

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

To: **BOARD OF SUPERVISORS**

Date: **MARCH 24, 2009**

From: **JD JAMES DURFEE / ALBERT RICHIE**

Subject: **LEASE AMENDMENT NO. 1 – 5225 NORTH LAKE BOULEVARD HEALTH AND HUMAN SERVICES DEPARTMENT**

ACTION REQUESTED / RECOMMENDATION: Adopt a Resolution delegating authority to the Director of Facility Services to complete negotiations to amend Lease Agreement No. 11416 between the County of Placer and Nino Family Limited Partnership and Nancy Nino (Tahoe) (hereinafter "Landlord"), for 5225 North Lake Boulevard located in Carnelian Bay, CA; and authorize the Director of Facility Services, or his designee, to execute the resultant Lease Amendment in the amount of approximately \$10,627 monthly, on behalf of your Board contingent upon approval by Risk Management and County Counsel.

BACKGROUND: Since 1991, the County has provided services of the Health and Human Services Department (HHS) and Child Support Services Department in approximately 5,184 square feet at this location. The current Lease Agreement commenced on March 15, 2002, and provided for an initial term of approximately seven years with one three-year option to extend the term. As the initial term will now expire on March 31, 2009, HHS evaluated their delivery of service to the region and expressed their desire to continue occupancy of the facility.

Property Management performed a market analysis of comparable office space in the North Tahoe Basin, and through negotiations with the Landlord secured more favorable rent and option terms. This includes foregoing the 2009 Consumer Price Index adjustment, which on April 1, 2009, would have raised the combined Monthly Rent and Building Operating Costs to approximately \$2.24 per square foot. Instead, the Lease Amendment will reduce this combined expense to \$2.05 per square foot, which results in a savings of approximately \$12,058 annually. The Landlord is also agreeable to amend Lease provisions to add two (2) additional one-year option terms, which may be exercised at the County's discretion. In order to realize these savings and for HHS to continue their operations from this site, your Board must adopt a Resolution authorizing the Director of Facility Services to complete negotiations and execute the Lease Amendment on your behalf.

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, when there is no expansion of use beyond that previously existing.

FISCAL IMPACT: The combined expense of Monthly Rent and Building Operating Costs shall commence at approximately \$10,627, which compared to the estimated adjusted expense of \$11,632, represents an annual savings of \$12,058. Funding for this cost is available in the Health and Human Services Department 2008/2009 Budget.

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD'S OFFICE: LEASE AGREEMENT 11416

ATTACHMENT:RESOLUTION
JD:AR:MR:MM:DB

CC: COUNTY EXECUTIVE OFFICE
HEALTH HUMAN SERVICES

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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 TO TAKE VARIOUS ACTIONS
ASSOCIATED WITH AMENDING A LEASE
AGREEMENT BETWEEN THE COUNTY OF PLACER
AND NINO FAMILY LIMITED PARTNERSHIP AND
NANCY NINO (TAHOE)

Resol. No: _____
Ord No: _____
First Reading: _____

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2009 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chairman, Board of Supervisors

Clerk of said Board

WHEREAS, Since 1991, the County has provided services of the Health and Human Services Department (HHS) and Child Support Services Department in approximately 5,184 square feet at 5225 North Lake Boulevard in Carnelian Bay, CA.; and

WHEREAS, this property is owned by Nino Family LP and Nancy Nino (Tahoe) ("Landlord"); and

WHEREAS, the initial Term of the current Lease Agreement will expire on March 31, 2009, and HHS has identified the need to continue their occupancy at this location; and

WHEREAS, Property Management negotiated with the Landlord to forego the 2009 Consumer Price Index adjustment, reduce the combined Monthly Rent and Building Operating Costs to \$2.05 per square foot, and add two (2) additional one-year option terms that may be exercised at the County's discretion; and

WHEREAS, In order to realize these rent savings and for HHS to continue their operations from this site, your Board must adopt a Resolution authorizing the Director of Facility Services to complete negotiations and execute the Lease Amendment on your behalf.

NOW, THEREFORE, BE IT RESOLVED that the Placer County Board of Supervisors does hereby delegate authority to the Director of Facility Services to complete negotiations for a lease amendment; and, contingent upon approval by Risk Management and County Counsel, authorize the Director of Facility Services, or his designee, to execute the Lease Amendment between the County of Placer and Nino Family LP and Nancy Nino (Tahoe) for the continued HHS occupancy at 5225 North Lake Boulevard in Carnelian Bay.