

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

To: **BOARD OF SUPERVISORS**

Date: **FEBRUARY 26, 2008**

From: *JD* **JAMES DURFEE / MARY DIETRICH** *MD*

Subject: **JB MANAGEMENT, L.P. OFFICE BUILDING ACQUISITION AND INTERIOR BUILD OUT**

ACTION REQUESTED / RECOMMENDATION: It is recommended that your Board take the following actions associated with the acquisition and interior build-out of 4.8± acres of real property containing a 60,850± square foot office building located adjacent to the Bill Santucci Justice Center (SJC), in the City of Roseville:

1. By 4/5ths vote, delegate authority to the Director of Facility Services to prepare and execute an Agreement of Purchase and Sale between the County and JB Management, L.P., (JBM) based on the attached Material Terms, for the acquisition of approximately 4.8± acres including a 60,850± square foot office building (Building B) and associated site improvements within a portion of APN 017-123-066, within the City of Roseville, in the amount of \$13,910,416.
2. Approve the attached Resolution authorizing the Director of Facility Services, or his designee, to execute all documents and take such other actions as may be necessary or appropriate to implement the above-described action, to disburse funds associated with this transaction, and record the Grant Deed for said property.
3. Approve the attached Resolution:
 - a. Adopting findings that the construction of interior improvements for the occupancy of County departments and subsequent tenant improvements for future occupants is exempt from competitive bidding under the California Public Contract Code, on the grounds that it is impractical to bid and that the public interest will not be served by bidding the project.
 - b. Authorizing Gold Country Management, Inc. to act as the County's contractor to construct interior improvements pursuant to those construction drawings dated November 8, 2006, and as modified by Bulletin #1 dated January 29, 2008 (Interior Improvements), and for construction of subsequent tenant improvements for future occupants through June 30, 2010, subject to the Board's approval of lease agreements for said future tenants.
 - c. Authorizing the Director of Facility Services, or his designee, to execute documents, subject to review and approval by County Counsel and Risk Management, and take such other actions as may be necessary or appropriate to implement the above described actions, including but not limited to execution of a construction contract with Gold Country Management, Inc. (GCM) for Interior Improvements in an amount not-to-exceed \$7,140,972 and providing authority to approve any necessary change orders consistent with the County Purchasing Manual and Section 20142 of the Public Contract Code.

4. Approve the attached Budget Revision to complete the funding for the purchase of this property and Interior Improvements.
5. Approve the addition of the property to the Master Fixed Asset List.

BACKGROUND: On April 20, 2004, your Board approved a number of actions pertaining to the acquisition and development of the SJC (then known as the South Placer Justice Center), located on Industrial Avenue in the City of Roseville. One of the actions taken was approval of an Agreement to Lease between JBM and the County. This Agreement required the County to lease from JBM a minimum of 30,000 square feet within Building B. At that time, staff anticipated occupancy in this building by County departments working in conjunction with the Courts or departments needing to serve South Placer residents. Following considerable analysis, portions of the District Attorney's Office, the Probation Department, the Assessor's Department, and the Revenue Services Division of the Administrative Services Department were determined to be the best occupants for the building. Given the interface between most of these departments and the Courts, occupancy in Building B was scheduled to coincide with the opening of the Courthouse to the public. Based on programming for Interior Improvements, it was determined that these departments would need to occupy approximately 47,463 square feet or 78% of the building upon completion, and 100% of the building over time.

Due to the high percentage of occupancy in this building, staff evaluated the benefits of owning this building in lieu of leasing and determined that fee ownership would be beneficial to the County. Fee ownership not only offsets continued rent payments over time, it maximizes the flexibility for future growth in the building. In the interim, the vacant portion of the facility, comprised of three suites totaling 12,174 square feet, can provide the County with the opportunity to lease space to the private market until it is required for County use. With an acquisition, the investment that the County makes in Interior Improvements will benefit a County-owned asset. Finally, this purchase will allow the County to fully control the occupancy of within Building B, which will delay the construction of the office building that is master planned for the 44.5± acre County-owned portion of the SJC property.

Following the determination that ownership would be most advantageous for the County, Facility Services staff did not finalize the office lease but instead negotiated the terms for the purchase of the 4.8± acre property and the office Building B. A summary of the proposed terms for acquisition are contained in Attachment A - Material Terms. Facility Services and JBM have established the purchase price for the property, building shell and site improvements as \$13,910,416. An analysis of the current market conditions, appraisal information on similar properties, and an analysis of the economic value of the building in the open market were methods utilized to determine this price. Private real estate consultants under contract with the County also provided assistance and confirmation of this analysis.

In addition to the purchase price, the County and JBM negotiated terms to address completion of the Interior Improvements. Under the Agreement to Lease, JBM intended to utilize Gold Country Management, Inc. (GCM) for construction of the Interior Improvements since GCM acted as the general contractor for construction of Building B's shell. GCM has agreed to construct the County's Interior Improvements, and, for a period of approximately two years following the Close of Escrow (through June 30, 2010) has agreed to construct

tenant improvements in spaces leased to future occupants. Facility Services believes that this arrangement will deliver both the Interior Improvements and the future tenant improvements in the timeliest and most cost effective manner based on GCM's familiarity with the shell construction, the need for continuity with sub-contractors responsible for the shell, and knowledge of the architectural requirements of the County's Interior Improvements.

Consequently, Facility Services is requesting that your Board make a finding that the construction of these improvements are exempt from competitive bidding under the California Public Contract Code on the grounds that the project is impractical to bid and bidding is not in the public's best interest. This is due to the project schedule for the Courthouse opening and the necessity to maintain the continuity with subcontractors already knowledgeable about architectural and system requirements of Building B. This arrangement will protect the County's asset by utilizing a contractor fully knowledgeable of the building systems and structure and will minimize business disruption or potential security concerns associated with the performance of work while County departments are occupying the majority of the building. Prior to commencing any tenant improvement projects, Facility Services will return to your Board for approval of leases that will contain provisions that address the scope and specifications for tenant improvements, along with the amount and manner of payment.

Other provisions contained in the Material Terms specify that subject to the fulfillment of the Conditions to Close, close of escrow shall occur on or before April 15, 2008. Conditions to Close include the County's acceptance of the building after completion of the shell; the County's approval of the condition of title, reports and materials affecting the property; and the completion of the subdivision map by JBM. Consistent with the Agreement to Lease where the County was provided an offset towards Interior Improvements, JBM will pay into escrow \$1,746,840 based on a \$30 per square foot allowance. Staff estimates that Interior Improvements will take approximately five months to finish, resulting completion of Building B in July 2008.

This acquisition represents a unique opportunity to acquire a building that is immediately adjacent to the master planned improvements at the SJC and the new courthouse. To complete this transaction, it is necessary that your Board approve the recommendations listed on the first page of this memorandum. This acquisition has been publicly noticed in accordance with Government Code section 6063.

ENVIRONMENTAL CLEARANCE: On February 24, 2004, your Board adopted a mitigated negative declaration analyzing the impacts of the development of the SJC. This project was included in that analysis. No further action is necessary at this time.

FISCAL IMPACT: The cost to acquire Building B and its site improvements is \$13,910,416. Other expenses include construction of necessary Interior Improvements for the District Attorney's Office, the Probation Department, the Assessor's Office and the Revenue Services Division that are estimated to cost \$7,140,972 and the purchase of furnishings at a cost of \$1,106,000; bringing the total "turn-key" cost of this project, including contingency, and project management, to \$22,157,388. Approval of the attached Budget Revision is necessary to complete the funding package for this acquisition and associated improvements.

No new General Fund dollars will be needed to acquire this building. In anticipation of this lease occupancy, the County set aside \$11.8 million over the last several budget cycles to provide for Interior Improvements, furnishings and other costs associated with occupancy of this facility. In addition, with the understanding that at some point in the future the County would need to build a similar facility, the project was included in the most recent 10 year Capital Facilities Financing Plan presented to your Board last year. The total project cost of \$22,157,388 is less than the original estimated cost of \$24,800,000 presented to your Board in the 10 Year Capital Facility Finance Plan.

Given that the Board has now determined that ownership of the building would be most advantageous for the County, additional funding sources have been identified to assist with this acquisition. Funding in the amount of \$1,746,840 will be provided by JBM to offset some of the costs related to Interior Improvements and the Telecommunications Division will provide \$100,000 for an emergency generator that will provide back-up power so that Building B can function as an off-site secondary County Network location. The remaining costs, for the site, building and interior improvement costs, estimated at \$20,310,548 will be funded by a combination of Capital Facility Impact Fees and funding previously set aside by the General Fund for this project. Impact fees will pay approximately \$8.7 million or 39% of the total cost of the building, site, tenant improvements and furnishings.

JD:MD:MR:LM

ATTACHMENTS: ATTACHMENT A - MATERIAL TERMS
ATTACHMENT B - PROPERTY MAP
RESOLUTIONS
BUDGET REVISION

cc: COUNTY EXECUTIVE OFFICE
AUDITOR - CONTROLLER
PROCUREMENT SERVICES
ADMINISTRATIVE SERVICES

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**MATERIAL TERMS
JB MANAGEMENT, L.P., PARCEL B AND OFFICE BUILDING ACQUISITION**

The following is a summary of the Material Terms proposed for the County of Placer's acquisition of the real property described as the 4.8± acre portion of Placer County Assessor's Parcel No. 017-123-066, also known as Parcel B, comprised of an approximately 60,850 square foot office building (Building B) and site improvements, in the City of Roseville. It is the parties' intent that these terms will be used to create an Agreement of Purchase and Sale between the County and JB Management, L.P.

The following summarizes the terms of this proposed real property transaction:

1. Parties. The grantee shall be the County of Placer, a political subdivision of the State of California (County). The grantor shall be JB Management, L.P., a Limited Partnership (JBM).
2. Purchase Property. The Purchase Property is described as the 4.8± acre portion of Placer County Assessor's Parcel No. 017-123-066, also known as Parcel B, comprised of an approximately 60,850 square foot (Gross Building Area) office building (Building B), including its associated site improvements (e.g., parking, landscaping, site improvements), and appurtenant rights thereto. For the purposes of this Agreement, Building B shall include Shell Improvements that are described in Section 2.4.5 of the April 20, 2004 Agreement to Lease, but excluding the floor tile, painting and suspended ceiling in the first and second floor lobbies and perimeter sheetrock throughout Building B (Deferred Shell Improvements). Said Deferred Shell Improvements have been deducted from the value of the Purchase Property.
3. Purchase Price. Upon Close of Escrow, the County will pay JBM \$13,910,416 for the Purchase Property.
4. Infrastructure Improvements. JBM acknowledges that infrastructure improvements valued at \$187,220 attributable to Parcel B and Building B were constructed in conjunction with the adjacent Placer County Courthouse project. JBM further acknowledges that the compensation paid by County for the Purchase Property includes the value of said infrastructure improvements. As a condition Subsequent to Close of Escrow, JBM agrees that \$187,220 will be deducted from the construction cost of the Courthouse as reimbursement for said infrastructure improvements.
5. Delivery of Documents and Funds. Prior to and as a condition to Close of Escrow, JBM shall:
 - a. Deposit into escrow \$1,746,840 to satisfy JBM's obligation to provide the County with a Tenant Improvement Allowance pursuant to the Agreement to Lease dated April 20, 2004.
 - b. All written material, reports, studies, and equipment manuals associated with the Purchase Property.
6. Construction of Interior and Future Tenant Improvements.
 - a. Construction of County's Interior Improvements. The parties agree that Gold Country Management, Inc. (GCM) shall construct those Building B interior

improvements substantially in accordance with the construction drawings dated November 8, 2006 and Bulletin #1 dated January 29, 2008 (County's Interior Improvements) and construction of Deferred Shell Improvements as described above. GCM's performance of County's Interior Improvements and Deferred Shell Improvements shall be set forth in a standard County of Placer construction contract that will be entered into by and between the County and GCM. Said contract shall limit the compensation to GCM for the County's Interior Improvements to an amount-not-to exceed \$7,140,972.

Said contract shall establish methodology for calculating the County's total compensation to GCM for both the County's Interior Improvements and those Deferred Shell Improvements as follows:

1. County's Interior Improvements shall be based upon actual cost;
2. Deferred Shell Improvements shall be based upon actual cost;
3. Payment of a General Contractor's Fee shall be based upon the actual cost of the County's Interior Improvements and Deferred Shell Improvements less \$1,746,840 times 8%.

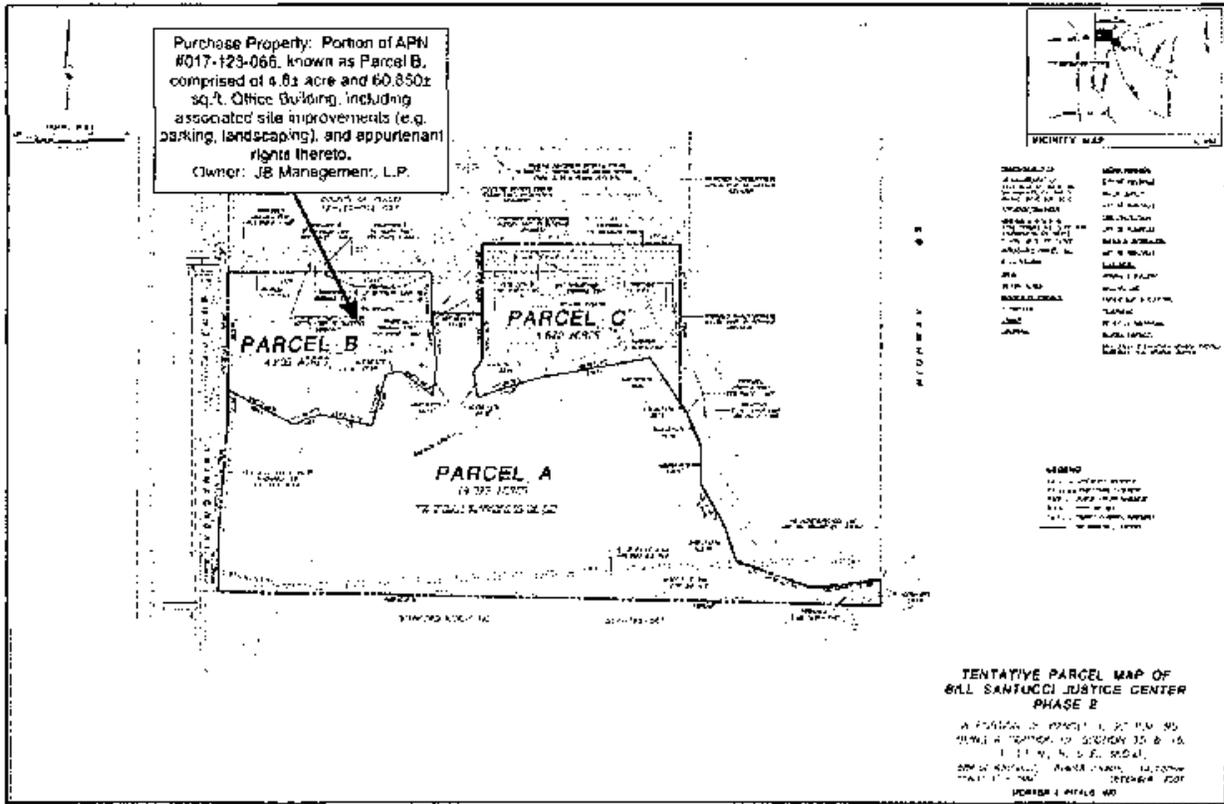
Said contract shall specify the manner in which payments will be made by the County along with terms related to change orders, warranties, prevailing wages and other standard County contract provisions.

- b. Construction of Future Tenant Improvements. The parties agree that GCM shall also perform future tenant improvements within Building B, at County's direction, through June 30, 2010. The scope and specifications for these improvements along with the amount and manner of payment will be set forth in an Addendum to an office lease to be negotiated between the County and its future tenant(s).
7. Close of Escrow. Subject to the Conditions to Close Escrow, Close of Escrow shall occur on or before April 15, 2008. If performance conditions are not met by April 15, 2008, the County shall have the option to cancel escrow and terminate this Agreement or extend the Close of Escrow date to a mutually agreed upon date. County shall notify JBM of its intent to exercise this option ten (10) days prior to Close of Escrow.
8. Conditions to Close Escrow. The Close of Escrow shall be conditioned on all of the following: 1) The County's acceptance of Building B following completion of the Building B's Shell Improvements as defined in Section 2 above; 2) JBM's delivery of the Purchase Property free of liens and with clear title; 3) the County's written acceptance of the condition of title; 4) the County's receipt and approval of all tests, surveys, maps, plans, records, permits, correspondence, reports or other materials affecting the Purchase Property which are within the JBM's possession or control and which have not already been provided to the County; 5) JBM's completion of the Parcel Map for said Purchase Property; 6) the parties specified payments into escrow; and 7) County's determination that it has reached satisfactory agreements with GCM for the construction of Interior Improvements and future tenant improvements.

9. Escrow Costs and Fees. JBM shall pay any transfer taxes and all costs to place the Purchase Property in the condition for conveyance required by the Agreement. County shall pay all recording fees. JBM shall pay the costs of an ALTA standard policy of title with regional exceptions. County and JBM shall each pay one-half (1/2) of the escrow fees, document preparation costs and other related closing costs. County and JBM shall each pay its own legal and professional fees and fees of other consultants incurred with regard to this transaction.
10. Representations. JBM shall provide warranties that to the best of its knowledge the Purchase Property is free of any hazardous materials and is unaware of any release or discharge of hazardous materials in, upon, on or below any portion of the Purchase Property, including, but not limited to, soils and ground or surface water in and around its Purchase Property.
11. Warranties. JBM shall warrantee the building systems and components of Building B Shell as well as the associated site improvements for a minimum period of one year following Close of Escrow or from the time the equipment or systems were accepted and placed in service. This shall not be construed to reduce or limit longer warranty periods provided by manufacturers, suppliers or installers. JBM shall assign all manufacturers' warranties to the County.
12. Termination of Agreement to Lease. Upon Close of Escrow, the April 20, 2004 Agreement to Lease will terminate and be no longer in effect.

The Material Terms shall serve as the basis of negotiations only. Any agreement that results from negotiations shall be subject to approval by both JB Management L.P. and the Placer County Board of Supervisors or its designee, and only a fully executed agreement shall constitute a purchase and sale for the purchase property.

**ATTACHMENT B
PROPERTY MAP
PAGE 1 OF 1**



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

In the matter of: A Resolution authorizing the Director of Facility Services to take various actions regarding acquisition of real property located on a portion of Assessor's Parcel No. 017-123-066, in the City of Roseville.

Resol. No: _____

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

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest: Clerk of said Board

WHEREAS, JB Management, L.P. is the owner of APN 017-123-066 located within the City of Roseville; and,

WHEREAS, a portion of APN 017-123-066 is developed with an office building approximately 60,850± square feet in size (Building B) on a 4.8 acre parcel, depicted as Parcel B on the tentative parcel map shown on Attachment A ("Property"); and

WHEREAS, on April 20, 2004, County of Placer (County) and JB Management, L.P. entered into an Agreement to Lease setting forth the terms and conditions for the lease of space within Building B and construction of interior improvements; and

WHEREAS, the County has determined that approximately 78% of Building B will be initially occupied by County departments and that fee ownership of the Property is most advantageous to the County by ensuring long-term occupancies for departments who require space adjacent to the Courthouse within the SJC; and,

WHEREAS, JB Management, L.P. desires to sell the Property to the County for the purchase price of \$13,910,416; and,

WHEREAS, the COUNTY is willing to purchase the Property subject to the price and terms set forth in the Material Terms attached hereto as Attachment B.

NOW THEREFORE, BE IT RESOLVED, that the Placer County Board of Supervisors does hereby authorize the Director of Facility Services, or his designee, to execute on behalf of the County, following review and approval by County Counsel and Risk Management, all documentation and take such other actions necessary or appropriate to acquire the Property; does hereby authorize the disbursement of County funds necessary to complete the transaction; and does hereby consent to the acceptance and recordation of the Grant Deed for said Property.

Attachment A: Material Terms
Attachment B: Property Map

**MATERIAL TERMS
JB MANAGEMENT, L.P., PARCEL B AND OFFICE BUILDING ACQUISITION**

The following is a summary of the Material Terms proposed for the County of Placer's acquisition of the real property described as the 4.8± acre portion of Placer County Assessor's Parcel No. 017-123-066, also known as Parcel B, comprised of an approximately 60,850 square foot office building (Building B) and site improvements, in the City of Roseville. It is the parties' intent that these terms will be used to create an Agreement of Purchase and Sale between the County and JB Management, L.P.

The following summarizes the terms of this proposed real property transaction:

1. Parties. The grantee shall be the County of Placer, a political subdivision of the State of California (County). The grantor shall be JB Management, L.P., a Limited Partnership (JBM).
2. Purchase Property. The Purchase Property is described as the 4.8± acre portion of Placer County Assessor's Parcel No. 017-123-066, also known as Parcel B, comprised of an approximately 60,850 square foot (Gross Building Area) office building (Building B), including its associated site improvements (e.g., parking, landscaping, site improvements), and appurtenant rights thereto. For the purposes of this Agreement, Building B shall include Shell Improvements that are described in Section 2.4.5 of the April 20, 2004 Agreement to Lease, but excluding the floor tile, painting and suspended ceiling in the first and second floor lobbies and perimeter sheetrock throughout Building B (Deferred Shell Improvements). Said Deferred Shell Improvements have been deducted from the value of the Purchase Property.
3. Purchase Price. Upon Close of Escrow, the County will pay JBM \$13,910,416 for the Purchase Property.
4. Infrastructure Improvements. JBM acknowledges that infrastructure improvements valued at \$187,220 attributable to Parcel B and Building B were constructed in conjunction with the adjacent Placer County Courthouse project. JBM further acknowledges that the compensation paid by County for the Purchase Property includes the value of said infrastructure improvements. As a condition Subsequent to Close of Escrow, JBM agrees that \$187,220 will be deducted from the construction cost of the Courthouse as reimbursement for said infrastructure improvements.
5. Delivery of Documents and Funds. Prior to and as a condition to Close of Escrow, JBM shall:
 - a. Deposit into escrow \$1,746,840 to satisfy JBM's obligation to provide the County with a Tenant Improvement Allowance pursuant to the Agreement to Lease dated April 20, 2004.
 - b. All written material, reports, studies, and equipment manuals associated with the Purchase Property.
6. Construction of Interior and Future Tenant Improvements.
 - a. Construction of County's Interior Improvements. The parties agree that Gold Country Management, Inc. (GCM) shall construct those Building B interior improvements substantially in accordance with the construction drawings dated

November 8, 2006 and Bulletin #1 dated January 29, 2008 (County's Interior Improvements) and construction of Deferred Shell Improvements as described above. GCM's performance of County's Interior Improvements and Deferred Shell Improvements shall be set forth in a standard County of Placer construction contract that will be entered into by and between the County and GCM. Said contract shall limit the compensation to GCM for the County's Interior Improvements to an amount-not-to exceed \$7,140,972.

Said contract shall establish methodology for calculating the County's total compensation to GCM for both the County's Interior Improvements and those Deferred Shell Improvements as follows:

1. County's Interior Improvements shall be based upon actual cost;
2. Deferred Shell Improvements shall be based upon actual cost;
3. Payment of a General Contractor's Fee shall be based upon the actual cost of the County's Interior Improvements and Deferred Shell Improvements less \$1,746,840 times 8%.

Said contract shall specify the manner in which payments will be made by the County along with terms related to change orders, warranties, prevailing wages and other standard County contract provisions.

- b. Construction of Future Tenant Improvements. The parties agree that GCM shall also perform future tenant improvements within Building B, at County's direction, through June 30, 2010. The scope and specifications for these improvements along with the amount and manner of payment will be set forth in an Addendum to an office lease to be negotiated between the County and its future tenant(s).
7. Close of Escrow. Subject to the Conditions to Close Escrow, Close of Escrow shall occur on or before April 15, 2008. If performance conditions are not met by April 15, 2008, the County shall have the option to cancel escrow and terminate this Agreement or extend the Close of Escrow date to a mutually agreed upon date. County shall notify JBM of its intent to exercise this option ten (10) days prior to Close of Escrow.
8. Conditions to Close Escrow. The Close of Escrow shall be conditioned on all of the following: 1) The County's acceptance of Building B following completion of the Building B's Shell Improvements as defined in Section 2 above; 2) JBM's delivery of the Purchase Property free of liens and with clear title; 3) the County's written acceptance of the condition of title; 4) the County's receipt and approval of all tests, surveys, maps, plans, records, permits, correspondence, reports or other materials affecting the Purchase Property which are within the JBM's possession or control and which have not already been provided to the County; 5) JBM's completion of the Parcel Map for said Purchase Property; 6) the parties specified payments into escrow; and 7) County's determination that it has reached satisfactory agreements with GCM for the construction of Interior Improvements and future tenant improvements.
9. Escrow Costs and Fees. JBM shall pay any transfer taxes and all costs to place the Purchase Property in the condition for conveyance required by the Agreement. County shall pay all recording fees. JBM shall pay the costs of an ALTA standard policy of title with regional exceptions. County and JBM shall each pay one-half (1/2) of the escrow fees, document preparation costs and other related closing

costs. County and JBM shall each pay its own legal and professional fees and fees of other consultants incurred with regard to this transaction.

10. Representations. JBM shall provide warranties that to the best of its knowledge the Purchase Property is free of any hazardous materials and is unaware of any release or discharge of hazardous materials in, upon, on or below any portion of the Purchase Property, including, but not limited to, soils and ground or surface water in and around its Purchase Property.
11. Warranties. JBM shall warrant the building systems and components of Building B Shell as well as the associated site improvements for a minimum period of one year following Close of Escrow or from the time the equipment or systems were accepted and placed in service. This shall not be construed to reduce or limit longer warranty periods provided by manufacturers, suppliers or installers. JBM shall assign all manufacturers' warranties to the County.
12. Termination of Agreement to Lease. Upon Close of Escrow, the April 20, 2004 Agreement to Lease will terminate and be no longer in effect.

The Material Terms shall serve as the basis of negotiations only. Any agreement that results from negotiations shall be subject to approval by both JB Management L.P. and the Placer County Board of Supervisors or its designee, and only a fully executed agreement shall constitute a purchase and sale for the purchase property.

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

In the matter of: A Resolution authorizing construction of Interior Improvements and subsequent tenant improvements, and delegation of authority, relating to Building B located adjacent to the Bill Santucci Justice Center in the City of Roseville.

Resol. No: _____

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

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest: Clerk of said Board

WHEREAS, JB Management, L.P. is the owner of APN 017-123-066 located within the City of Roseville; and,

WHEREAS, a portion of APN 017-123-066 is developed with an office building approximately 60,850± square feet in size (Building B) on a 4.8 acre parcel, depicted as Parcel B on the tentative parcel map shown on Attachment A ("Property"); and,

WHEREAS, on April 20, 2004, County of Placer (County) and JB Management, L.P. entered into an Agreement to Lease setting forth the terms and conditions for the lease of space within Building B and construction of interior improvements; and,

WHEREAS, pursuant to said Agreement to Lease, the County's occupancy within Building B was conditioned to coincide with the occupancy of the Courthouse facility, and said Courthouse facility is scheduled for completion and occupancy by July, 2008; and

WHEREAS, as required by said Agreement to Lease, JB Management, L.P. has completed construction of Building B's Shell Improvements and has designed and submitted to the City of Roseville, construction drawings for permits for the County's interior improvements (Interior Improvements); and

WHEREAS, JB Management, L.P. contemplated that Gold Country Management, Inc. (GCM) would act as the general contractor for said Interior Improvements; and

WHEREAS, now the County has determined that ownership of the Property is advantageous for the County by ensuring long-term occupancies for departments who require space adjacent to the courthouse within the SJC and the County and JB Management, L.P. have agreed to terms for the proposed purchase of the Property; and

WHEREAS, GCM is uniquely qualified to perform the County's Interior Improvements and future tenant improvements by virtue of GCM's familiarity with the shell construction including Building B's architectural and system requirements and its ability to deliver the Interior Improvements in the timeliest and most cost effective manner by maintaining continuity with its sub-contractors already knowledgeable about the architectural and system requirements of Building B.

NOW THEREFORE, BE IT RESOLVED, that the Placer County Board of Supervisors finds that the construction of Interior Improvements for the occupancy of County departments and subsequent tenant improvements for future occupants is exempt from competitive bidding under the California Public Contract Code, on the grounds that it is impractical to bid and that the public interest will not be served by bidding the project. This finding is based upon the project schedule for the Courthouse opening; JBM's performance in the design and permitting of the County's Interior Improvements to date, JBM's contemplated use of GCM as the general contractor for the construction of the Interior Improvements, and, GCM's unique familiarity with the shell construction, architectural and system requirements; collectively which will allow delivery of the Interior Improvements and future tenant improvements in the timeliest and most cost effective manner by maintaining continuity with its sub-contractors already knowledgeable about the architectural and system requirements of Building B; and

BE IT FURTHER RESOLVED that the Placer County Board of Supervisors authorizes GCM to act as the County's contractor to construct Interior Improvements pursuant to those construction drawings dated November 8, 2006, and as modified by Bulletin #1 dated January 29, 2008, and for construction of subsequent tenant improvements for future occupants through June 30, 2010, subject to the Board's approval of lease agreements for said future tenants; and

BE IT FURTHER RESOLVED that the Placer County Board of Supervisors authorizes the Director of Facility Services, or his designee, to execute documents, subject to review and approval by County Counsel and Risk Management, and to take such other actions as may be necessary or appropriate to implement the above described actions, including but not limited to execution of a construction contract with GCM for Interior Improvements in an amount not-to-exceed \$7,140,972 and providing authority to approve any necessary change orders consistent with the County Purchasing Manual and Section 20142 of the Public Contract Code.

PAS DOCUMENT NO. _____

* Facility Services to do cash-transfer

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	31,640,520.00	9

Cash Transfer Required
 Reserve Cancellation Required
 Establish Reserve Required

[Signature]
 Auditor-Controller
 County Executive
 Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT										APPROPRIATION ADJUSTMENT											
DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
12	006		140		991078	04751	8990			8,700,000.00	12	014		140		991078	04751	4151			8,700,000.00
12	006		140		991078	04751	8986			1,746,840.00	12	034		140		991078	04751	4151	704751	01000	8,700,000.00
12	006		140		991078	04751	8990			100,000.00	12	014		140		991078	04751	4151			1,746,840.00
											12	034		140		991078	04751	4151	704751	01000	1,746,840.00
											12	014		140		991078	04751	4151			100,000.00
											12	034		140		991078	04751	4151	704751	01000	100,000.00
TOTAL										10,546,840.00	TOTAL										21,093,680.00

REASON FOR REVISION: To appropriate \$8.7 million in Impact Fees for the acquisition of the JB Office Building, \$1,746,840 provided by JBM to offset costs related to Interior Improvements, and \$100,000 contribution from Telecommunications for an emergency generator.

Prepared by Valerie Boyne Ext 6803

Department Head *Boyne*

Board of Supervisors _____

Date: 3/11/08

Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

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