

MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER

To: BOARD OF SUPERVISORS

Date: JULY 8, 2008

From: ~~JAMES DURFEE / ALBERT RICHIE~~ 

Subject: LEASE AMENDMENT – HISTORIC COURTHOUSE GIFT SHOP/VISITORS CENTER

ACTION REQUESTED / RECOMMENDATION: Adopt the attached Resolution delegating authority to the Director of Facility Services to execute a Lease Amendment between the County of Placer and the Auburn Downtown Business Association for the Placer County Museum Gift Shop/Visitors Center providing a 100% rent abatement during the construction of improvements to the Historic Courthouse in Auburn after review and approval by Risk Management and County Counsel.

BACKGROUND: On January 10, 2006, your Board authorized the Director of Facility Services to execute a six-year Agreement with the Auburn Downtown Business Association (ADBA) for the operation of the Placer County Museum Gift Shop/Visitors Center at the Historic Courthouse in Auburn. This Agreement succeeded an Agreement with the Placer County Museum Foundation (Foundation) who operated the gift shop for ten years. The previous Agreement was terminated by the Foundation. The Agreement with ADBA resulted from a solicitation process lead by the Museums Division and the participation of a Task Force who made recommendations regarding operations and the selection of the current operator. Since the re-opening of the Placer County Museum Gift Shop/Visitors Center by ADBA, the operation has proven to be a valuable service to visitors in the Historic Courthouse as well as for the Courts' jurors and employees.

With the transfer of responsibilities associated with the Courts' occupancy within the Historic Courthouse, the State of California Administrative Office of the Courts (AOC) intends to perform interior improvements to its space to the extent that the courtrooms will be temporarily relocated to the Placer County Government Center for the duration of the construction project. Construction is anticipated to last five months. The relocation is expected to significantly impact the ADBA's operation of the gift shop. While ADBA desires to remain open during the course of improvements, ADBA has requested rent abatement for the duration of the construction project. In consideration of the valuable service associated with ADBA's operation and the significant reduction of revenues that is expected due to this temporary relocation, Facility Services' staff believes a 100% rent abatement of ADBA's monthly base rent of \$400 is justified. Staff recommends that the rent abatement apply for the duration of the AOC's construction project based on the project's actual commencement and completion dates. In order to proceed, it is recommended that your Board delegate authority to the Director of Facility Services to finalize the proposed Amendment and execute it on behalf of your Board after review and approval by Risk Management and County Counsel.

ENVIRONMENTAL CLEARANCE: Execution of an Amendment to the Agreement for operation of a Gift Shop/Visitors Center at the Historic Courthouse in Auburn is Categorically Exempt under Section 15301 of the California Environmental Quality Act Guidelines.

FISCAL IMPACT: Annual revenues to the Placer County Museum program from the Agreement with ADBA have been \$4,800. This Amendment will reduce these revenues by approximately \$2,000, assuming a five month duration of the construction project. This reduction has been accounted for in the Museums Division Fiscal Year 2008/2009 Budget.

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD: LEASE AGREEMENT

ATTACHMENT: RESOLUTION
AMENDMENT

Before the Board of Supervisors County of Placer, State of California

In the matter of: **A RESOLUTION DELEGATING
AUTHORITY TO THE DIRECTOR OF FACILITY
SERVICES TO EXECUTE A LEASE AMENDMENT
FOR THE PLACER COUNTY MUSEUM GIFT SHOP/
VISITORS CENTER, PROVIDING A 100% RENT ABATEMENT.**

Resol. No: _____

Ord No: _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2008 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chairman, Board of Supervisors

Clerk of said Board

WHEREAS, the County of Placer and the Auburn Downtown Business Association (ADBA), a tax exempt 501 (c)(6) organization, have entered into an Agreement to lease a portion of the real property within the Placer County Museum located on the first floor of the Historic Courthouse in Auburn; and

WHEREAS, Section 6 of the Agreement requires ADDBA to pay the County the greater of the fixed Monthly Base Rent or Percentage Rentals; and

WHEREAS, the State of California Administrative Office of the Courts intends to perform interior improvements to the Historic Courthouse to the extent that the courtrooms will be temporarily relocated for the duration of the construction project anticipated to last approximately five months; and

WHEREAS, ADDBA has requested rent abatement for the duration of said construction project; and

WHEREAS, the County is willing to grant such abatement for the duration of the construction project.

NOW, THEREFORE, BE IT RESOLVED that the Placer County Board of Supervisors does hereby delegate authority to the Director of Facility Services to execute a Lease Amendment for the Placer County Museum Gift Shop/Visitors Center providing for 100% rent abatement during the construction of improvements to the Historic Courthouse in Auburn.

ATTACHMENT LEASE AMENDMENT

368

AGREEMENT: AGREEMENT FOR PLACER COUNTY MUSEUM
GIFT SHOP/VISITORS CENTER, AGREEMENT NO. 28048

AMENDMENT NO: 1

DESCRIPTION: AMENDMENT NO. 1 PROVIDING RENT ABATEMENT DURING
THE CONSTRUCTION OF IMPROVEMENTS TO THE HISTORIC
COURTHOUSE.

WHEREAS, the County of Placer (hereinafter "COUNTY") and the Auburn Downtown Business Association, a tax exempt non-profit 501(c) (6), (hereinafter "SECOND PARTY") have heretofore entered into an agreement to lease a portion of the real property within the Placer County Museum located on the first floor of the Historic Courthouse Building located at 101 Maple Street, Auburn, California (hereafter "Leased Premises"), pursuant to the Agreement for Placer County Museum Gift Shop/Visitors Center, Lease Agreement No. 28048, (hereinafter "Agreement"); and

WHEREAS, Section 6 of the Agreement requires SECOND PARTY to pay the COUNTY the greater of the fixed Monthly Base Rent or Percentage Rentals; and

WHEREAS, the State of California Administrative Office of the Courts (AOC) intends to perform interior improvements to the Historic Courthouse Building to the extent that the courtrooms will be temporarily relocated to the Placer County Government Center for the duration of the construction project, anticipated to last approximately 5 months; and

WHEREAS, TENANT desires to continue its operations of the Gift Shop/Visitors Center subject to the Agreement; however, has requested rent abatement for the duration of the construction project; and

WHEREAS, COUNTY is willing to grant such abatement for the duration of the construction project; and

NOW, THEREFORE, IT IS MUTUALLY AGREED by and between the parties to amend the Agreement as follows:

1. The following subsection F. is hereby added to Section 6 of said Agreement:

"F. Abated Rent Due to Temporary Construction Project

AOC intends to perform construction on the portion of the Historic Courthouse Building currently occupied by the Courts, which will require the temporary relocation of the courtrooms to the Placer County Government Center for the duration of said construction project. The PARTIES agree that during this particular construction project, SECOND PARTY's operation of the Museum Gift Shop and Information Center will be impacted as a result of the reduced

number of jurors and Courts' employees using the Historic Courthouse Building resulting in the agreement to abate SECOND PARTY's Monthly Base Rent Payment by one hundred percent (100%) for the duration of said construction project. The abatement period shall be determined solely by the Director of Facility Services based on the construction schedule and shall be communicated to SECOND PARTY upon the construction project's actual commencement and completion. Should the duration of said project commence or complete on a date other than the first or last day of the month, the Monthly Base Rent prior to or following said construction period shall be prorated based on a thirty-day (30) month.

This abatement of Monthly Base Rent does not relieve SECOND PARTY from submitting a monthly report or the payment of the Percent Rental as required by Section 6. D."

2. Except as specifically modified herein, all terms and conditions contained in the original Agreement and any previous amendment(s) and addendum(s) between COUNTY and SECOND PARTY shall remain in full force and effect.
3. The provisions of this Amendment No. 1 shall extinguish upon completion of improvements.

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IN WITNESS WHEREOF, the parties have duly executed this Amendment No. 1 to Lease Agreement No. 28048, as to the date of execution by the COUNTY.

SECOND PARTY: AUBURN DOWNTOWN BUSINESS ASSOCIATION

By: _____
_____, President

Date: _____

By: _____
_____, Treasurer

Date: _____

COUNTY: COUNTY OF PLACER

By: _____
James Durfee, Director
Department of Facility Services

Date: _____

APPROVED AS TO FORM: COUNTY COUNSEL

By: _____
Deputy County Counsel

Date: _____

