bridget O. Fraser, Trustees of the Fraser Family Trust to provide the Department of Social Services new office space at 600 Quintana Road in Morro Bay for a period of up to 25 years. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the Lease agreement with Robert B. Fraser and Bridget O. Fraser, Trustees of the Fraser Family Trust to provide the Department of Social Services new office space at 600 Quintana Road in Morro Bay for a period of up to 25 years.			
(6) FUNDING SOURCE(S) Social Services Fund Center 180 (funded with a combination of Federal, State and County funds)	(7) CURRENT YEAR FINANCIAL IMPACT Approximately \$54,050	(8) ANNUAL FINANCIAL IMPACT \$129,720 plus CPI increases	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Emily Jackson			
(18) SUPERVISOR DISTRICT(S) District 2			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Mabelle Vieux
(805) 781-5200

DATE: 10/28/2014

SUBJECT: Request to approve a Lease agreement with Robert B. Fraser and Bridget O. Fraser, Trustees of the Fraser Family Trust to provide the Department of Social Services new office space located at 600 Quintana Road in Morro Bay for a period of up to 25 years. District 2.

RECOMMENDATION

It is recommended that the Board approve the Lease agreement with Robert B. Fraser and Bridget O. Fraser, Trustees of the Fraser Family Trust to provide the Department of Social Services new office space at 600 Quintana Road in Morro Bay for a period of up to 25 years.

DISCUSSION

In FY 2008/2009, the Department of Social Services ("DSS") closed a site office in Morro Bay as part of a budget reduction strategy during the economic downturn. DSS currently shares an office space with the Health Agency in Morro Bay. DSS staff have been working in Morro Bay one day per week due to the lack of office space and facilities. An office space is needed in the coastal communities primarily for the Participant Services staff who administer Welfare programs such as Medi-Cal, CalFresh and CalWORKs. Currently, DSS has no offices in the North County coastal cities so an addition of an office in Morro Bay will provide DSS clients in the coastal region of the County, with better access to services.

The recent implementation of the Affordable Care Act (ACA) has resulted in an increase in caseloads for DSS. To keep up with the increased caseloads and to be able to implement the ACA, DSS has increased its staffing levels by approximately 60 positions in the past year and a half. The case load program statistics for the North Coastal area are as follows:

- CalWORKs 117 cases, Medi-Cal 2628 cases, and CalFresh 851 cases. These are the public assistance programs administered by the DSS Employment Resource Specialists (ERS) and make up the majority of staff that will be assigned to the Morro Bay office.
- In Home Supportive Services (IHSS) 225 active cases. These are cases that are seen by Social Workers and they would be able to use the open work stations at the Morro Bay office.
- Adult Protective Services (APS) 20 referrals on average each month. These are referrals of abuse or neglect of the adult usually aged population. Social Workers will be able to use the open work stations at the Morro Bay office during the course of actively investigating these allegations.
- Child Welfare Services (CWS) 30 referrals of abuse or neglect on average each month. Social Workers will be able to use the open work stations at the Morro Bay office during the course of actively investigating these allegations. Thirty-four children under the department's jurisdiction are currently placed in homes in the north coast area. Social Workers will be able to use the open work stations at the Morro Bay office during the course of

conducting court ordered visitations and facilitating visits between parents and children to support a successful reunification of the family.

With the large volume in case loads there is now a greater need for DSS to have a presence in the North Coast area as their services area spans as far north as Ragged Point. Having the Morro Bay office facility will also free up space in DSS's current location at 3433 S. Higuera Street in San Luis Obispo. As a result of the lack of office space, five staff members at the Higuera St. location are currently working out of a training room, making it a challenge to have training opportunities on site. A North Coast office will free up currently occupied spaces, making the use of DSS resources more efficient for DSS staff and more accommodating to the public.

The new lease at 600 Quintana Road will provide approximately 4,600 square feet of office space for DSS in Morro Bay (see Attachment 1 Location Map and Attachment 2 Lease Agreement). Additionally, once tenant improvements are completed for DSS by the landlords, as specified in the lease, the Morro Bay space will meet the needs that are specific to the Participant Services staff. There will be a reception area to receive and greet the public, as well as conference rooms that will allow ample space for meetings. This location will have multiple interview rooms for the purpose of meeting confidentiality and privacy needs. Another benefit of the Morro Bay office is that there will be vacant temporary "hotel stations" to accommodate social workers working in the field in the coastal communities. These "hotel stations" will be available to social workers needing to access information on active cases and investigations on the computer systems. There are also 16 exclusive parking spaces assigned to this facility.

The initial term of the lease is for ten years, with three additional options to extend for five years each, making the full term of the lease up to twenty-five years.

OTHER AGENCY INVOLVEMENT/IMPACT

The office space needs of the Health Agency will be slightly alleviated by the new DSS Morro Bay location in that it will free up the space in the Morro Bay Health Agency office currently used by DSS. The new DSS lease was negotiated and written by General Services Real Property Services Division and reviewed and approved by the Department of Social Services. The Lease has been reviewed by County Counsel as to form and legal effect.

FINANCIAL CONSIDERATIONS

Rent for this site will begin at the rate of \$10,810 per month, which equates to approximately \$2.35 per square foot gross and is consistent with market rate rents in the area. Rent payments will commence on February 1, 2015 or upon completion of the tenant improvements by the landlord, whichever occurs later. DSS intends to take occupancy immediately upon delivery of the premises and upon installation of the cabling, cubicles, and furnishings. The funding for this project has been included in the Department of Social Services Fund Center 180 for the Fiscal Year 2014 -15 Adopted budget, G/L Account 5050405 (rents and leases).

The initial term of the lease is 10 years with the opportunity to extend the lease on the same terms and conditions for an additional three five-year extensions. The cost of most of the tenant improvements will be included in the rent payment, which is funded from a combination of Federal, State, and County funds. The County's share of costs is approximately 12%, which equates to \$1,297 per month.

The rent payment does not include the cost of the cubicle dividers, furnishings, computer equipment, and data cabling for approximately 18 cubicles and offices, which is estimated at \$200,000 and is budgeted by DSS to be paid this fiscal year. The County's share for computer and furniture costs would be approximately 12%, which equates to \$24,000. The remainder of the costs will be supported through Federal and State funding. The space will accommodate existing staff and no new staff is planned to be hired for this location.

RESULTS

Approval of the proposed lease will allow the Department of Social Services to serve the North Coast communities more effectively as well as alleviate crowded conditions for staff in the DSS San Luis Obispo office. The public and staff will benefit from the Morro Bay location that includes a reception area, interview rooms that ensure client confidentiality, and exclusive parking. This action supports the County's desired community-wide results of a well-governed and healthy

community.

ATTACHMENTS

1. Location Map
2. 600 Quintana Lease Agreement