



**MEMORANDUM
FACILITIES MANAGEMENT
REAL ESTATE SERVICES DIVISION
County of Placer**

TO: Board of Supervisors **DATE:** August 27, 2019

FROM: Steve Newsom, Director of Facilities Management
By: Laurie Morse, Deputy Director

SUBJECT: Real Estate Services / Budget Amendment for Placer County Event Center Ground Lease and Agreement / Placer Valley Sports Complex, Inc. / Placer County Sports and Event Complex Project

ACTION REQUESTED

Approve a FY 2019-20 Budget Amendment to cancel General Fund Capital Reserves in the amount of \$4,000,000 to fund the County's contribution to Placer Valley Sports Complex's approximate \$28,500,000 Indoor Sports and Events Center as authorized in the Placer County Event Center Ground Lease and Agreement between the County and Placer Valley Sports Complex, Inc., approved on December 18, 2018.

BACKGROUND

On December 18, 2018 your Board approved and authorized the Chair to execute a Ground Lease and Agreement (Ground Lease) with Placer Valley Sports Complex, Inc. (PVSC) to construct and operate an approximately 160,000 square foot Indoor Sports and Event Center (ISEC) building on a portion of the Placer County Fairgrounds located at 800 All America City Boulevard in Roseville, CA, including the County's contribution of \$4,000,000 towards PVSC's total estimated construction cost of \$28,500,000.

The Ground Lease requires a County Contribution in the amount of \$4,000,000 towards the cost of the ISEC conditioned upon PVSC providing reasonable documentation of having incurred construction costs in at least the amount of this contribution. This has been evidenced through County staff review of progress payments made since commencement of construction. The Ground Lease requires the County's payment no earlier than July 1, 2019 and PVSC has issued an invoice for the County Contribution. PVSC has indicated that these funds are required in advance of the adoption of the FY 2019-20 Final Budget scheduled for consideration by your Board on September 24, 2019 due to the pace of the ISEC construction and PVSC's construction payments made to date.

ENVIRONMENTAL IMPACT

On December 18, 2018, your Board adopted Resolution No. 2018-246 certifying the Placer County Sports and Event Complex Project Final Environmental Impact Report prepared pursuant to the California Environmental Quality Act (CEQA). Your Board's action to approve the Budget Amendment is exempt from further CEQA review as it is not a project as defined in California Public Resources Code Section 21065 and/or CEQA Guidelines Section 15378(a).

FISCAL IMPACT

A Budget Amendment is required for FY 2019-20 Proposed Budget to cancel General Fund Capital Reserves in the amount of \$4,000,000 for payment of the County's existing authorized contribution to Placer Valley Sports Complex, Inc. The Budget Amendment also increases the equivalent expenditure authority of \$4,000,000 in the Capital Projects Fund, PJ00178 Placer County Fairgrounds Repairs, for the FY 2019-20 Proposed Budget.

