

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

To: **BOARD OF SUPERVISORS**

Date: **APRIL 27, 2010**

From: *MD*
JAMES DURFEE / MARY DIETRICH

Subject: **ROCKLIN LIBRARY LEASE AND TRANSFER AGREEMENT**

ACTION REQUESTED / RECOMMENDATION: It is recommended that your Board take the following actions associated with relocation of the Rocklin Library from 5460 Fifth Street to 4860 Granite Drive in Rocklin, CA:

1. Approve a Building Lease Agreement between the County of Placer and the City of Rocklin Redevelopment Agency for a new Rocklin Library located at 4860 Granite Drive in Rocklin, CA, and authorize the Chairman to execute the Lease on behalf of your Board; and,
2. Approve the Agreement for Transfer of Real Property between the County of Placer, and the City of Rocklin (City), for transfer of the existing Rocklin Library and associated property located at 5460 Fifth Street in Rocklin (APNs 010-040-019, 021, and 022) to the City, and authorize the Chairman to execute the Transfer Agreement on behalf of your Board; and,
3. Adopt the attached Resolution authorizing the Director of Facility Services, or his designee, to execute on behalf of the Board all documents necessary to complete the transactions described by this memorandum.

BACKGROUND: Since 1985, Placer County has provided library services from the 8,238 square foot Rocklin Library located at 5460 Fifth Street in Rocklin, CA. This building was constructed by the Rocklin/Placer Library Joint Powers Authority (JPA), which formed in 1983. This JPA remained in existence until the City and County terminated the Joint Powers Agreement in the winter of 1992, after all monies had been expended from the Library Authority Fund. Due to population growth in the Rocklin community, the existing Library is undersized pursuant to the standard established by the Library Plan of Service that your Board adopted on September 10, 2002. Given these constraints, the County and the City have cooperatively sought another library site to provide an appropriately sized facility in a centralized location.

In August 2007, Rocklin's Redevelopment Agency acquired a 16,600 square foot commercial building located at the corner of Granite Drive and Rocklin Road. Prior to closing escrow, the City and the County recognized that this building could provide more than double the capacity of the existing Library, and concluded that this building could accommodate community library needs into the foreseeable future. The City and County negotiated general terms for County use of the Granite Drive building, a City lease of the existing Library, and a future minimum \$3,500,000 contribution from the City for construction of new facility should the Library relocate from this building. Thereafter, Capital Improvements' staff pursued programming and design activities necessary to develop the new Library on Granite Drive, and Property Management began developing lease agreements as contemplated in the initial negotiations.

While preparing the documents to effect these transactions, Property Management identified a variety of title matters associated with the existing Library on Fifth Street. Through two separate gift deeds, the City granted a portion of the existing Library property to the County subject to the

continued use of the property as a public library, museum or both. Two subsequent gift deeds, one from the County and another from the City granted the existing Library property to the JPA. These Deeds also contained the obligation to use the Fifth Street Library property for a library and/or museum. The review of title also identified that dissolution of the JPA was completed without specifying disposition of the underlying property. Given the reversionary requirement in the gift deeds, the \$1.00/year lease of the Granite Drive building, and the City's agreement to provide library funding in the future, staff determined that it would be appropriate to transfer the County's interest in the Fifth Street Library property via a quitclaim deed back to the City. Provisions of the agreement specify that this transfer shall close escrow within 120 days following County's receipt of the Certificate of Occupancy for the new Library on Granite Drive.

The lease for the new Library on Granite Drive provides a ten (10) year initial term, and fifteen (15) successive option terms of five (5) years each, which are exercisable at the County's sole discretion. \$10.00 (based upon \$1.00 per year rent) is payable prior to commencement of the initial term, with \$5.00 per year owing for any option term exercised. The County is responsible for maintenance and utilities associated with the new Library and constructed tenant improvements. The Redevelopment Agency is responsible for maintenance of the exterior grounds, parking lot, driveways, and landscaping. An existing pond is located adjacent to the new Library, and is specifically excluded from the premises.

To initiate the new Rocklin Library project a number of actions have been taken by the County and City. On April 6, 2010, your Board awarded a construction contract for the required tenant improvements. On April 13, 2010 the Rocklin City Council approved the Agreement for Transfer of Real Property and authorized preparation of a right of entry to allow the County's contractor's work to proceed. The Council took action to continue their consideration of the Building Lease Agreement on Granite Drive so that final technical issues with the lease can be resolved. Reconsideration of the lease is scheduled to occur at their next Council meeting on April 27, 2010.

As all of the lease issues have been resolved, staff is recommending your Board's approval of the Building Lease Agreement, Agreement for Transfer of Real Property, and the attached Resolution. The property transfer has been publicly noticed, and copies of all the transaction documents are on file at the Clerk of the Board's office.

ENVIRONMENTAL CLEARANCE: Staff has determined that the Lease and Transfer of these properties is exempt from CEQA pursuant Section 15301, which provides for activities, including occupancy of existing facilities, when there is no expansion of use beyond that previously existing.

FISCAL IMPACT: For the new Library Lease, Placer County is responsible for payment of \$10.00 (based upon \$1.00 per year rent) upon commencement of the 10-year initial term. The new Library operating costs including utilities and custodial service are included in the Library Budget. Tenant improvement construction costs, and Property Management related staff, legal and consultant expenses are currently budgeted in the Capital Projects Fund.

ATTACHMENT: RESOLUTION

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD'S OFFICE: BUILDING LEASE AGREEMENT
MEMORANDUM OF LEASE
AGREEMENT FOR TRANSFER OF REAL PROPERTY

JD:MD:MR:LM

CC: COUNTY EXECUTIVE OFFICE
LIBRARY SERVICES

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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 EXECUTE ALL DOCUMENTS NECESSARY TO
COMPLETE TRANSFER OF THE COUNTY PROPERTY
LOCATED AT 5460 FIFTH STREET IN ROCKLIN, CA
TO THE CITY OF ROCKLIN AND THE COUNTY LEASE
OF THE ROCKLIN REDEVELOPMENT AUTHORITY
PROPERTY AT 4860 GRANITE DRIVE IN ROCKLIN, CA.**

Resol. No: _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2010 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, the existing Rocklin Library is located at 5460 Fifth Street, Rocklin, CA on Parcels 1 and 2 (APN 010-040-019), Parcel A (APN 010-040-022), and Parcel B (APN 010-040-021), (collectively the Library Property); and,

WHEREAS, Parcels 1 and 2 were originally conveyed by the City of Rocklin to the County by gift deeds recorded May 3, 1982 in Book 2497, Page 311 and on October 25, 1982 in Book 2537, Page 333 wherein said deeds conveyed an estate on special limitation, that would automatically cease if this property ceased to be used as a library, museum, or both; and,

WHEREAS, Parcels 1 and 2 were subsequently conveyed by the County to the Rocklin/Placer Library Joint Powers Authority (JPA) by a quitclaim deed recorded August 10, 1983 in Book 2612, Page 176; and,

WHEREAS, Parcels A and B were conveyed by the City to the JPA by a gift deed recorded December 29, 1983 in Book 2653, Page 577 wherein said deed also conveyed an estate on special limitation, that would automatically cease if this property ceased to be used as a library, museum, or both; and,

WHEREAS, the JPA was subsequently dissolved on or about January 28, 1992, which resulted in the County and the City succeeding to the interest that was conveyed to the JPA; and,

WHEREAS, consistent with reversionary terms of the gift deeds, and in return for the County's benefit of leasing the new Library building and the City of Rocklin's commitment to provide at least \$3,500,000 for construction of a future County library, the County desires to quitclaim its interest in the Library Property to the City; and,

WHEREAS, the City and County agree that transfer of the County's interest in the Library Property to the City shall be subject to the Rocklin City Redevelopment Agency's lease of its property at 4860 Granite Drive in Rocklin, CA to the County.

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 all documentation and to take all other actions necessary to transfer County's interest in the Library Property to the City of Rocklin and does hereby consent to the recordation of the deeds for said property as described in the Agreement for Transfer of Real Property.

BE IT FURTHER 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 all documentation and to take all other actions necessary to implement provisions of the Lease Agreement for the new Library at 4860 Granite Drive in Rocklin, CA, including but not limited to execution and recordation of a Memorandum of Lease.