



Board Agenda Item 30

DATE: January 6, 2026

TO: Board of Supervisors

SUBMITTED BY: Raymond T. Hunter, Director, General Services Department
Susan L. Holt, LMFT, Director, Department of Behavioral Health

SUBJECT: Lease Agreement with Fig Garden Offices, LLC

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a Lease Agreement with Fig Garden Offices, LLC, for approximately 38,968 square feet of office space at 5260 North Palm Avenue, Suites 300 and 321, Fresno, California 93704 to be occupied by the Department of Behavioral Health, effective January 15, 2026, which includes a three-year base term and two optional one-year extensions, total not to exceed \$6,331,982.

There is no additional Net County Cost associated with the recommended action, which will allow the Department of Behavioral Health to lease office space at 5260 North Palm Avenue, Suites 300 and 321, Fresno, California 93704 (proposed location) for administrative use. The recommended Agreement will allow staff at the Health and Wellness Center to relocate to the proposed location, making space for clinical staff that are currently located in buildings 317 and 335 at the University Medical Center Campus. This item pertains to a location in District 2, but services are countywide.

ALTERNATIVE ACTION(S):

Your Board may direct the Department of Behavioral Health (DBH) and the General Services Department (GSD) to pursue other facility options; however, this would result in foregoing a location that best aids the temporary needs of DBH.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. Rent and operating costs will be fully offset with a combination of Federal Financial Participation and 1991 Realignment funds. The rent is \$818,328 for the first year and will increase by 3% each additional year. In addition to rent, DBH will pay an estimated \$397,474 in operating costs annually, subject to annual reconciliation. Sufficient appropriations and estimated revenues are included in the DBH Org 5630 FY 2025-26 Adopted Budget and will be included in subsequent Recommended Budget requests for the duration of the Lease Agreement term.

DISCUSSION:

DBH staff are currently located at the Health and Wellness Center (HaWC), the University Medical Center Campus (UMC), Heritage Centre, Air Fresno, and West Fresno. On January 7, 2025, your Board executed Lease Agreement No. A-25-012 with Boyd Fresno, LLC to lease space at UMC while staff and operations are relocated. Phase 1 of the UMC lease, which includes buildings 317 (DBH Adult Clinical Outpatient Services) and 335 (Older Adult Clinical Outpatient Services) ends December 31, 2026, and may be terminated early with 90-days' notice provided by GSD.

Staying on UMC is not sustainable due to additional maintenance costs incurred outside of the rent and operating costs listed within the Lease Agreement, as the County is responsible for the maintenance costs for the buildings it occupies. In evaluating options to best support service delivery and in consultation with GSD, it was determined that there are limited office buildings within the County capable of accommodating DBH's space needs, and no available lease options that would support clinical care.

To address the need for sustainable clinical space, relocating DBH administrative staff to the proposed location would allow the HaWC building to become a clinical site for DBH Adult Outpatient Services currently operating at UMC. HaWC is a County-owned building and already site-certified to provide clinical services. As a result, DBH programs currently housed in buildings 317 and 335 would be relocated to HaWC. Additionally, DBH is undergoing construction at 5555 East Olive Avenue (Olive Campus), which will eventually house both Children's and Adult Clinical Outpatient Operations once the facility is ready for occupancy.

With approval of the recommended action, GSD will provide Boyd Fresno, LLC with 90-days' notice to terminate Phase 1 of the Lease Agreement effective April 1, 2026. This will allow time for the planned relocations and avoid prolonged overlap of lease payments.

The recommended Lease Agreement includes an initial three-year term with two optional one-year extensions, which can be terminated at any time with 180-days' notice, if necessary. Under the lease, DBH will pay for electricity, natural gas, telephone, and internet services, as well as operating costs, including property taxes, property insurance, maintenance, property management, common area utilities and janitorial services. Operating costs are estimated at \$397,474 for the first year of the term and will be adjusted annually based on actual operating costs from the prior year.

Approval of the recommended action will allow DBH to maintain business operations while the Olive Campus undergoes construction and provide stability should there be any delays.

REFERENCE MATERIAL:

BAI #22, January 7, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Lease Agreement with Fig Garden Offices, LLC

CAO Analyst:

Amy Ryals