

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Behavioral Health and Recovery Services BOARD AGENDA #: *B-1

AGENDA DATE: April 18, 2017

SUBJECT:

Approval to Relocate Programs Within the Behavioral Health and Recovery Services Older Adult System of Care from 303 Downey Avenue to 500 North Ninth Street

BOARD ACTION AS FOLLOWS:

No. 2017-180

On motion of Supervisor Withrow, Seconded by Supervisor Olsen

and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:


MOTION:



ATTEST: PAM VILLARREAL, Assistant Clerk

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Behavioral Health and Recovery Services BOARD AGENDA #: *B-1
Urgent Routine  AGENDA DATE: April 18, 2017
CEO CONCURRENCE: *phx* 4/5 Vote Required: Yes No

SUBJECT:

Approval to Relocate Programs Within the Behavioral Health and Recovery Services Older Adult System of Care from 303 Downey Avenue to 500 North Ninth Street

STAFF RECOMMENDATIONS:

1. Authorize the relocation of programs within the Older Adult System of Care, specifically High Risk Health Senior Access, Senior Access Treatment Team, and Community Hope and Recovery, from 303 Downey Avenue, Modesto, to 500 North Ninth Street, Modesto.

DISCUSSION:

In an effort to address barriers inhibiting access to behavioral health services and to provide an array of behavioral health assistance programs to Stanislaus County residents, Behavioral Health and Recovery Services (BHRS) has historically provided its services at multiple clinic sites throughout the County. Over the years, several of these programs have expanded and the amount of office space required for staff to deliver much needed services has become an issue. The Department plans to seek the assistance of a consulting firm to facilitate the development of a comprehensive strategic business and facility master plan which will include long-term solutions for such space issues. It is anticipated that this strategic planning will begin in the fall of 2017.

In the meantime, there is an urgent need to address space issues identified for the currently leased space located at 303 Downey Avenue in Modesto. This location houses programs within the Older Adult Systems of Care, specifically High Risk Health and Senior Access, the Senior Access Treatment Team, and the peer volunteer program Community Hope and Recovery. These programs comprise of 25 staff and over 20 peer volunteers in three small, separate buildings for a total leased space of 7,000 square feet.

The space has proven inadequate for staff to provide client assessments, individual therapy appointments, and group sessions and there are challenges with office space and the ability to conduct business as necessary. The limited space has impacted program staff, clients, and volunteers alike and supervision of these programs has been difficult due to the use of three separate buildings. Additionally, the buildings restrict wheelchair access due to narrow hallways, creating safety issues and the location lacks adequate parking spaces. The current lease agreement expires on April 30, 2017, with two one-year extension options and contains a holding over clause.

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The Department is requesting relocation of these programs to another currently leased facility located at 500 North Ninth Street, Building B, in Modesto rather than entering into a renewal of the existing lease agreement at 303 Downey Avenue. The County already leases Buildings A and B at the 500 North Ninth Street location, in which BHRS provides other out-patient programs. Building B contains approximately 9,000 square feet, adequate space to provide good customer care and increase service capacity in a safe, clean, and conducive environment. This location provides more office space, as well as expanded group and interviewing rooms for clients, staff, and volunteers. The County's lease on 500 North Ninth Street expires on June 30, 2018 and has an extension option for another year.

The space identified in Building B is currently occupied pursuant to a sublease arrangement, by Telecare Corporation. BHRS and Telecare Corporation entered into a license agreement in 2008 wherein Telecare essentially sub-leases the space in order to provide contracted mental health out-patient services (see attachment). This license agreement is set to expire on June 30, 2017. With sufficient termination notice, Telecare Corporation has voiced a willingness to move out and relocate their services in another location nearby. Coincidentally, when BHRS contacted Telecare to discuss the possibility of moving, Telecare administrators expressed that they too are challenged to provide staff with sufficient office space in which to deliver services due to the expansion of those services and staff. Upon formal notification from BHRS, Telecare has agreed to seek a suitable space for their growing needs in close proximity to the out-patient services provided by BHRS.

Over the years, Telecare and BHRS have had the opportunity to work collaboratively on several program offerings and have built a strong working relationship. Weekly meetings are held to discuss cases, hospitalizations, and referrals and the Department and Telecare are constantly in communication about client care. Telecare staff participates in all related departmental trainings and workgroups, including the Quality Improvement Committee, Cultural Competency Committee, and Electronic Health Record System workgroup. The change in Telecare location will have no impact on the existing relationship with the Department, ongoing trainings, or collaboration efforts.

Utilizing existing space already leased by BHRS will provide a ready solution for the Department while avoiding engagement in a new lease agreement prior to the completion of a comprehensive strategic business and facility master plan later this year. Additionally, the move of High Risk Health and Senior Access, the Senior Access Treatment Team, and Community Hope and Recovery to 500 North Ninth Street will enhance the co-location of other departmental adult programs at the site by increasing the opportunity for collaboration and a closer working relationship between adult programs and older adult programs. The existing adult programs currently housed at 500 North Ninth Street often refer older adult clients who have aged out of adult programs to the Older Adult System of Care, allowing clients to continue to receive the appropriate services based on older adult needs. Co-location at the same site means communications will be much more expedient and efficient, allowing for a "warm handoff" of clients being referred between the two systems of care.

It is anticipated that the move from 303 Downey Avenue will require the use of the holding over clause provided in the current lease agreement. The landlord has tentatively agreed to extend the lease on a month-to-month basis so that the Department can coordinate the move to 500 North Ninth Street and the necessary exit of Telecare Corporation, pending Board approval.

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Once approved, the Department will ensure that the process is administered as smoothly as possible, with the least impact to community services.

POLICY ISSUE:

Approval of this relocation is in compliance with the Board of Supervisors' Contract Monitoring Policy, approved on January 24, 2006 and later revised on March 22, 2011. The original lease agreement for 303 Downey Avenue was approved by the Board of Supervisors on April 26, 2011, with the intention of providing behavioral health services to adults and older adults. The license agreement providing a sub-lease arrangement with Telecare Corporation was approved by the Board on January 15, 2008, so that contracted services would co-locate with other BHRS program offerings. In light of prior arrangements, it is prudent to present to the Board the change in direction for co-location needs and the coordination of care with community partners.

FISCAL IMPACT:

One-time costs associated with moving the program are estimated at \$19,900. The Department is also estimating an ongoing annual cost increase of approximately \$94,190, the majority of which is due to the loss of rental revenue from the sub-lease arrangement with Telecare. Senior Access Treatment Team costs will be funded by 1991 Realignment revenue and High Risk Health Senior Access costs will be funded by Mental Health Services Act (MHSA) revenue. The Department has sufficient appropriations and estimated revenue available in the Fiscal Year 2016-2017 Adopted Budget to absorb the increase. However, the transition between locations may not fully occur before the end of the fiscal year, so the full increase in costs of \$114,090 has been incorporated in the Fiscal Year 2017-2018 Proposed Budget as well to ensure appropriations for the move. There is no impact to the County General Fund.

Cost of recommended action:	\$ 114,090
Source(s) of Funding:	
1991 Realignment Revenue	\$ 34,000
Mental Health Services Act Revenue	\$ 80,090
Funding Total:	<u>\$ 114,090</u>
Net Cost to County General Fund	<u>\$ -</u>

Fiscal Year:	2016/2017
Budget Adjustment/Appropriations needed:	No

Fund Balance as of February 28, 2017	
Behavioral Health & Recovery Services	\$ 20,153,865

BOARD OF SUPERVISORS' PRIORITY:

Approval of this agenda item supports the Board of Supervisors' priorities of A Healthy Community, Effective Partnerships and Efficient Delivery of Public Services by best utilizing

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office space and maximizing the ability to provide quality services to the community while maintaining effective partnerships with local providers.

STAFFING IMPACT:

Existing staff is available to monitor the re-location, the agreements and support the programs contained therein. There is no additional staffing impact associated with the approval of the recommended action.

CONTACT PERSON:

Rick DeGette, MA, MFT Behavioral Health Director Telephone: 525-6205

ATTACHMENT(S):

1 - License (Sub-lease) Agreement

Attachment 1

LICENSE AGREEMENT
County of Stanislaus as Licensor
Telecare Corporation
500 N. 9th Street, Bldg B, Modesto, CA

This license agreement (the "License Agreement") is made and entered into in the City of Modesto, State of California, effective as of the 1st day of July, 2016 by and between the County of Stanislaus, a political subdivision of the State of California and a body corporate and politic, hereinafter referred to as "Licensor" or "County," and Telecare Corporation, hereinafter referred to as "Licensee", for and in consideration of the Premises, and the mutual promises, covenants, terms and agreements as are hereinafter set forth.

RECITALS

A. Scenic Properties, LLC, as Lessor, hereinafter "Landlord," and County of Stanislaus, as Lessee, entered into that certain lease (the "Underlying Lease") whereby County of Stanislaus leases from Landlord the building commonly referred to as Building B located at 500 N. 9th Street, Modesto, California (the "Building").

B. Licensee entered into a sublease with Licensor dated July 1, 2015, whereby Licensee leased from Licensor a portion of the Building consisting of approximately 8,296 sq. feet or approximately 37% of the Building (the "Premises"). Such sublease expires on June 30, 2016, and the parties desire to enter into a license agreement for use of the Premises commencing on July 1, 2016.

C. The parties desire to enter into this new license agreement to delineate their respective rights, duties and liabilities relating to the Premises, as more particularly set forth below.

AGREEMENT

1. Premises – Licensor hereby licenses to Licensee, and Licensee hereby accepts from Licensor, those certain premises in the County of Stanislaus, more particularly described as 500 N. 9th Street, Bldg B, Modesto, CA consisting of approximately 9030.3 sq ft @ \$2.0751 per sq. ft. (the "Premises"). Subject to Section 2 and Section 10 below, Licensee's license fee (cost per square foot) includes all services to be provided by Licensor under this License Agreement, including maintenance, janitorial, security, communications (including data lines but excluding telecom services), equipment rental/copier, and utilities (collectively "Services and Utilities").
2. License Fee – Licensee agrees to pay to Licensor for use of said Premises during the Term hereof, \$18,738.77 per month payable no later than the first day of each month of the Term.
3. Term – The term of this License Agreement shall be for a period of 1 year, commencing at 12:01 A.M. on July 1, 2016 and terminating at 11:59 P.M. on June 30, 2017 (the "Term"), unless terminated sooner effective immediately in the event the organizational provider agreement between Telecare Corporation and Stanislaus County, Behavioral Health and Recovery Services is terminated, expires or is not renewed. This License Agreement may be renewed for a period of one year from the expiration date of the Term pending written confirmation by the parties and renewal of the organizational

provider agreement between Telecare Corporation and Stanislaus County Behavioral Health and Recovery Services. In the event of any such renewal, the terms and conditions of such renewal period shall be the same as provided herein, except that the License Fee will, subject to Licensee's approval, be subject to an upward or downward adjustment to reflect any changes in the cost of Services and Utilities.

4. Utilities -

(A) Included in License Fee. Without limiting Licensor's obligations to provide Services and Utilities as provided in Section 1 above, Licensor shall pay for the furnishing of water, sewer, and garbage utilities which may be used in or upon the Premises during the Term of this License Agreement or any extension or holdover period thereof. These costs of utilities and other building usage costs shall be included in the monthly payment by Licensee to Licensor referenced in Section 2 above.

(B) Not Included in License Fee. Licensee shall pay for the furnishing of telephones which may be used in or upon the Premises during the Term of this License Agreement, or any extension or holdover period thereof, provided that Licensee has contracted therefore directly with the respective telephone company.

5. Use of the Premises – Licensee's use of the Premises is for the purpose of client counseling, provision of outpatient mental health and related services and as otherwise provided in Section 21 below. Licensee shall not use or permit said Premises to be used for any other purpose or purposes without first obtaining the written consent of Licensor, which consent shall not be withheld unreasonably.

6. Waste or Nuisance – Licensee shall not commit and shall use its best efforts to not permit the commission by others of any waste on the Premises. Licensee shall not maintain, commit or permit the maintenance or commission of any nuisance as defined in California Civil Code section 3479; and Licensee shall not use or permit the use of the Premises for any unlawful purpose.

7. Maintenance – Licensor, under the Underlying Lease, is obligated to keep in good repair and maintain at its own expense the Building and the Premises including but not limited to walls, including glass, ceilings, roofs, floors, hall and entrance ways, sidewalks, parking spaces, heating equipment, cooling equipment, plumbing, lighting, (excluding light bulbs and tubes) and electrical wiring and fixtures (collectively, "Building and Premises"), and shall be obligated to Licensee to keep in good repair and maintain at its expense the Building pursuant to this License Agreement. Notwithstanding the foregoing sentence, and excluding (a) heating and cooling equipment, and (b) normal wear and tear, Licensee shall be responsible for repairs to the Building if damage is caused by Licensee's negligence. Licensee shall keep and maintain the Premises and the improvements on the Premises in good order and repair and in as safe and clean a condition as they were when received from Licensor of the beginning of the Term, reasonable wear and tear excepted.

8. Holding Over – In case Licensee holds over beyond the end of the Term herein provided, with the consent expressed or implied of Licensor, such license shall be from month to month only, subject to the terms and conditions of this License Agreement, but shall not be a renewal thereof, and the License Fee to be paid therefore shall be at the rate prevailing under the terms of this License Agreement.

9. Entry – Licensee shall permit Lessor, Licensor, or their authorized agents free access to the Premises at all reasonable times upon reasonable prior notice for the purpose of inspection or for making necessary improvements or repairs, except that in the event of an emergency, no such advance notice shall be required.
10. Janitorial Services – Licensor shall furnish such commercially reasonable janitorial service to clean the Premises which shall be reimbursed by Licensee on a monthly basis (included in License Fee).
11. Alterations – Subject to Licensee’s rights under Section 14 below, Licensee shall not make or permit any other person to make any alterations to the Premises or any material improvements thereon without the prior written consent of the Licensor and the Landlord. Licensee shall not remove any trees or structures located on or around the Premises without the prior written consent of Licensor and Landlord.
12. Notices – Notices desired or required to be given under this License Agreement or by any law now or hereinafter in effect, may be given by enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such envelope, with postage prepaid, in the United States Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to Licensor as follows:

**Stanislaus County
Behavioral Health and Recovery Services
Attn: Contracts Manager
800 Scenic Drive
Modesto, CA 95350**

or such other place as may hereinafter be designated in writing by Licensor and the notices and envelopes containing the same to the Licensee shall be addressed as follows:

**Telecare Corporation
Attn: Marshall Langfeld, Senior Vice President and CFO
1080 Marina Village Parkway, #100
Alameda, CA 94501**

13. Loss –Licensor agreed, in the Underlying Lease, that, should the demised premises (which includes the Premises) be so badly damaged by fire, incidents of war, earthquake, or other violent action of the elements as to render them wholly unfit for Licensor’s occupancy, then the Underlying Lease would be terminated immediately upon the happening of any such event, whereupon Licensor shall surrender the demised premises. Licensee shall surrender the Premises to Licensor should that event occur, and, Licensee shall not be liable for any further License Fees or other payments required under this License Agreement. In the event of any lesser damage by any such cause, Licensor has agreed to restore the demised premises (including the Premises) to the condition it was in immediately prior to the event causing the damage, and with respect to the Underlying Lease and this License Agreement, License Fees and other payments shall abate in proportion to the area not used by Licensor, and Licensee, during the period of restoration. If Licensor, under the Underlying Lease, should fail to commence promptly and pursue said restoration work with reasonable diligence to completion, Licensor may surrender the demised premises to Landlord, and, may require that Licensee also surrender the Premises to Licensor accordingly.

14. Trade Fixtures – Licensee may install such fixtures, equipment, and personal property as may be necessary and convenient for its operation. Such furnishings, equipment, and personal property may be removed at any time during the Term or within a reasonable time thereafter, and shall not be considered part of the Premises. Removal of the same shall not damage or deface the Premises, and if the Premises shall be so damaged, Licensee shall repair such damage at its own expense.
15. Fire and Other Perils Insurance – The parties agree to be responsible for damage by the perils of fire, extended coverage, and vandalism to those items of real and personal property for which they hold title or for which they have assumed liability to others, and to maintain adequate insurance coverage for the aforementioned perils.
16. Waiver of Rights of Subrogation – Licensor and Licensee agree that in the event of loss due to any of the perils for which they have agreed to provide insurance that each party shall look solely to its insurance for recovery, provided that the subject damages do not exceed the insurance limits. Licensor and Licensee hereby grant to each other on behalf of any insurer providing insurance to either of them with respect to the Premises, a waiver of any right of subrogation which any insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.
17. Indemnity – Licensee agrees to indemnify, defend, and hold Licensor harmless from claims, losses and damages occurring in connection with the Premises caused by Licensee or any of its employees, agents or invitees and arising out of Licensee's occupancy of the Premises. Licensee assumes no liability for any loss caused by the sole negligence of Licensor or any of its agents or employees. Licensor agrees to indemnify, defend and hold Licensee harmless from claims, losses and damages (a) arising from the Underlying Lease and (b) occurring in connection with the Premises or the Building to the extent caused by the negligence of Licensor or its agents, employees and invitees.
18. Lack of Funding – If, during the Term or any extended term of this License Agreement, Stanislaus County in its sole discretion, determines that sufficient funds are not available to allow for continuation of the Underlying Lease, or, current County owned space becomes available elsewhere, County may terminate the Underlying Lease upon one hundred twenty (120) days prior written notice to Landlord without further obligation to Landlord. If that were to occur, County, as Licensor shall, promptly after providing the 120 day notice to Landlord, provide notification thereof to Licensee.
19. CAL/OSHA Inspections – If the Premises, as described in Section 1, are cited by CAL/OSHA, Landlord shall be required to abate said citations. Provided, however, that Landlord may terminate the Underlying Lease with Licensor, should it decide that abatement costs do not merit the continuance of that Underlying Lease. Licensor shall promptly provide notice to Licensee of any such citations and any such termination notice from Landlord.
20. Surrender – Licensee shall surrender the Premises to Licensor at the expiration of the Term in as good a condition as at the commencement of it, excepting reasonable wear and tear, damages and destruction by the elements, or other persons.
21. Purpose – The Premises is being licensed for use by Telecare Corporation for operation of East Modesto Regional Services and Telecare Recovery Access Center/Westside Homeless Outreach Program. The Telecare programs will be co-

located with County operated Behavioral Health and Recovery Services programs. The purpose of the co-location of programs with other County operated and volunteer operated agencies is to provide support services between various Adult System of Care programs in an effort to develop a one-stop full service location for adults with serious and persistent mental illnesses and/or alcohol and other drug abuse/addiction.

22. Brokers – Licensor and Licensee represent and warrant to each other that neither has dealt with a broker in connection with this transaction. The parties agree to indemnify, defend and hold each other harmless from and against any claims by any broker, agent or any other person claiming a commission or other form of compensation by virtue of having dealt with Licensor or Licensee, as applicable, with regard to this License Agreement transaction.
23. Recitals. The recitals set forth on the first page of this License Agreement are hereby incorporated into the License Agreement.

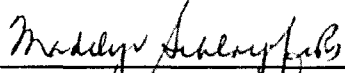
IN WITNESS WHEREOF the parties have executed this License Agreement on the date(s) shown below.

LICENSOR

LICENSEE

**COUNTY OF STANISLAUS
BEHAVIORAL HEALTH AND
RECOVERY SERVICES**

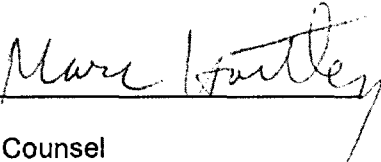
TELECARE CORPORATION



Madelyn Schlaepfer, Ph.D. 6-23-2016
Behavioral Health Director Date

Marshall Langfeld Date
Senior Vice President and CFO

APPROVED AS TO FORM
John P. Doering, County Counsel



Marc Hartley
Deputy County Counsel

IN WITNESS WHEREOF the parties have executed this License Agreement on the date(s) shown below.


LICENSOR

**COUNTY OF STANISLAUS
BEHAVIORAL HEALTH AND
RECOVERY SERVICES**

Madelyn Schlaepfer, Ph.D. Date
Behavioral Health Director

LICENSEE

TELECARE CORPORATION



Marshall Langfeld Date
Senior Vice President and CFO

APPROVED AS TO FORM
John P. Doering, County Counsel

Marc Hartley
Deputy County Counsel


6/13/16