

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

To: **BOARD OF SUPERVISORS**

Date: **NOVEMBER 2, 2010**

From:  **JAMES DURFEE / JOEL SWIFT**

Subject: **LEASE AMENDMENT – 565 WEST LAKE BOULEVARD, TAHOE CITY,
TAHOE ADMINISTRATION CENTER**

ACTION REQUESTED / RECOMMENDATION: Adopt a Resolution authorizing the Director of Facility Services, or his designee, to complete negotiations to amend Lease Agreement No. 11464 between the County of Placer and William E. Briggs and Joyce S. Briggs, as trustees of the Briggs Family Trust (Landlord), for structural design and roof repairs to the Tahoe Administration Center at 565 West Lake Boulevard in Tahoe City, CA, delegating authority to execute a Lease Amendment on behalf of your Board contingent upon approval by Risk Management and County Counsel, and approving the attached Budget Revision shifting \$10,000 in appropriations from the Miscellaneous Projects 4907 to the Tahoe Admin Roof Project 4789 in the Capital Projects Fund.

BACKGROUND: Since 1977, the County has leased the 5,500 square foot building at 565 West Lake Boulevard, Tahoe City, CA for general government functions, most recently CDRA and the HHS Environmental Health Division. The building was originally constructed in 1965. The current lease will expire on June 30, 2012.

The Landlord and County have engaged in extended discussions regarding certain aspects of the lease as it relates to maintenance of the building. In 2007, the County, as part of the obligation of the Lease Agreement, replaced the low slope, tar and gravel building roof. At that time, it was discovered that damage had occurred to the exposed ends of the structural beams over the course of several decades of winter ice dam conditions. It was also discovered that the roof structure did not include a snowmelt system in the roof. The Landlord and staff reached an impasse regarding responsibility for the damage to the cause of the roof beams. The Landlord contends that damage to the exposed ends of the beams are solely caused by the County. An independent structural analysis identified the design of the roof, a low-slope structure in high country conditions and absence of a necessary snowmelt system as contributing factors to the presence of ice dams that are known to cause moisture intrusion.

In the past few months, the Landlord has provided a new structural and pest evaluation of the condition of the structure that identified a limited amount of moisture damage. This new information provides a basis for a much simpler structural solution than previously anticipated. However, in order to proceed with the repair, a design for construction is necessary. Staff has proposed, and the Landlord accepted, a 50/50 split of the design cost for a structural solution for the damaged beams. Participation in this cost sharing agreement would be without assignment of responsibility to either party. The total cost of the structural design is \$4,500, and the proposed County share would be \$2,250. In addition, completion of sanding and painting of the beams that do not require correction is necessary. The Landlord has submitted a proposal for completing

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this work in the amount of \$2,972. This work scope would have been originally included in the County's construction project of 2007, but was not completed due to the dispute between the County and Landlord. The Landlord is presently most suited to completion of these improvements to his building.

An Amendment to the Lease Agreement, consistent with the attached Material Terms will be prepared in the total amount of \$5,222, comprised of the County's share of the structural design (\$2,250) and compensation for completion of the sanding and painting of the remaining beams (\$2,972). This Amendment would include language that appropriately protects the County's interest in the matter, as acceptable to County Counsel.

While the proposed Lease Amendment will provide a fair and equitable cost sharing of the design costs, the disposition of the remaining beams will require further action. After the completion of the structural design for the remaining beams, the Landlord will obtain cost estimates for the repair. Staff will then negotiate with the Landlord a potential resolution for completion of the work. Staff may return to your Board for further action if necessary.

ENVIRONMENTAL CLEARANCE: The Amendment of the Lease Agreement is Categorically Exempt from environmental review pursuant to Section 15301 of the California Environmental Quality Act. This Section provides for activities, including leasing and repairs of existing facilities, when there is no expansion of use beyond that previously existing.

FISCAL IMPACT: In addition to the cost in the Lease Amendment in the amount of \$5,222, staff and legal costs are necessary to proceed; therefore it is recommended that your Board approve the attached Budget Revision shifting \$10,000 in appropriations from Miscellaneous Projects 4709 to the Tahoe Admin Roof Project 4789 in the Capital Projects Fund.

JD:MD:JS:SH

ATTACHMENT: RESOLUTION

CC: COUNTY EXECUTIVE OFFICE

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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 A LEASE AMENDMENT TO LEASE NO. 11464
TO FACILITATE ROOF REPAIRS AT 565 WEST LAKE
BOULEVARD,TAHOE CITY, 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 January 1977, the County has leased the 5,500 square foot building at 565 West Lake Boulevard, Tahoe City, CA for County government use; and,

WHEREAS, the terms of the current Lease Agreement No. 11464 require certain maintenance to be provided by 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 complete negotiations for a Lease Amendment, based on the Material Terms attached hereto, between the County of Placer and Landlord to authorize payment for structural design and roof repairs; to execute the Lease Amendment on behalf of your Board subject to approval of County Counsel and Risk Management; and to authorize the Director of Facility Services to carry out on behalf of the County the responsibilities and provisions as specified within the Lease Agreement.

Attachment: Exhibit A – Material Terms of Lease Amendment

EXHIBIT A
MATERIAL TERMS OF LEASE AMENDMENT

The following summarizes the key terms and conditions which the Parties agree will be incorporated as the material terms of a proposed Lease Amendment to Lease No. 11464 between the County of Placer and Landlord:

1. **Building Location:** 565 West Lake Boulevard, Tahoe City, CA.
2. **Premises:** 5,500 sq/ft of office space.
3. **Repairs:**

County agrees to compensate Landlord in the amount of \$2,250 for one half of the cost for KB Foster Civil Engineering, Inc. (KBF) to prepare a structural design for repair of the roof rafter structure for six beam conditions as identified in KBF Report dated September 13, 2010. KBF will prepare repair a design based on the most feasible option for repair without extensive deconstruction and resulting repair of the building structure. KBF will prepare structural calculations and roof and framing plans of the proposed improvements. The parties agree that this cost sharing agreement does not constitute an admission and/or apportionment of fault by either party for the beam condition. Nor does this agreement obligate either party to pay for any cost of repair to the six beams.

County agrees to compensate Landlord in the amount of \$2,972 for completion of sanding and painting of all exposed beams not included in the repair described above. Landlord shall have no claims against the County regarding the performance or warranty of this work. Landlord agrees that completion of this work and payment in full by the County shall settle all disputes Landlord has regarding the condition and past maintenance of the beams that are not the subject of the above referenced structural design effort.

4. **Amendment of Lease Agreement No. 11464; Future Agreements:**

Landlord accepts and agrees to the incorporation of the above material terms into the preparation of a Lease Amendment between Landlord and the County. Landlord and the County recognize and agree that the enforceability of the terms of any future resulting Lease Amendment shall be subject to prior approval by the Placer County Board of Supervisors or its designee, and the Landlord.

