



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

VACANT
Fourth District

JIM DESMOND
Fifth District

DATE: December 5, 2023

XX

TO: Board of Supervisors

SUBJECT

GENERAL SERVICES – APPROVAL OF SECOND AMENDMENT TO LEASE WITH THE SAN DIEGO REGIONAL BUILDING AUTHORITY AND FIRST SECOND AMENDMENT TO SUBLEASE WITH THE SAN DIEGO METROPOLITAN TRANSIT BOARD FOR THE JAMES R. MILLS BUILDING AND NOTICE OF EXEMPTION (DISTRICT: 1)

OVERVIEW

The James R. Mills Building (Building) and adjacent parking structure are located at 1255 Imperial Avenue in San Diego. The Building is currently leased to the County of San Diego (County) by the San Diego Regional Building Authority (SDRBA) and County subleases a portion of the Building to the San Diego Metropolitan Transit Board (MTB). The County's Health and Human Services Agency (HHS) currently occupies approximately 122,371 square feet of space in the Building and MTB occupies approximately 60,874 square feet.

As HHS continues to assess their space needs in the building it was determined that County's administrative staff located on the 8th floor could be relocated to the 7th floor. This will allow MTB to occupy the entire 8th floor as the space is required to accommodate MTB's future space needs.

Staff from the Department of General Services have negotiated an amendment to the lease with SDRBA and an amendment to the sublease with MTB that will incorporate the proposed change in occupancy. Today's request is for approval of the second amendment to lease with SDRBA and second amendment to sublease with MTB.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed lease amendments are exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines section 15301.
2. Approve and authorize the Director, Department of General Services, to execute the second amendment to lease with the San Diego Regional Building Authority.

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3. Approve and authorize the Director, Department of General Services, to execute the second amendment to sublease with the San Diego Metropolitan Transit Board.

EQUITY IMPACT STATEMENT

It is anticipated that the proposed lease amendment for the Health and Human Services Agency at the James R. Mills Building, which houses the Central Region Family Resource Center, will have a positive impact on the community by ensuring continued access for all through a fully optimized social service delivery system.

SUSTAINABILITY IMPACT STATEMENT

Implementing effective sustainability objectives is crucial to ensuring safe and healthy communities and contributing to the overall success of the region. The approval of the lease amendment is appropriate as it supports the County’s Strategic Initiative of Sustainability to ensure the capability to respond to immediate needs for individuals, families, and the region.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year 2023-25 Operational Plan in the Health and Human Services Agency. If the amendment to the lease and sublease are approved, this request will result in the County’s cost incurred under the ground lease to be reduced by approximately \$54,020 beginning in Fiscal Year 2024-2025. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The San Diego Metropolitan Transit Board (MTB) and the County of San Diego (County) jointly occupy and operate the James R. Mills Building (Building) located at 1255 Imperial Avenue in San Diego. The Building was completed in 1989 by the San Diego Regional Building Authority (SDRBA), a joint powers agency formed in 1987. The 10 floor Building is approximately 170,267 square feet in size and is located on land owned by the MTB and leased to the SDRBA pursuant to a ground lease. An adjoining parcel of land was purchased by the SDRBA for the construction of a parking structure that serves the Building. The Building and parking structure (Project) are leased to the County by the SDRBA. The County subleases portions of the Project to the MTB, including retail space on the first floor, office space on the eighth, ninth and tenth floors, and the right to use up to 220 parking spaces in the parking structure. The County’s Health and Human Services Agency (HHSA) currently occupies approximately 110,888 square feet of space in the Building and the MTB occupies approximately 59,379 square feet.

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Based on an assessment of their space needs HHSa determined that administrative staff located in Suite 820 could be relocated to the 7th floor. MTB determined that additional office space is needed to accommodate future growth and is interested in occupying the entire 8th floor of the Building. Staff from the Department of General Services have negotiated an amendment to lease with SDRBA and an amendment to sublease with MTB that will incorporate the changes in occupancy. If approved, MTS will occupy an additional 4,539 square feet in the Building. Today's request is for approval of the lease amendments.

ENVIRONMENTAL STATEMENT

The proposed lease and sublease amendments are categorically exempt from environmental review pursuant to Section 15301 of the California Environmental Quality Act (CEQA) Guidelines because it involves amending an existing lease and sublease for use of an existing facility for office space that involves no expansion of the existing or former use of the James R. Mills Building.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

The requested action supports the Equity Initiative in the County of San Diego's 2023-2028 Strategic Plan by supporting Departments that provide efficient and innovated services to residents of San Deigo County.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Interim Chief Administrative Officer

ATTACHMENT(S)

Attachment A: Notice of Exemption