

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

To: **BOARD OF SUPERVISORS**

Date: **NOVEMBER 23, 2010**

From:  **JAMES DURFEE / MARK RIDEOUT** 

Subject: **LEASE AGREEMENT – TAHOE PROBATION DEPARTMENT**

**ACTION REQUESTED / RECOMMENDATION:** It is recommended that your Board adopt the attached Resolution authorizing the Director of Facility Services or his designee to take the following actions associated with the Probation Department's continued tenancy at 7252 North Lake Boulevard in Tahoe Vista, CA.

- 1) Complete negotiations for a Lease Agreement (Agreement), with rent commencing at \$1,786.25 monthly, based on the Material Terms attached hereto between the County of Placer and Lake Canyon Limited Partnership; and,
- 2) Execute the resultant Agreement on behalf of your Board following approval by County Counsel and Risk Management; and,
- 3) Carry out those provisions and responsibilities as specified within the Agreement on behalf of the County including but not limited to the Future Tenant Improvements provision as summarized in the attached Material Terms.

**BACKGROUND:** Since March 1992, the County has provided services of the Probation Department's Tahoe Division program in the building located at 7252 North Lake Boulevard. The most recent lease agreement expired on April 30, 2010, and their occupancy has continued on a month-to-month basis. The Probation Department has evaluated its ongoing need to deliver services in this area and expressed their desire to remain at this facility.

Property Management negotiated key terms for a new Agreement in order to continue this occupancy. These terms provide for a three-year initial term, with three two-year options that could be exercised at the County's discretion. The rent has been negotiated to commence at \$1,786.25 per month (\$1.25 per square foot per month) and will be subject to annual adjustment based on the Consumer Price Index. This represents a rent reduction of \$0.40 per square foot resulting in a \$571.60 monthly reduction. Operating Expenses (e.g., gas, electric, and snow removal), which are based on a proportional share of the building expenses, would continue to be invoiced twice a year. The Agreement also provides for Future Tenant Improvements, so long as such improvements do not exceed \$10,000.00 and are approved by the Probation Department and the CEO.

In order to proceed with the leasing actions necessary for continued occupancy, Facility Services requests that your Board direct staff to complete the Agreement, and approve the attached Resolution authorizing the Director of Facility Services or his designee to execute the Agreement following approval by County Counsel and Risk Management; and, to carry

out the terms and conditions of the Lease Agreement including but not limited to the provision related to Future Tenant Improvements.

**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:** Rent for this facility will commence at \$1,786.25 per month (\$21,435.00 annually). The rent combined with estimated annual Operating Expenses (\$7,884.00) would total approximately \$29,319.00. Funding for these costs is included in the Probation Department FY 2010/2011 Budget.

JD:MR:LM:NT:DB

ATTACHMENT: RESOLUTION (W/ MATERIAL TERMS)

cc: COUNTY EXECUTIVE OFFICE  
PROBATION DEPARTMENT

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# 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 AGREEMENT BETWEEN THE  
COUNTY OF PLACER AND LAKE CANYON LIMITED  
PARTNERSHIP FOR THE CONTINUED OCCUPANCY OF  
THE PROBATION DEPARTMENT AT 7252 NORTH  
LAKE BLVD. IN TAHOE VISTA, 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 March 1992, the County has provided services of the Probation Department's Tahoe Division program in the building located at 7252 North Lake Boulevard in Tahoe Vista, CA; and,

**WHEREAS**, the County desires to continue leasing the building for a three-year initial term, with three two-year options that are exercisable at the County's discretion.

**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 Agreement based on the Material Terms attached hereto as Exhibit A, between the County of Placer and Lake Canyon Limited Partnership, for the County's occupancy in the building located at 7252 North Lake Boulevard located in Tahoe Vista, CA; and execute the Lease Agreement on behalf of your Board subject to approval of County Counsel and Risk Management; and, authorize the Director of Facility Services, or his designee, 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 as summarized in the attached Material Terms.

## EXHIBIT A – MATERIAL TERMS OF LEASE AGREEMENT

The following summarizes the key terms and conditions which the parties agree will be incorporated into the proposed lease agreement between the County of Placer and Lake Canyon Limited Partnership:

1. Parties: County of Placer, a political subdivision of the State of California (COUNTY) and Lake Canyon Limited Partnership (LANDLORD).
2. Building Location: 7252 North Lake Boulevard, Tahoe Vista, CA.
3. Premises: The Premises shall total approximately 1,426 rentable square feet of office space.
4. Term: The initial term shall be a period of three (3) years. Provided COUNTY shall have fully and faithfully performed all of the provisions contained in this Lease Agreement during the initial term. LANDLORD agrees that COUNTY shall be given the option to extend the initial term for three (3) successive terms of two (2) years each. COUNTY shall be required to provide LANDLORD written notice of COUNTY's exercise of its right to extend at least sixty (60) days before the expiration of the then current term.
5. Rent: COUNTY shall pay to LANDLORD, throughout the first year of the Term of this Lease Agreement, monthly rent based on an approximate rental rate of One and 25/100 Dollars (\$1.25 per square foot). The initial Monthly Rent shall be One Thousand, Seven Hundred Eighty-Six and 25/100 Dollars (\$1,786.25) and shall be subject to annual increases based on the State of California, Department of Industrial Relations Consumer Price Index (CPI) – California, for "ALL URBAN CONSUMERS." The CPI adjustment shall not be less than three percent (3%) or more than five percent (5%).
6. Maintenance/Utilities: LANDLORD shall invoice COUNTY twice yearly for the building's Operating Expenses based on County's proportionate share which include gas, electric, janitorial and supplies, rubbish disposal, snow removal, and property taxes. Invoices shall be based on actual costs.
7. Use: The Premises shall be used for office space for the COUNTY's Probation Department, and/or professional services and/or other COUNTY services.
8. Availability of Funding: COUNTY's ability to continue to administer its programs at the Premises is subject to the continued appropriation of local, State and Federal funding. In the event funding becomes unavailable, COUNTY reserves the right to terminate this Lease Agreement upon One Hundred Eighty (180) days' written notice.
9. Future Tenant Improvements: Subject to approval by the Probation Department and CEO, if the COUNTY finds it necessary to construct Tenant Improvements in the Premises, and the Parties are in mutual agreement, LANDLORD shall construct desired Tenant Improvements on behalf of COUNTY. COUNTY and LANDLORD shall execute an Amendment to the Lease Agreement setting forth the terms and conditions pertaining to the construction of such Tenant Improvements. The total expenditure for Tenant Improvements over the Term of this Agreement shall not exceed Ten Thousand and no 100/Dollars (\$10,000.00).