



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-874

Board Meeting Date: 9/25/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Louise F. Rogers, Chief, Health System
Subject: Authorizing Approval of the Expanded Scope of Renovations for 350 90th Street to support Behavioral Health and Recovery Services' Youth Services North County Organization

RECOMMENDATION:

Adopt a resolution authorizing the approval of the expanded scope of renovations for office space at 350 90th Street, Daly City, increasing the amount to \$377,065.

BACKGROUND:

The Youth Services North County Organization ("Organization"), a division of Behavioral Health and Recovery Services (BHRS), currently operates out of the County-owned Mike Nevin Health Center located at 375 89th Street, in the City of Daly City. The Organization has 16 employees that provide behavioral health and recovery services to youth and adult clients in North County. Services include, but are not limited to, individual, group, and family therapy; case management; medication support; and psychiatric evaluation. Due to space constraints limiting the Organization's ability to provide services to adult clients, the wait time for a full admission assessment exceeds standards by two weeks. To resolve this matter, the Organization would like to relocate the youth team to a new location in North County. The relocation of the youth team will allow the adult team to maximize the remaining space and serve clients more efficiently.

On October 31, 2017, your Board approved a lease agreement with the City of Daly City for the Daly City Community Services Building, located at 350 90th Street. BHRS will occupy the entire second floor of the building, comprising 7,631 square feet of office space, for an initial term of five years, at an initial monthly base rent of \$16,025.10. Base rent will increase annually by three percent during the term. The County will also have one five-year option to extend the term of the lease. BHRS plans to relocate the Organization to the County's South San Francisco Health Campus once constructed. For this reason, Real Property Services has negotiated a provision that allows the County to terminate the lease at any point during the option term with 12 months' written notice.

The space required tenant improvements to render it suitable for BHRS' use. In order to implement these tenant improvements, BHRS has been coordinating with the County's Department of Public

Works. The original plans were reviewed by a contractor, who provided a cost estimate of \$268,310.

DISCUSSION:

Subsequent to the initial cost estimate, BHRS determined that to better serve its clients, more space (i.e. an additional five therapy offices) was needed for clinical services than what was originally anticipated. An independent cost estimator was used to estimate the new proposal, increasing the original project amount from \$268,310 to a new amount of \$377,065. This increase will not change the lease agreement or amount.

The tenant improvement project amount excludes project management fees, permits, and any other owner-related “soft costs.” The tenant improvement project will continue to be managed by the County’s Department of Public Works.

County Counsel has reviewed and approved the resolution as to form.

Approval of the lease contributes to the Shared Vision 2025 outcome of a Healthy Community by improving access to mental health services. It is anticipated that there will be a five percent increase in the number of clients served through the expanded scope of renovations.

PERFORMANCE MEASURE:

Measure	FY 2017-18	FY 2018-19
Number of clients served through the expanded scope of renovations	206 Clients	216 Clients

FISCAL IMPACT:

The renovation amount for the Daly City Community Services Building, located at 350 90th Street is \$377,065. Of this amount, \$377,065 is funded through Net County Cost. Funds in the amount of \$377,065 are included in the BHRS FY 2018-19 Recommended Budget.

Real Property Services strives to maintain an average cost of leased facilities that compares favorably with the average asking rate for comparable facilities in the County. The negotiated lease rate of \$2.10 per square foot per month is on a Modified Gross basis. This requires the County to provide for its own janitorial services, which is estimated at \$0.25 per square foot per month, resulting in an estimated full service equivalent rate of \$2.35. The lease rate nonetheless compares favorably with the average asking rate for Class B/C office space in Daly City of \$2.79 per square foot Full Service.