

Probation and HHSA Design, Alteration, and Lease Agreement

December 17, 2019



OVERVIEW

Presentation Outline

1. Introduction and Background
2. Proposed Agreement Terms
3. Probation Department
4. Health and Human Services Agency
5. Development Team
6. Conclusion & Requested Action



INTRODUCTION & BACKGROUND

- ▶ Probation has outgrown existing office space in Visalia and identified a need to consolidate into a single location
- ▶ Probation occupies 25,549 square feet of office space in Visalia

Service	Sqft	Location	Status
Administration	7,598	Courthouse	County Owned
Adult Services	12,001	Center St.	Lease expires August 2020, no renewal option
Juvenile and eMonitoring Services	5,950	Fairway St.	Lease expires January 2020, has renewal option



INTRODUCTION & BACKGROUND

- ▶ Several options were explored for Probation's current and future space needs:
 - ▶ Purchase an existing building
 - ▶ Construct a new building on County-owned property
 - ▶ Continue to lease space at various locations
- ▶ HHSA identified need for additional space for Mental Health services, and an interest in co-locating with Probation



PROPOSED AGREEMENT TERMS

- ▶ Design, alter and lease former Visalia K-Mart with Center Drive Partners, L.P.
- ▶ 85,500 square feet of office space
 - ▶ 52,200 Probation
 - ▶ 33,300 HHSA (12,426 in 2020, additional 20,874 in 2026)
- ▶ 25 year initial term, three five-year options for renewal
- ▶ Option to purchase after five years at floor fair market value
- ▶ Ready to occupy by August 2020



PROPOSED AGREEMENT TERMS

- ▶ Base rent
 - ▶ \$1.65 per square foot, or \$106,632.90 per month
 - ▶ 2% annual increase
- ▶ Common Area Maintenance
 - ▶ \$0.20 per square foot, or \$12,925.20 per month
 - ▶ 2% annual increase
 - ▶ Reconciled with actual expenditures annually, County reimbursed for overpayments less \$0.05 per square foot Operating Expense Reserve
- ▶ \$718,200 Replacement Reserve funded by Landlord
- ▶ \$1.8 million for Furniture, Fixtures and Equipment funded by County



PROBATION DEPARTMENT

- ▶ Provides Needed Space to Effectively Serve Clients and Community
- ▶ Advantages
 - ▶ Consolidation of Visalia area offices
 - ▶ Improved client service delivery
 - ▶ Enhanced collaboration
- ▶ Impact
 - ▶ Improved outcomes
 - ▶ Pilot for Whole Person Care
 - ▶ Fiscal



HEALTH AND HUMAN SERVICES AGENCY

- ▶ Provide Needed Space for Agency Expansion and Initiatives
 - ▶ Pilot location for new initiatives
 - ▶ Whole Person Care
 - ▶ AB 1810/Criminal Justice Diversion
 - ▶ Future initiatives
 - ▶ 12,426 sq. ft. – Primarily Behavioral Health – 46 staff:
 - ▶ Mental Health Court Team
 - ▶ Criminal Justice Diversion Program
 - ▶ Homeless Outreach and Engagement
 - ▶ Inpatient Treatment Team/LPS Conservatorship Team
 - ▶ 20,874 sq. ft. future expansion:
 - ▶ Enable consolidation of fragmented offices across Visalia



DEVELOPMENT TEAM



CONCLUSION & REQUESTED ACTION

Requests:

1. Approve a Design, Alteration, and Lease Agreement with Center Drive Partners, L.P., for premises located at 3247 W. Noble Ave., in Visalia, for a term of 25 years, with three five-year options for renewal, and an annual rental amount of \$1,434,697.20 for the first year with a 2% annual increase.
2. Authorize the Chairman to sign the Agreement.
3. Authorize the Chairman to sign the Memorandum of Lease, subject to review and approval as to form by County Counsel.

