



# Board Agenda Item 12

DATE: February 25, 2020

TO: Board of Supervisors

SUBMITTED BY: Delfino Neira, Director, Department of Social Services  
Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Lease of Office Space for Department of Social Services

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a lease with 380 Ashlan LLC, a California limited liability company, for 138,290 square feet of office space, located at 380 W. Ashlan Ave., Clovis, CA 93612, for use by the County's Department of Social Services, effective the date the County takes occupancy, not to exceed nineteen years, total not to exceed (\$166,072,374).**
- 2. Authorize the Director of Internal Services/Chief Information Officer to approve and execute Occupancy Notice confirming the building square footage, not to exceed 138,290 square feet, rent schedule, and final tenant improvement amortization schedule.**
- 3. Authorize the Director of Internal Services/Chief Information Officer or his/her representative, to approve and execute a Memorandum of Lease for the premises, as well as any Estoppel Certificate and/or Subordination and Attornment Agreement required by the Lessor, and any other such necessary agreements, certificates, notices, instruments, or documents, subject to the approval of the County Counsel's Office as to legal form and, if applicable, as to accounting form by the County Auditor-Controller/Treasurer-Tax Collector.**

Approval of the recommended actions will create a nineteen-year lease for 138,290 square feet of office (\$1.35/square foot) for the Department of Social Services. The lease maximum for the first years rent is \$7,435,887, with no increase in Net County Cost. This includes base rent of \$2,240,298 and additional rents of \$1,264,210, plus tenant improvement rent. The total cost for the tenant improvements is not to exceed \$37,000,000, which shall be amortized over the Lease term. This item pertains to a location in District 3.

ALTERNATIVE ACTION(S):

Your Board could direct the Department of Social Services to pursue other facility options to consolidate staff. However, it would result in a lost opportunity to select a desirable available property near other DSS locations that fulfills the needs of the Department of Social Services and its business operations.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The total cost of the recommended Lease Amendment (\$166,072,374) will be fully offset with State and Federal Social Services Allocations (\$143,311,356), and 2011 Realignment (\$14,551,219) in lieu of State General Funds for Child Welfare Services, and Adult Protective Services Programs that were realigned to counties through

Assembly Bill (AB) 118, 1991 Social Services Realignment (\$7,205,223), and the required Net County Cost (\$1,004,576) which offsets the General Relief Program share of cost. Sufficient appropriations will be included in the FY 2021-22 Recommended Budget for the Department of Social Services, Organization 5610, and will be included in subsequent budgets.

DISCUSSION:

The Department of Social Services (DSS) strategic plan places emphasis on enhancing Department performance and improving client experiences. A key component as part of this strategic plan is streamlining business and client service functions to increase efficiency and operational effectiveness. Approval of the recommended lease is essential for DSS to implement its strategic plan.

The lease of the recommended property will enable the DSS Child Welfare Services (CWS) branch to consolidate all services within metro-Fresno from six existing buildings into one building on one campus. DSS plans to relocate approximately 550 staff into this one location.

CWS has been spread among five to seven different buildings for over twenty years. This has caused several operational deficiencies that cannot be remedied due to being located in multiple facilities. This location will allow for greater operational efficiency, maximization of resources, streamlined service delivery, and enable the Department to provide a higher quality of services to the residents of Fresno County.

This property satisfies the needs and requirements of DSS, and it is anticipated that the property will require tenant improvements to ensure that it is operationally functional. Tenant improvement costs are being developed to solidify the internal layout of the public and office spaces, and DSS will return to your Board at a later date for any necessary Lease Amendments, budget adjustments, and/or appropriation increases.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Lease Agreement

CAO ANALYST:

Ron Alexander