

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **APRIL 17, 2007**

From: **JAMES DURFEE / MARY DIETRICH**

Subject: **LEASE AGREEMENT – TAHOE PROBATION**

ACTION REQUESTED/RECOMMENDATION: Based on the Material Terms attached hereto, authorize Facility Services to complete negotiations for a new Lease Agreement between the County of Placer and Lake Canyon Limited Partnership for office space located in Tahoe Vista, and authorize the Director of Facility Services to execute this Lease Agreement on behalf of your Board following its approval by County Counsel.

BACKGROUND: Since March 1992, the Probation Department's Tahoe Division has operated from office space leased in the facility located at 7252 North Lake Boulevard in Tahoe Vista, CA. The Term of the current Lease Agreement began on May 1, 2000, and the final 2-year option is scheduled to expire on April 30, 2007. To accommodate the growth of Probation staffing, in May 2002 your Board approved a lease amendment to increase the lease area to its present size of 1,281 square feet. To support the ongoing provision of Probation services to the Lake Tahoe area, the department requested that Facility Services secure continued occupancy in this building.

Early in the negotiation for a new lease, the Landlord expressed his belief that the current rent was below-market, warranting an increase in excess of the typical consumer price index adjustment. Property Management contacted Tahoe leasing agents and completed an analysis that supports a 12.3% increase to the Monthly Rent, to a rate of \$1.55 per square foot. In addition to this cost, the County will continue to reimburse the Landlord semi-annually for actual Building Operating Expenses including taxes, insurance, and janitorial costs. The initial 3-year term of the negotiated agreement will commence on May 1, 2007, and the County may extend the term through three 2-year options. As consideration of the County's long-standing tenancy, the Landlord will install carpet, central air conditioning, and paint the facility interior at his sole expense by November 2007. In order to continue Probation's occupancy in this facility, staff requests that your Board authorize staff to complete the Lease Agreement and allow the Director of Facility Services to execute this Lease Agreement following approval by County Counsel.

ENVIRONMENTAL CLEARANCE: The lease of this facility is Categorically Exempt from review pursuant to Section 15301 of the California Environmental Quality Act. This Section provides for activities, including leasing of existing facilities, when there is no expansion of use beyond that previously existing.

FISCAL IMPACT: The Monthly Rent will commence at approximately \$1,986 per month, or \$23,832 annually (an increase of \$2,652 annually), and Building Operating Expenses are estimated at \$7,068 annually. Funding for the total of annual lease cost of \$30,900 is available in the Probation Department's 2006/2007 Budget.

JD:MD:MR:mm

ATTACHMENT: EXHIBIT A – MATERIAL TERMS OF LEASE AGREEMENT
cc: COUNTY EXECUTIVE OFFICE
PROBATION DEPARTMENT

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187

EXHIBIT A

**SUMMARY OF MATERIAL TERMS
OFFICE LEASE FOR PROBATION DEPARTMENT
7252 NORTH LAKE BOULEVARD, TAHOE VISTA, CA
March 27, 2007**

Parties: County of Placer and Lake Canyon Limited Partnership.

Use: Continued use of the Premises by the County's Probation Department.

Premises: Approximately 1,281 square feet of office space.

Term: Three year (3) initial Term. Term to begin on May 1, 2007.

Options: Three, 2-year options.

Rent: Monthly rent for Premises will be \$1,985.55 calculated at \$1.55 per sq. ft. adjusted annually by the C.P.I. Index State of California, Department of Industrial Relations Consumer Price Index - California, for "ALL URBAN CONSUMERS" 3.5% minimum and 5% maximum annually.

Common Area Maintenance and Other Charges: As additional rent, the County shall pay Landlord for all charges for the following: janitorial service, utilities, maintenance, garbage removal, interior pest control, landscape maintenance, sewer, garbage collection, snow removal, water services, and all costs associated with taxes and insurance on the Premises. Additional Rent is estimated at \$589.00 per month.

Landlord Improvements: The Landlord shall contract for and pay for Tenant Improvements including all material, labor, engineering, building permits, and plans required per Exhibit B attached hereto.

ACCEPTANCE OF MATERIAL TERMS



ANTON BLEY, GENERAL MANAGER

DATE: 3/30/2007

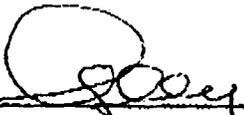
**EXHIBIT B
TO SUMMARY OF MATERIAL TERMS**

SCOPE OF WORK

At no cost to the COUNTY, the LANDLORD shall contract for and pay for the installation of the following: new carpet, vinyl flooring, interior paint, and the installation of central heat and air conditioning. LANDLORD shall have the abovementioned items completed by November 1, 2007. COUNTY and LANDLORD agree that COUNTY shall not hold LANDLORD liable for delay due to reasons of Force Majeure, labor disputes (whether on site or affecting subcontractors or suppliers), actions by other government agencies, weather, or delays caused by COUNTY, or changes or additional work requested by COUNTY as provided above.

- A. The work shall be performed in a safe, clean, professional, workmanlike manner and shall be performed to minimize disturbance to the surrounding businesses, and occupants of the Premises.
- B. All central heat and air conditioning components, wiring and related materials shall be Labeled and UL Listed and meet National Electrical Code (NEC) requirements.
- C. Carpet shall be Wynford TBS 24" x 24" commercial carpet tiles, or equal, of a color acceptable to COUNTY.
- D. Sheet vinyl in bathrooms shall be Armstrong, Connection Corlon Series, or equal, of a color acceptable to the COUNTY.
- E. Interior walls and ceilings shall be painted with a latex paint, eggshell finish, and trim shall be painted with latex gloss. Paint color selections shall be acceptable to COUNTY.

ACCEPTANCE OF SCOPE OF WORK



 ANTON BLEY, GENERAL MANAGER

DATE: 3-30-2007

