




air pollution control district
SANTA BARBARA COUNTY

Agenda Date: March 19, 2020
Agenda Placement: Admin
Estimated Time: N/A
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

CONTACT: Kristina Aguilar, Administrative Manager, (805) 961-8813

SUBJECT: Fiscal Year 2019-20 Budget Amendment for Office Space Reconfiguration

RECOMMENDATION:

1. Authorize the following budget amendments:
 - a. Transfer appropriations of \$25,000 from Services & Supplies Account #7460 (Professional and Special Services) to Capital Assets #8300 (Equipment); and
 - b. Establish appropriations of \$375,000 from Purpose of Fund Account #9899 (Fund Balance – Committed); and
 - c. Increase appropriations of Capital Assets Account #8300 (Equipment) by an additional \$400,000, for a total budget of \$543,000.
2. Delegate authority to the Air Pollution Control Officer to sign or execute a contract with SmartOffice Interiors for the office reconfiguration services, for an amount not to exceed \$255,000.

DISCUSSION:

In an effort to continue with the District's long-range fiscal goals, which were included in the Fiscal Year (FY) 2018-19 Budget, adopted by your Board in June of 2018, the Air Pollution Control Officer and staff reviewed the office space that the District occupies. Based on the District's current staffing levels of 36 FTEs, it seemed feasible that an office reconfiguration in

Aeron Arlin Genet, Air Pollution Control Officer

the District's Santa Barbara office (located at 260 North San Antonio Road, Suite A, Santa Barbara, CA), where space could be relinquished back to the County, was something that should be researched and considered. In the District's FY 2019-20 Budget, that was approved by your Board on June 20, 2019, a one-time appropriation of \$25,000 was included to have a study completed and further research this option. The District started communication with County General Services, Real Estate Department, regarding this possibility in November 2019. On November 20, 2019 the District received a letter from County General Services conditionally approving the District's request to reconfigure the leased space and to relinquish a portion of leased space back to the County thereafter. On February 6, 2020 the District received a second letter from General Services with the County's intent to make an amendment to the District's lease to reduce the District's leased space from 14,139 square feet to 9,881 square feet. The County intends to bring the lease amendment to the County Board of Supervisors for approval on May 12, 2020. If the amendment is approved at that meeting, the District plans to bring the lease amendment to your Board for approval on May 21, 2020.

The District's lease with the County, has a 30-year lease term that is set to expire on May 1, 2033. Per the District's lease with the County, the rent is fixed at \$1.2928 per square foot per month. That means the District's current monthly rent is \$18,278.90. If the District is able to move forward with the office reconfiguration the new rent amount will be \$12,774.16 per month, a savings of \$5,504.74 or \$66,056.88 per year. The District would also pay less to the Replacement Reserve Account for the building and would go from occupying 50% of the building down to 35%, which results in a large savings on all shared maintenance costs for the building as well (e.g., utilities, landscaping, janitorial services, etc.). Based on these factors, the District anticipates saving approximately \$100,000 per year after the office reconfiguration is complete or \$1,300,000 over the life of the lease.

To initiate this project, the District worked with Robert Ooley, the County's Architect, and hired a consultant to develop a plan for the office space. Per Mr. Ooley's recommendation, the District hired SmartOffice Interiors, a County approved vendor, to work on office reconfiguration options. If approved by your Board, the project will have a one-time investment of \$400,000 for the construction of the interior of the office, new carpet, and new office furniture. The District feels that this investment will allow staff to be more efficient and productive while at work because office moral will increase as well as functionality from having staff all in the same general office location, instead of being spread out throughout the building. If your Board approves this budget amendment the District will move forward with the office reconfiguration and plan to have everything completed by June 30, 2020.

A budget amendment is required by the Auditor-Controller and County Budget Act to properly classify appropriations in the correct Expenditure Object Level for budgetary and financial reporting purposes before the office reconfiguration can be completed. In approving this action, \$25,000 will be transferred from the District's Services & Supplies Account #7460 (Professional and Special Services) to the Capital Assets object level Account #8300 (Equipment). Additionally, establishing an appropriation of \$375,000 from Purpose of Fund Account #9899 (Fund Balance – Committed), the total budget for appropriations of Capital Assets Account #8300 (Equipment) will be increased by \$400,000.

The budget amendments require a four/fifths approval vote (i.e., 11 affirmative votes).

FISCAL IMPACT:

The budget amendments that are proposed in this item specifically address impacts to the Fiscal Year (FY) 2019-20 budget that your Board adopted on June 20, 2019. The ongoing savings from rent and shared maintenance costs will be included in future years budgets, to be brought back to your Board for review and approval.

ATTACHMENT:

- A. Budget Journal Entry
- B. Conditional Approval letter from General Services
- C. First Amendment to Lease letter from General Services

Budget Journal Entry

Document Number: BJE - 0006826

Document Description: To amend budget from S&S to

Post On:

Batch ID: 2405929

Processed On:

Processed By:

Created On: 3/9/2020 10:55:58 AM

Created By: Kristina Aguilar

References

Audit Trail: Actualizing JE:

Budget Revision Request

Agenda Item: Agenda Date: 3/19/2020 Approval: BOS 4/5 Has Board Letter: Yes

Title: Budget Amendment for office reconfiguration

Budget Action: Transfer appropriations of \$25,000 from Services & Supplies #7460 Professional and Special Services to Capital Assets Account #8300 Equipment. Also, establish appropriations in Account #9899 Fund Balance - Committed of \$375,000. For a total increase to Capital Assets Account #8300 Equipment of \$400,000.

Justification: The proposed budget amendment will transfer \$25,000 from the Services & Supplies Account #7460 Professional and Special Services to Capital Assets object level (#8300 Equipment). It will also establish the use of Fund Balance - Committed (#9899 Purpose of Fund) of \$375,000 to allow for an office reconfiguration at the District's Santa Barbara office. The project will have a one-time investment of \$400,000 for the construction of offices in the interior of the space, new carpet, and new office furniture. The District feels that this investment will allow staff to be more efficient and productive while at work because office moral will increase as well as functionality from having staff all in the same general office location, instead of being spread out throughout the building.

Budget Revision Request Financial Summary

Fund	Department	Project	Object Level	Source Amount	Use Amount
1960 - APCD	871 - Air Pollution Control District		55 - Services and Supplies	0.00	(25,000.00)
1960 - APCD	871 - Air Pollution Control District		65 - Capital Assets	0.00	400,000.00
1960 - APCD	871 - Air Pollution Control District		93 - Changes to Committed	375,000.00	0.00
Fund: 1960 - APCD, Department: 871 - Air Pollution Control District Total:				375,000.00	375,000.00

Accounting

Fund	Dept	GL Acct	LI Acct	Debit Amount	Credit Amount	Prog	OUnit	Proj	Budget Period	Description
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Budget Journal Entry

1960	871	2530	7460	25,000.00		202003	To amend budget for office reconfiguration
1960	871	2530	8300		400,000.00	202003	To amend budget for office reconfiguration
1960	871	2420	9899	375,000.00		202003	To amend budget for office reconfiguration
Total				400,000.00	400,000.00		

Signatures

Signed By	Approval Level	Department/Agency-Fund Group	Signed On	Valid
Kristina Aguilar	Fund/Department	10-Air Pollution Control District Funds	3/11/2020 11:45:57 AM	Y

COUNTY OF SANTA BARBARA
General Services Department

Janette D. Pell
Director



Skip Grey
Assistant Director
Support Services Division

Patrick Zuroske
Assistant Director
Support Services Division

Thomas Gresham
Assistant Director
ICT Division

Lynne Dible
Assistant Director
Finance/Admin. Division

November 20, 2019

Aeron Arlin Genet
Air Pollution Control District (APCD)
260 North San Antonio Road, Suite A
Santa Barbara, CA 93110

Re: Proposed Construction, Tenant Improvements and Reduction in Leased Space (File #003410)

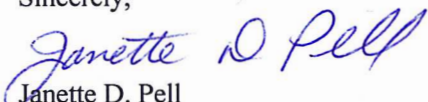
Dear Ms. Arlin Genet:

The General Services Department is in receipt of your request to reconfigure APCD's leased space at 260 North San Antonio Road and thereafter relinquish a portion of those premises to the County. General Services is conditionally approving this request, subject to the following terms and conditions:

1. The proposed alterations are generally identified on the attached floorplan and include removing and relocating walls, doorways and electric services.
2. All work is at APCD's sole cost and expense.
3. APCD will obtain any required permits at its sole expense prior to commencing work, and will send County a copy of all permits before commencing work.
4. APCD will notify the County at least ten (10) days before commencing work and County may post Notices of Non-Responsibility as provided by law.
5. During construction, APCD will keep the leasehold and improvements free and clear of liens for labor and materials and shall hold County harmless and defend County with respect to any construction or alterations.
6. APCD will notify the County when construction is complete and provide the date it will relinquish the areas identified on the attached floorplan. APCD may sublease any portion of its leased premises to the Santa Barbara Association of Governments at any time under the same terms and conditions of its lease. If APCD wishes to sublease to any other entity, or chooses to relinquish a portion of its space back to the County, a one-year advance written notice is required; however, the County will work with APCD to locate a new tenant as soon as possible. Once a new tenancy is established, APCD's rent, replacement reserve and maintenance cost obligations will be proportionately reduced.

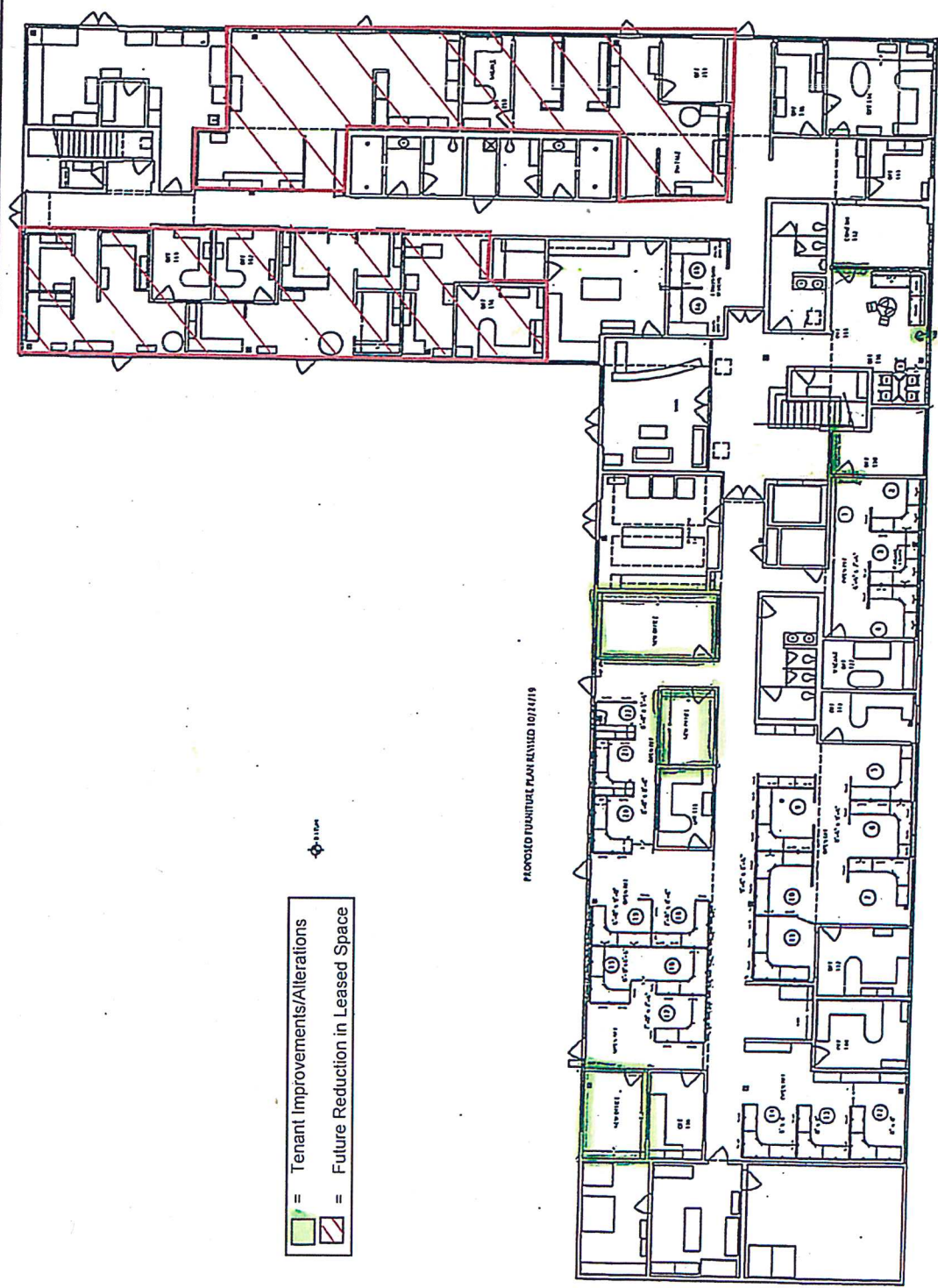
If you wish to discuss this matter further, please feel free to contact Susan Freebourn at (805) 568-3091 or by email at sfreebourn@countyofsb.org.

Sincerely,


Janette D. Pell

Director, General Services Department

Enclosure



- = Tenant Improvements/Alterations
- = Future Reduction in Leased Space

PROPOSED FURNITURE PLAN REVISED 10/11/19

12/20/19
12/20/19

COUNTY OF SANTA BARBARA

General Services Department

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Director



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Assistant Director
Support Services Division

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Support Services Division

Thomas Gresham
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ICT Division

Lynne Dible
Assistant Director
Finance/Admin. Division

February 6, 2020

Aeron Arlin Genet
Air Pollution Control District (APCD)
260 North San Antonio Road, Suite A
Santa Barbara, CA 93110

Via Email

Re: First Amendment to Lease

Dear Ms. Arlin Genet:

On November 20, 2019, the Director of General Services conditionally approved APCD's request to reduce its leased space at 260 North San Antonio Road on or around June 30, 2020. Accordingly, I am preparing an amendment to APCD's lease that will reflect its reduced occupancy and obligations, and will present it to the County Board of Supervisors for approval and execution in May. I estimate this work will require 10 to 20 hours of staff time, which will be billed at a rate of \$98/hour. Please code, sign and return the enclosed Request for Service (RFS) form if you wish to proceed.

According to the terms of the current lease, APCD pays rent plus a proportionate share of utilities and actual maintenance and operating costs, which includes a monthly payment to a reserve fund for the replacement of capital items. Rent is fixed at \$1.2928 per square foot per month, and the Replacement Reserve fund, subject to an annual cost of living adjustment, is currently \$.014425 per square foot.

APCD has identified two sections totaling 3,136 square feet that it intends to relinquish, as shown on the enclosed floor plan, which will reduce its leased space from 14,139 to 9,881 square feet (including 7,264 sf of assigned space and 2,617 sf of common area space). Once this occurs, rent will be adjusted to \$12,774.16 per month (9,881 sf x \$1.2928) and APCD's proportionate share of utilities and janitorial costs will be 35% based on its proportionate occupancy of the building. APCD's Replacement Reserve payment will be determined after the May 1st annual cost of living adjustment.

The above changes are based on the following calculations:

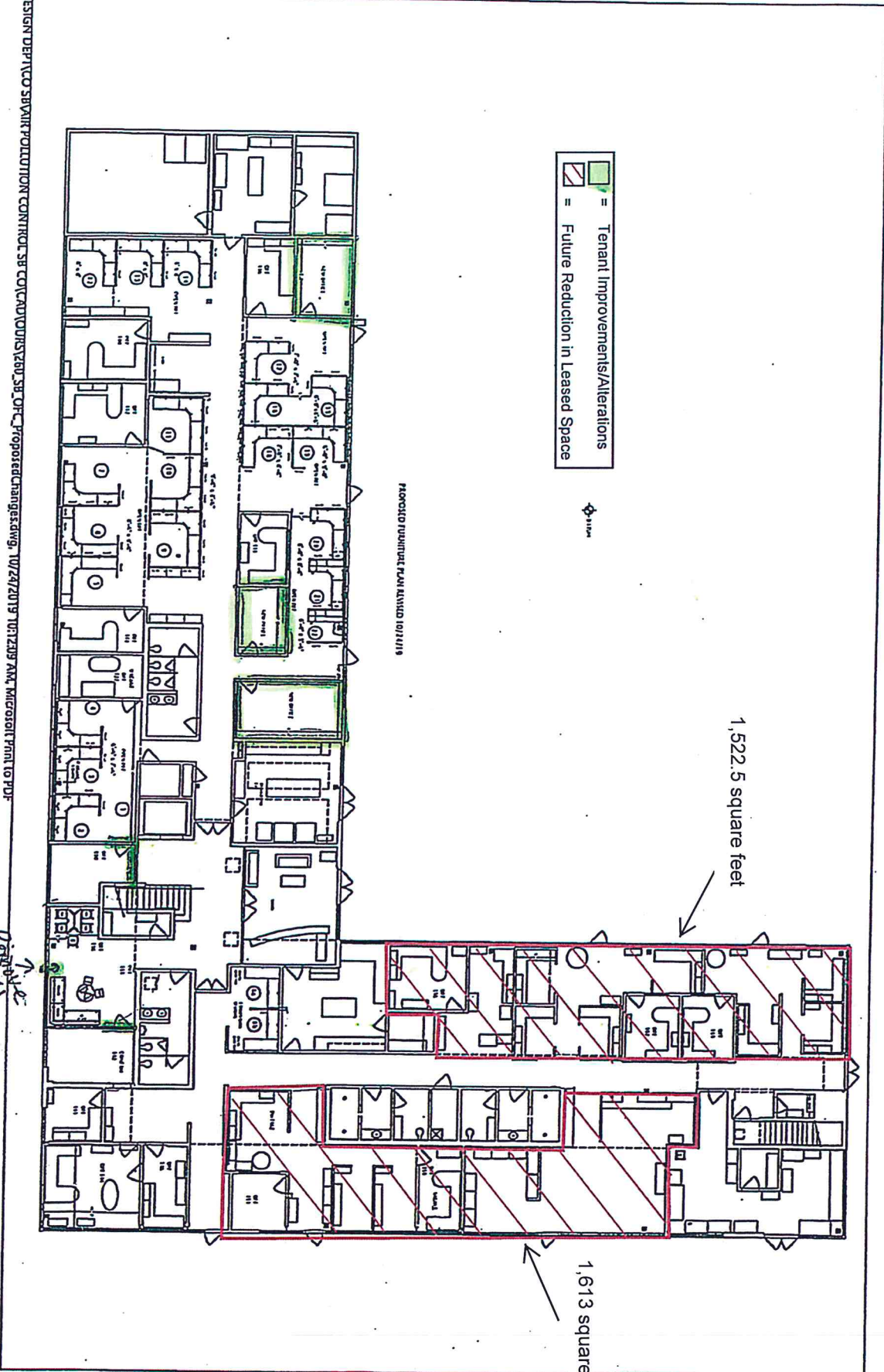
Occupant	Assigned Space SF	Common Area SF	Total SF	Rent	Approximate Replacement Reserve (to adjust on 5/1/2020)	Total
SBCAG	4,398 (21% of bldg.)	1,581 (21%)	5,979 SF			
DSS	5,999 (29% of bldg.)	2,157 (29%)	8,156 SF			
APCD	7,264 (35% of bldg.)	2,617 (35%)	9,881 SF	\$12,774.16	\$1,425.33	\$14,199.49
Vacant	3,136 (15% of bldg.)	1,122 (15%)	4,258 SF	\$ 5,504.74	\$ 614.22	\$ 6,118.96
Total	20,796	7,477	28,274	\$18,278.90	\$2,039.55	\$20,318.45

Please note that the above terms and amounts are subject to final approval by the County Board of Supervisors, and let me know if you have any additional questions or concerns.

Sincerely,


Susan Freebourn
Real Property Division

Enclosure



Legend:
Green box with diagonal line = Tenant Improvements/Alterations
Red box with diagonal line = Future Reduction in Leased Space

1,522.5 square feet

1,613 square feet

10/24/2019