

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

To: **BOARD OF SUPERVISORS**

Date: **JUNE 8, 2010**

From: **JAMES DURFEE / MARK RIDEOUT**

Subject: **HEALTH AND HUMAN SERVICES - LEASE AMENDMENT
1000 SUNSET BOULEVARD, ROCKLIN, CA**

ACTION REQUESTED: Approve Lease Amendment 1 to Lease Agreement No. CN028106 between The County of Placer and Sunset Commercial Center, Inc., c/o Oates Investments, Inc, a California corporation, (Landlord), for 1000 Sunset Boulevard, Suites 110 and 220, located in Rocklin, CA; and authorize the Chairman to execute the Lease Amendment on behalf of your Board.

BACKGROUND: On June 23, 2009, your Board delegated authority to the Director of Facility Services to negotiate and execute a Lease Agreement with the Landlord for Health and Human Services (HHS) to deliver programs from the subject building. This action enabled consolidation of HHS' Human Services staff from a variety of locations, which results in both improved organizational efficiency and a savings of occupancy costs. Following execution of the Lease Agreement and completion of the space planning, staff determined that an additional eighty-six (86) square feet of rentable area was required to accommodate design changes in the adjacent Veterans Service Office.

To address this change, staff prepared a Lease Amendment to adjust the rentable area and include the resultant \$154 monthly increase. Through the process of evaluating this lease modification, HHS determined that it would be advantageous to redistribute the 12 months of free rent, which the lease granted over the first three years of the term. Property Management successfully negotiated with the Landlord to allocate this rent credit over the first six years of the term. In order to implement these modifications to the Lease Agreement, your Board's approval is required. A copy of the Lease Agreement and Lease Amendment 1 are available for review at the Clerk of the Board's Office.

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

FISCAL IMPACT: The additional rentable area results in a monthly rent increase commencing at approximately \$154 per month. Sufficient funding for this expense is included in HHS' Fiscal Year 2010/2011 Proposed Budget.

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

LEASE AGREEMENT CN028106
LEASE AMENDMENT 1

JD:MR:MM

CC: COUNTY EXECUTIVE OFFICE
HEALTH AND HUMAN SERVICES

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