

MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER

To: **BOARD OF SUPERVISORS**

Date: **AUGUST 24, 2010**

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

Subject: **PENRYN LIBRARY – LEASE AGREEMENT**

ACTION REQUESTED / RECOMMENDATION: It is recommended that your Board adopt the attached Resolution authorizing the Director of Facility Services, or his designee, to take the following actions associated with continued tenancy of the Library Services Department at the Penryn Library at 2215 Rippey Road in Penryn, CA:

- 1) Complete negotiations for a Lease Agreement (Agreement), based on the Material Terms attached hereto, between the County of Placer and the Penrhyn Masonic Building Association (PMBA).
- 2) Execute the resultant Agreement on behalf of your Board, following approval by County Counsel and Risk Management.
- 3) Carry out those provisions and responsibilities as specified within the Agreement on behalf of the County, including but not limited to the Future Tenant Improvements provision as summarized in the attached Material Terms.

BACKGROUND: Since March 1964, the County has leased 912 square feet of space from the PMBA for a branch library in Penryn. Over the last 46 years, this facility has been an important amenity to the surrounding community by providing convenient library access to the public. The most recent Lease Agreement expired on November 30, 2009, and has been continuing on a month-to-month basis.

A new Lease Agreement has been negotiated with the Landlord that will provide for a three-year initial term, with three two-year options that could be exercised at the County's discretion. The rent has been negotiated at \$580 per month (\$0.64 per square foot per month) and will be subject to adjustment on an annual basis by the Consumer Price Index.

The Agreement also provides for Future Tenant Improvements, should they be required, so long as such improvements do not to exceed \$50,000 and are approved by Library Services and the CEO. In order to proceed with leasing actions associated with the Agreement, Facility Services requests that your Board direct staff to complete the Agreement and approve the attached Resolution authorizing the Director of Facility Services to execute the Agreement following approval by County Counsel and Risk Management and to carry out the terms and conditions of the resultant Lease including but not limited the provision related to Future Tenant Improvements.

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: Rent for this facility will commence at \$580 per month (\$6,960 annually). Funding for this rent is included in the Library Services Department 2010/2011 Final Budget.

JD:MR:LM:NT:DB

ATTACHMENTS: RESOLUTION
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 TO NEGOTIATE
AND EXECUTE LEASE DOCUMENTS BETWEEN THE
COUNTY OF PLACER AND THE PENRHYN MASONIC
BUILDING ASSOCIATION FOR THE PENRYN LIBRARY
LOCATED AT 2215 RIPPEY ROAD IN PENRYN, 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, since 1964, Placer County has provided library services from the 912 square foot Penryn Library located at 2215 Rippey Road in Penryn, CA; and

WHEREAS, Placer County desires to continue leasing the building for a three-year initial term, with three two-year options that are exercisable at the County's discretion.

NOW THEREFORE, BE IT RESOLVED, that the Placer County Board of Supervisors does hereby authorize the Director of Facility Services, or his designee, to complete negotiations for a Lease Agreement, based on the Material Terms attached hereto as Exhibit A, between the County of Placer and the Penrhyn Masonic Building Association for the County's occupancy in the building located at 2215 Rippey Road in Penryn, CA; execute the Lease Agreement on behalf of your Board subject to approval of County Counsel and Risk Management; and, authorize the Director of Facility Services to carry out on behalf of the County the responsibilities and provisions as specified within the Lease Agreement, including but not limited to the Future Tenant Improvement provision as summarized in the attached Material Terms.

EXHIBIT A – MATERIAL TERMS OF LEASE AGREEMENT

The following summarizes the key terms and conditions which the parties agree will be incorporated into the proposed lease agreement between the County of Placer and Penryn Masonic Building Association:

1. Parties: The Penryn Masonic Building Association, as a California Corporation, (hereinafter, "LANDLORD") and the County of Placer, a political subdivision of the State of California, (COUNTY).
2. Building Location: 2215 Rippey Road, Penryn, CA
3. Premises: The Premises shall total approximately 912 rentable square feet.
4. Term: The initial term shall be a period of three (3) years. Provided COUNTY shall have fully and faithfully performed all of the provisions contained in this Lease Agreement during the Initial Term, the LANDLORD agrees that the COUNTY shall be given the option to extend the Initial Term for three (3) successive terms of two (2) years each. The COUNTY shall be required to provide LANDLORD written notice of COUNTY's exercise of its right to option at least sixty (60) days before the expiration of the then current term.
5. Rent: COUNTY shall pay to LANDLORD, throughout the first year of the Term of this Lease Agreement, monthly rent based on an approximate rental rate of 64/100 Dollars (\$0.64) per square foot. The initial Monthly Rent shall be Five Hundred Eighty Dollars (\$580.00), and is subject to annual increases based on the State of California, Department of Industrial Relations Consumer Price Index (CPI) – California, for "ALL URBAN CONSUMERS". The adjusted Base Rent shall be the sum of the current Base Rent and the rental adjustment of the current Base Rent multiplied by the percentage change of the current year (CPI).
6. Maintenance/Utilities: LANDLORD shall keep, maintain and repair the Building and the Premises including fire sprinkler/alarm system, heating and air conditioning system, fluorescent light ballasts, plumbing systems, electrical wiring, and structural elements. LANDLORD shall also maintain in good repair the exterior walls, doors, roof, sidewalks, pavement, fencing, landscaping, irrigation systems, and signage. COUNTY shall be liable for damage to the Premises and interior from the acts or omissions of COUNTY. COUNTY shall pay all charges for electricity, telephone, and custodial services. LANDLORD shall pay all charges for common area utilities and maintenance, and all costs associated with taxes, general and special assessments, and insurance.
7. Use: The Premises shall be used as a branch library for the Community of Penryn by the County Library Services Department.
8. Insurance: The Landlord acknowledges that County is a self-insured public entity and that the Landlord shall not be obligated to maintain any insurance for improvements installed by and which are the property of the County. LANDLORD agrees to maintain and continue in full force and effect at all times during the term of this Agreement comprehensive general liability insurance coverage for the entire building and/or facility which includes the Premises.
9. Tenant Improvements: Upon mutual agreement by the PARTIES, LANDLORD shall construct desired Tenant Improvements on behalf of the COUNTY. Prior to commencement of any construction, COUNTY and LANDLORD shall execute an Amendment to this Lease Agreement setting forth the terms and conditions pertaining to the construction of such tenant improvements. The total expenditure for Tenant Improvements over the Term of this Agreement shall not exceed Fifty Thousand and 00/100 Dollars (\$50,000.00) and is exclusive of the amount for minor alterations as allowed for in the Lease Agreement.
10. Availability of Funding: COUNTY's ability to continue to administer the library services programs at the Premises is subject to the continued appropriation of local, State and Federal funding. COUNTY reserves the right to terminate this Lease Agreement upon One Hundred Eighty (180) days written notice under such circumstances or should the provision of library services significantly be altered so to significantly reduce the facility requirements.

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