

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

To: **BOARD OF SUPERVISORS**

Date: **APRIL 10, 2012**

From: *MD* **JAMES DURFEE / MARK RIDEOUT** *MR*

Subject: **LEASE AGREEMENT – SENIORS FIRST, INC.**

**ACTION REQUESTED / RECOMMENDATION:** Adopt a Resolution delegating authority to the Director of Facility Services, or his designee, to negotiate and execute a new lease agreement between the County of Placer and Seniors First, Inc. for occupancy at the Placer County Government Center, based on the attached Material Terms, and subject to approval by County Counsel and Risk Management.

**BACKGROUND:** Since 1996, Seniors First, Inc., as successor to Foothill Volunteer Center and Senior Independent Services, has leased approximately 2,129 square feet in Building 312A located at 11566 D Avenue in the Placer County Government Center (PCGC). This organization provides numerous services to Placer County seniors, including Meals on Wheels, errand transportation, information and assistance, and home modifications/repairs. Seniors First currently occupies the building in a month-to-month holdover basis.

In July 2008, due to the poor economy, increased operating costs, and delays in State payments Seniors First ceased paying its monthly rent and requested that the County eliminate its rental obligation in lieu of services provided. Because the County has no direct obligation to provide these services, the request was denied. However, Facility Services continued to work with Seniors First to find a suitable solution for their continued occupancy.

In May 2010, Seniors First submitted a request that the County reduce its rent by approximately 50% and forgive all unpaid rents and charges. As other PCGC tenants had requested rent reductions for similar economic reasons, Property Management commenced an evaluation of the commercial real estate market. This process resulted in your Board's January 11, 2011 approval of new PCGC Rental Rates, which reduced standard building rents by 10%, and designated special buildings and occupancies that merited different rates. Through this action, your Board adopted a special rate of \$0.28/square foot for Seniors First, which rate took effect January 1, 2011.

The January 2011 action by your Board created a rental rate that allows Seniors First to move forward; however there remains a significant outstanding debt for past due rent that accrued at the previous rate. The outstanding rents now total \$51,953.61. In recognition of the community services that Seniors First provides and considering the newly reduced rental rate, staff recommends that your Board retroactively reduce the rent effective July 2008 (when Seniors First initially requested relief) and forgive the associated interest and late charges applicable to the previous rent rate resulting in a principal balance of \$24,150. This reduction is subject to Seniors First entering into a new Lease Agreement based on the attached Material Terms that have been agreed to by Seniors First. The proposed Lease requires Seniors First to pay the principal balance in either a lump sum or through monthly installments of \$545.28 (which includes interest at 4% accrued over four years) in addition to their monthly rent which is currently \$614. The Lease grants a three year initial

term and a one year option subject to County consent. Should the County not authorize the one year option, Seniors First must pay the entire balance prior to the end of the Initial Term.

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

**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:** This Lease Agreement will generate approximately \$22,104 during the three-year Initial Term. This amount is in addition to the repayment of \$24,150 as described above. The rent and repayment monies received will be deposited into the DeWitt Development Fund and used towards the ongoing operation and maintenance of PCGC Facilities.

JD:MR:LM:GM:DB

ATTACHMENT: RESOLUTION (WITH EXHIBIT A: MATERIAL TERMS OF LEASE AGREEMENT)

cc: COUNTY EXECUTIVE OFFICE

T:\FAC\BSMEMO2012\SENIOR FIRST LEASE.DOCX

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

In the matter of: **A RESOLUTION AUTHORIZING THE  
DIRECTOR OF FACILITY SERVICES, OR HIS DESIGNEE,  
TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT  
BETWEEN THE COUNTY OF PLACER AND SENIORS FIRST, INC.  
FOR THE CONTINUED OCCUPANCY OF BUILDING 312A  
LOCATED AT THE PLACER COUNTY GOVERNMENT CENTER**

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

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held \_\_\_\_\_, 2012, 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 1996 Seniors First, Inc., successor to Foothill Volunteer Center and Senior Independent Services, has leased Building 312A located at 11566 D Avenue, in the Placer County Government Center (PCGC); and,

**WHEREAS**, Seniors First, Inc. desires to continue leasing the facility based upon the Material Terms attached hereto as Exhibit A; and,

**WHEREAS**, While Seniors First, Inc. has a current outstanding balance of approximately \$51,953.61, staff recommends the forgiveness of \$27,203.61, resulting in \$24,150.00 owed; and,

**WHEREAS**, a material consideration for entering into the new lease is Seniors First's agreement to pay the outstanding balance in monthly installments of approximately \$545.28/month (which includes interest at 4% accrued over four years) or by making a lump sum payment of the principal balance remaining at any time throughout the Lease Term.

**NOW THEREFORE, BE IT RESOLVED**, that the Placer County Board of Supervisors does hereby authorize the Director of Facility Services, or his designee, to negotiate and execute a Lease Agreement based on the Material Terms attached hereto as Exhibit A, between the County of Placer and Seniors First, Inc., and execute the Lease Agreement on behalf of your Board subject to approval of County Counsel and Risk Management.

ATTACHMENT: EXHIBIT A – MATERIAL TERMS OF LEASE AGREEMENT

153

## EXHIBIT A – MATERIAL TERMS OF LEASE AGREEMENT

### SUMMARY OF MATERIAL TERMS LEASE AGREEMENT for SENIORS FIRST, INC. Building 312A, 11566 D Avenue Auburn, CA

1. **Parties:** County of Placer and Seniors First Inc.
2. **Use:** Office space in support of Seniors First's senior service programs.
3. **Premises:** Approximately 2,129 square feet of office space.
4. **Lease Term:** Three year initial term. The initial term will be in effect retroactive to January 1, 2012.
5. **Option:** One 1-year option, subject to County consent. Seniors First's ability to exercise the option is subject to Seniors First not being in default of any term of the Lease.
6. **Rent:** Monthly rent for the Premises is currently \$614.00 a month and is subject to an annual adjustment on April 1<sup>st</sup> based on the Consumer Price Index (CPI) for the month of December.
7. **Security Deposit:** This security deposit requirement will be waived.
8. **Repayment Schedule:** Subject to the Board of Supervisors' forgiveness of \$27,203.61, Seniors First will owe a principal balance of \$24,150. This balance could be paid in 48 monthly installments of approximately \$545.28 per month (which includes interest at 4% accrued over four years). Alternatively, Seniors First could make a lump sum payment of the principal balance remaining at any time throughout the Lease Term. A one-time payment will be due upon execution of the new lease agreement to cover monthly payments retroactive to January 1, 2012. Should the County refuse to grant the one year option, Seniors First will be required to pay the remaining principal balance by the expiration of the initial term.