

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

**TO:** Honorable Board of Supervisors  
**FROM:** <sup>MD</sup> Mary Dietrich, Facility Services Director  
By: Laurie Morse, Property Manager  
**SUBJECT:** Child Support Services – Lease Amendment No. 2

**DATE:** May 6, 2014

**ACTION REQUESTED / RECOMMENDATION:**

1. Authorize the Director of Facility Services to complete negotiations and execute a Lease Amendment No. 2 to Lease Agreement No. CN028093 between the County of Placer and Sunset Commercial Center, LLC for the construction of tenant improvements, , based on the Material Terms, following approval by County Counsel and Risk Management, in an amount not-to-exceed \$40,000 at no net county cost.
2. Adopt a Resolution authorizing the Director of Facility Services, or designee, to carry out provisions and responsibilities of the Lease Agreement, as amended, including but not limited to the Future Tenant Improvements provision as summarized in the Material Terms.

**BACKGROUND:** Since 2009, the Department of Child Support Services (CSS) has served its customers from leased premises at 1000 Sunset Boulevard in Rocklin. To improve the delivery of services at this location, CSS recently requested improvements to the lobby and reception area. These include the removal and replacement of existing reception counters and transaction windows, and the installation of additional reception area cabinetry. Other improvements include electrical outlets to support a new touch-screen self-service computer kiosk, and wall mounted television monitor. All of these changes are designed to provide the customer with a better experience, while improving the protection of sensitive and confidential information.

To deliver these improvements in a timely manner, Facility Services worked with Sunset Commercial Center, LLC (Landlord) to develop the proposed project estimated at \$40,000. The current Lease includes a Future Improvements provision, which permits the Landlord to perform improvements if an amendment is approved by your Board. To proceed with this project, Staff requests that your Board authorize completion of the negotiations and execution of Lease Amendment No. 2. To streamline this process for future projects, and make this Lease consistent with the majority of County leases, adoption of the attached Resolution is recommended to delegate authority to the Director, or designee, to carry out provisions of the Lease including amendments for Future Improvements with approval of Risk Management, CSS, CEO and County Counsel.

**ENVIRONMENTAL CLEARANCE:** The Amendment to this Lease Agreement 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, where there is no expansion of use beyond that previously existing.

**FISCAL IMPACT:** The estimated cost of these tenant improvements is not-to-exceed \$40,000, and funding is available in the CSS FY 13/14 Budget. As CSS funding comes from State and Federal sources, there is no net county cost.

MD:MR:LM:NT

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD'S OFFICE: LEASE AGREEMENT NO. CN028093

ATTACHMENT: RESOLUTION

CC: COUNTY EXECUTIVE OFFICE  
AUDITOR – CONTROLLER

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# 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, OR DESIGNEE, TO CARRY OUT  
PROVISIONS AND RESPONSIBILITIES OF THE  
LEASE AGREEMENT, AS AMENDED.  
BETWEEN THE COUNTY OF PLACER AND SUNSET  
COMMERCIAL CENTER LLC.

Resolution No: \_\_\_\_\_

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held \_\_\_\_\_, 2014 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

\_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
Clerk of said Board

**WHEREAS**, Since June 2009, the Child Support Services Department (CSS) has provided client services from a ± 21,642 square foot facility located at 1000 Sunset Boulevard, Suite 200 located in Rocklin, CA, pursuant to Lease Agreement CN028093; and,

**WHEREAS**, the Landlord is Sunset Commercial Center, LLC, a California limited liability company; and,

**WHEREAS**, to better serve its customers with an improved service delivery model, CSS requests improvements to its lobby and reception area, with the entire cost being funded by State and federal funds; and,

**WHEREAS**, Property Management has worked with the Landlord to define the scope of work for these improvements and determined a cost not-to-exceed \$40,000; and,

**WHEREAS**, to streamline the process for future tenant improvements, it is also necessary for your Board to delegate authority to the Director of Facility Services, or designee, to carry out those provisions and responsibilities as specified in the Lease Agreement including but not limited to Future Tenant Improvements provision, as amended.

**NOW, THEREFORE, BE IT RESOLVED** that the Placer County Board of Supervisors does hereby authorize the Director of Facility Services, or designee, to carry out provisions and responsibilities in the Lease Agreement including Future Improvements and other administrative provisions.

## EXHIBIT A – MATERIAL TERMS – LEASE AMENDMENT NO. 2

The following summarizes the key terms and conditions which the Parties agree will be incorporated as the material terms in Lease Amendment No.2.

1. **Parties:** The Parties are the County of Placer, a political subdivision of the State of California (County) and Sunset Commercial Center, LLC, a California limited liability company (Landlord).
2. **Premises:** 1000 Sunset Boulevard, Suite 200, Rocklin CA.
3. **Occupant:** Child Support Services Department
4. **Scope of Work:** The Landlord shall perform all of the work and supply all the necessary materials and labor to renovate the main lobby and receptionist area (Improvement). Such work includes preparation of any required plans and specifications, architectural, engineering and design services, acquisition of any required permits, equipment and labor associated with the construction of such Improvement. Scope of Work will include the installation of two new 110v duplex receptacles and data ring and string to accommodate new wall-mounted monitor and check-in kiosk, demolition/removal of existing reception counters, windows, and small corner section of reception area wall, and the installation of new reception counters, windows, repair/repaint of walls (final layout for reception area to be confirmed with shop drawings before fabrication). In addition, necessary electrical and water supply lines will be installed in the break room to accommodate a new countertop ice maker.
5. **Labor:** All work shall be done after-hours, on weekends and/or on recognized County Holidays. All work shall comply with all laws regarding payment of prevailing wage, including, without limitation, California Labor Code section 1720, as such laws may be amended or modified.
6. **Payment:** The County shall make payments for the Improvement based upon project milestones agreed upon by the Parties and as established in the Lease Amendment. Each of the invoices prepared by the Landlord shall indicate the specific milestone completed. Within ten (10) working days of completion of the Improvement, County shall inspect the same and provide Landlord with any corrections or "punch list" items in writing at the time of such inspection. Improvement shall be deemed to be complete when the final Improvement is approved by the County. Once approved by the County, Landlord shall prepare an itemized final invoice that includes adjustments for any previous invoice, plus any adjustments thereto for approved change orders and the Landlord's 3% administrative fee. The total estimated cost for these Improvements is \$40,000. All invoices shall be due and payable to the Landlord within forty-five (45) days of County approval of each invoice, and the payments shall be made as additional rent pursuant to the Lease.
7. **Authority of the Director:** The Director of the Department of Facility Services, or his designee, shall administer this Lease on behalf of County. Unless otherwise provided herein or required by applicable law, the Director shall be vested with all rights, powers, and duties of County hereunder.

8. **Section 2. E Shall Be Replaced in its Entirety with the Following Language:**  
"2.E. **TENANT IMPROVEMENTS – FUTURE:** Upon mutual agreement by the PARTIES, COUNTY may request that LANDLORD construct reasonably acceptable desired future tenant improvements on behalf of the COUNTY at COUNTY's sole cost and expense (hereinafter "Future TI"). If the PARTIES determine that the LANDLORD will construct any such Future TI, prior to commencement of any construction, COUNTY and LANDLORD shall execute an Amendment to this Agreement setting forth the terms and conditions pertaining to the construction of such Future TI. Any such Amendment shall contain provisions which include the project description, project cost, and LANDLORD's overhead and profit, in addition to LANDLORD's management, asset management and property management activities which will not exceed three percent (3%) of project cost. The Amendment shall be approved as to form by County Counsel, and executed by the County's Executive Officer, CSS' Director, and the LANDLORD. The total expenditure for Future TI over the Initial Term of this Agreement and Option Term shall not exceed five hundred thousand and no cents (\$500,000.00) (hereinafter "Expenditure Cap") and is exclusive of the amount for minor alterations as allowed for in Section 11. Should LANDLORD elect to construct or have constructed such Future Tenant Improvements, all work shall comply with all laws regarding payment of prevailing wage, including, without limitation, California Labor Code section 1720, as such laws may be amended or modified. LANDLORD agrees that it will require its contractor to comply with any directives or regulations issued by the California State Department of Industrial Relations or any other regulatory body of competent jurisdiction. LANDLORD shall perform all of the work and supply the necessary materials and labor to renovate the Premises for the COUNTY as described and depicted in subsequent Amendment(s)."

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