

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

To: **BOARD OF SUPERVISORS** Date: **AUGUST 24, 2010**  
From: **JAMES DURFEE / MARK RIDEOUT**   
Subject: **LEASE AMENDMENT – 101 CIRBY HILLS DRIVE HEALTH & HUMAN SERVICES DEPARTMENT**

**ACTION REQUESTED / RECOMMENDATION:** Adopt a Resolution authorizing the Director of Facility Services, or his designee, to complete negotiations to amend Lease Agreement No. 11151 between the County of Placer and BSB Roseville, LLC., a California limited liability company managed by Green Valley Corporation dba as Barry Swenson Builder, to extend the Term for Health and Human Services Department (HHS) occupancy at 101 Cirby Hills Drive, in Roseville, CA; and delegating authority to the Director of Facility Services, or his designee, to execute a Lease Amendment on behalf of your Board contingent upon approval by Risk Management and County Counsel.

**BACKGROUND:** Since September 2000, the County has leased the 54,600 square foot building at 101 Cirby Hills Drive for HHS programs including the Adult System of Care and Children's System of Care. The building was originally constructed as a psychiatric hospital and its features now facilitate delivery of both inpatient and day treatment services in southern Placer County. As the initial 10-year lease Term will expire on August 31, 2010, HHS requested that Property Management secure a lease extension to permit the ongoing provision of services from this site.

Staff successfully negotiated a 3-year extension of the current Term, and provisions for a subsequent 2-year option that can be exercised at the County's discretion. The new Monthly Rent will commence at approximately \$83,499, which includes \$64,332 for Base Rent and \$19,167 for Operating Expenses. The Base Rent component of this amount will increase annually by 2% beginning on September 1, 2012. Compared to the current Monthly Rent, this represents an annual savings of approximately \$23,181. Additionally, the Landlord agrees to waive a \$23,855 deferred CPI adjustment, and has recently completed a \$20,000 renovation to facilitate HHS' relicensing of the Rosewood wing. In order to continue HHS utilization of the Cirby Hills facility, Facility Services requests that your Board direct staff to complete the Lease Amendment and approve the attached Resolution authorizing the Director of Facility Services to execute the Amendment following approval by County Counsel and Risk Management and to carry out all terms and conditions of the Lease.

**ENVIRONMENTAL CLEARANCE:** The lease of this facility is Categorical 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:** Rent and operating expenses for this facility will commence at \$1,001,985.44 annually. Funding for this cost is available in the HHS Department 2010/2011 FY Budget.

JD:MR:LM:MM:DB

ATTACHMENT: RESOLUTION

cc: COUNTY EXECUTIVE OFFICE  
HEALTH AND HUMAN SERVICES

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633

**EXHIBIT A – MATERIAL TERMS OF LEASE AMENDMENT**

The following summarizes the key terms and conditions which the Parties agree will be incorporated as the material terms of a proposed Lease Amendment between the County of Placer and BSB Roseville, LLC., a California limited liability company managed by Green Valley Corporation dba as Barry Swenson Builder:

1. **Parties:** Agreement shall be between the County of Placer, a political subdivision of the State of California (County) and BSB Roseville, LLC., a California limited liability company managed by Green Valley Corporation dba as Barry Swenson Builder (Landlord).
2. **Building Location:** 101 Cirby Hills Drive, Roseville CA.
3. **Premises:** 54,600 sq/ft of mixed use medical and office space.
4. **Term:** This Amendment shall provide a three (3) year extension of the initial 10-year lease Term that commenced on September 6, 2000, and will now end on August 31, 2013; and one new option to extend the Term for two (2) years at the County's discretion.
5. **Monthly Rent:** The Monthly Rent shall be one twelfth (1/12) of the sum of the Annual Base Rent and the Annual Operating Expense, as follows:
  - a. **Annual Base Rent:** \$771,985.44  
The Annual Base Rent shall be 12 times the following monthly base rent, effective September 1, 2010:

		<u>Monthly</u>
Medical Space	6,000 sf at \$2.75 /sf/mo	\$16,500.00
Office and Common Area	48,600 sf at \$0.9842/sf/mo	<u>\$47,832.12</u>
		\$64,332.12
  - b. **Annual Operating Expense:** \$230,000.00
  - c. **Total Annual Rent:** \$1,001,985.44
6. **Annual Rent Increase:** The Annual Base Rent shall be subject to an annual increase of two percent (2%) beginning September 1, 2012.

Landlord accepts and agrees to the incorporation of the above material terms into the preparation of a lease agreement between Landlord and the County. Landlord and the County recognize and agree that the enforceability of the terms of any future resulting lease agreement shall be subject to prior approval by the Placer County Board of Supervisors or its designee, and the Landlord.

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

In the matter of: A RESOLUTION AUTHORIZING THE  
DIRECTOR OF FACILITY SERVICES TO NEGOTIATE  
AND EXECUTE A LEASE AMENDMENT TO FACILITATE  
CONTINUED OCCUPANCY FOR HEALTH AND HUMAN  
SERVICES AT 101 CIRBY HILLS DRIVE IN ROSEVILLE, CA.

Resol. No: \_\_\_\_\_

The following RESOLUTION was duly passed by the Board of Supervisors of the  
County of Placer at a regular meeting held \_\_\_\_\_, 2010 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

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**WHEREAS**, since September 2000, the County has leased the 54,600 square foot building at 101 Cirby Hills Drive in Roseville, CA for Health and Human Services Department (HHS) programs including the Adult System of Care and Children's System of Care; and,

**WHEREAS**, the Lease Term will expire on August 31, 2010, and HHS desires to continue the utilization of this site; and,

**NOW THEREFORE, BE IT RESOLVED**, that the Placer County Board of Supervisors does hereby authorize the Director of Facility Services, or his designee, to complete negotiations for a Lease Amendment, based on the Material Terms attached hereto, between the County of Placer and BSB Roseville, LLC., a California limited liability company managed by Green Valley Corporation dba as Barry Swenson Builder, to extend the HHS occupancy at 101 Cirby Hills Drive in Roseville, CA; execute the Lease Amendment on behalf of your Board subject to approval of County Counsel and Risk Management; and, authorize the Director of Facility Services to carry out on behalf of the County the responsibilities and provisions as specified within the Lease Agreement, including but not limited to the Future Tenant Improvement provision.

RESOLUTION ATTACHMENT: EXHIBIT A - MATERIAL TERMS OF LEASE AMENDMENT

635

