

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

To: **BOARD OF SUPERVISORS**

Date: **JUNE 13, 2006**

From:  **JAMES DURFEE / MARY DIETRICH**

Subject: **HOME DEPOT - FOURTH AMENDMENT TO OPTION TO GROUND LEASE**

ACTION REQUESTED/RECOMMENDATION: Approve the Fourth Amendment to Option to Ground Lease Placer County and Home Depot, U.S.A., and authorize the Chairman of the Board to execute this Amendment on behalf of your Board.

BACKGROUND: On January 23, 2001, your Board approved an Option to Ground Lease and a Ground Lease Agreement with Home Depot, U.S.A., for the use of approximately 10 acres of land located at DeWitt Center. The purpose of the Option to Ground Lease was to provide a timeframe to allow Home Depot to fully examine the property, to prepare an Environmental Impact Report (EIR) in compliance with the California Environmental Quality Act (CEQA), and to secure all land use entitlements from the County. This Option does not limit the discretion of the County in reviewing these applications and the Ground Lease may only be exercised if Home Depot obtains the proper approvals for their project. Due to the complexity of this project, preparation of the EIR has taken longer than originally anticipated. Consequently, in prior actions your Board has approved three amendments to extend the term of the Option to Ground Lease. The Option will expire on July 23, 2006, under its current terms.

On April 27, 2006, the Home Depot project was approved by the Planning Commission. An appeal has been filed and this matter is anticipated to be heard by your Board by the end of July. Because this hearing is likely to occur after July 23, 2006, Home Depot has requested a minor extension of the Third Option Term to accommodate the hearing schedule for the appeal. Based upon a hearing taking place before the end of July, the Fourth Amendment to the Option to Ground Lease extends the Option Term until October 13, 2006. However, if additional time beyond the end of July is required to complete the Board hearing, this Amendment provides for a limited automatic extension of the Option Term for no more than an additional sixty (60) days.

Copies of the proposed Fourth Amendment and the Ground Lease Agreement are available for review in the Clerk of the Board's office. No change is proposed in the Ground Lease.

ENVIRONMENTAL CLEARANCE: This action is exempt from review under CEQA pursuant to Section 15183, because no development entitlements are granted by this Fourth Amendment to Option to Ground Lease. Staff is directed to file an appropriate Notice of Exemption.

FISCAL IMPACT: There is no fiscal impact associated with action. No additional Option Consideration is required to be paid by Home Depot in connection with this short extension.

JD:MD

AVAILABLE FOR REVIEW IN THE CLERK OF THE BOARD'S OFFICE: FOURTH AMENDMENT TO OPTION TO GROUND LEASE AND GROUND LEASE AGREEMENT

cc: COUNTY EXECUTIVE OFFICE
PLANNING DEPARTMENT

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