


Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

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SUBJECT: Execute a third Lease Amendment for office space located at 260 North San Antonio Road, Suite A, Santa Barbara, CA

RECOMMENDATION:

Authorize the Chair to sign the third Lease Amendment between the Santa Barbara County Air Pollution Control District (District) and Santa Barbara County (County) for the purposes of reducing the amount of office space leased from the County to accommodate County General Services Department needing more space to move the rest of their department into the building.

DISCUSSION:

The District rents office space from the County located at 260 North San Antonio Road, in the unincorporated area of Santa Barbara County, more particularly described as Assessor Parcel Number 059-140-029, and the building thereon commonly known as the Casa Nueva Building (Building).

The District and County entered into a lease agreement on November 26, 2002, for the purpose of leasing 14,139 square feet of the Building to be used as commercial office space.

On August 20, 2020, the District amended the original lease to remove a portion of its leased space, resulting in an overall reduction of leased space from 14,139 square feet to 9,881 square feet. Once the 4,258 sq. ft. was relinquished back to the County, the District's share of common area costs and the replacement reserve account payment decreased from 50% to 35%. This resulted in savings for utilities, building maintenance, and janitorial costs. A subsection was also added to the lease amendment that would allow the District to extend the lease by up to seven years. With the possibility of extension, that allowed the District to have a lease for a total of 20 years to 2040.

On July 19, 2021, the District was notified that the County General Services Department wished to occupy a portion of the building consisting of 4,775 square feet of exclusive office space currently leased by the District. On September 6, 2021, the District entered into a non-binding Letter of Understanding (LOU) for the purpose of expressing each party's intentions regarding future use and occupancy of the Building. On October 21, 2021, the District signed a second lease agreement with the District occupying 7,152 sq. ft. of exclusive office space and 1,909 sq. ft. of common area square footage, which was a reduction of 820 sq. ft. from the approved first lease amendment. Rent was based on \$1.2928 per square foot per month and was \$12,774.16 per month during the time that the District occupied the amended leased space and decreased to \$11,714.06 per month once the 820 sq. ft. was relinquished back to the County. The District's proportionate share of maintenance and utility costs was 32%, down from 35% previously.

In May 2023 the County reached out to the District requesting that the District relinquish additional office space, with the intent to have the General Service Department fully move to the Casa Nueva building. The third lease agreement is still being drafted by the County and if finalized before the May meeting, will be provided to your Board via a late docketed memo. If the third lease agreement is not received in time, the District plans to bring it to your Board's meeting in June.

FISCAL IMPACT:

The fiscal impact related to this third lease amendment would be an annual savings in rent expense, utilities, landscaping, janitorial, and the replacement reserve account for any major maintenance costs.