

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

To: **BOARD OF SUPERVISORS**

Date: **NOVEMBER 8, 2011**

From: **JAMES DURFEE / MARK RIDEOUT** *WR*

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

**ACTION REQUESTED / RECOMMENDATION:** Adopt a Resolution delegating authority to the Director of Facility Services or his designee (DFS) to complete negotiations and execute Amendment No. 2 to Lease Agreement No. CN028106 (Lease) between the County of Placer and Sunset Commercial Center, LLC, a California limited liability company (Landlord), allowing the Landlord's performance of Tenant Improvements (Improvements) within Health and Human Services Human Services Division's (HHS) premises located at 1000 Sunset Boulevard, Suite 220, in an amount not to exceed \$21,000; and, authorizing the DFS to execute and carry out Future Improvements based on the Material Terms attached hereto.

**BACKGROUND:** Since 2009, HHS has provided client services for the residents of South Placer County by providing financial, food and medical assistance, and employment services to over 10,000 families from its leased premises at 1000 Sunset Boulevard in Rocklin. To better serve the increased number of families needing assistance, HHS has been implementing the latest in technology such as document imaging, 24/7 automated self-service call-line for clients, on-line applications, and check-in kiosks in the lobby.

Recently the Federal Food and Nutrition Services began requiring counties to provide both self-service and staff-assisted services for individuals who come to Human Services offices. In order to accommodate this requirement, the existing lobby needs to be reconfigured to facilitate self-service computer access. Human Services has worked with Facility Services to design a new "service center" in the main lobby area, which necessitates relocation of the judge's chambers to a training room in the HHS Suite. The required Improvements include the removal of two walls, installation of electrical/data cabling, reconfiguration of ceiling tiles, and matching floor coverings.

To deliver these Improvements in a timely manner, Facility Services spoke with the Landlord about performing this work. The current Lease permits the Landlord to perform Future Improvements (work required after initial occupancy), if an amendment is approved by your Board and the cumulative value of the Improvements does not exceed \$500,000 over the Lease term. Given HHS' need for facility modifications due to Federal programmatic changes, Staff requests that your Board approves the attached Resolution authorizing the DFS to execute the Lease Amendment for the Improvements, and delegate authority to the DFS to amend the Lease enabling the DFS to carry out the provisions and responsibilities specified in the Lease. To streamline this process, and make it consistent with the majority of other County leases, this Resolution also delegates authority to the DFS to implement the Future Improvements provision following approval by Risk Management, HHS, CEO and County Counsel.

**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 total estimated cost for the Improvement project is \$21,000, excluding staff costs for preparing the Lease Amendment and managing the project. Sufficient funding for these expenses will be provided by State and Federal revenues and no County General funds will be used.

JD:MR:LM:MM:DB

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

LEASE AGREEMENT NO. CN028106

cc: COUNTY EXECUTIVE OFFICE  
HEALTH AND HUMAN SERVICES

T/F/BSMEMO2011/HHS SUNSET LSE AMEND No.2.DOCX

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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, OR HIS DESIGNEE TO TAKE VARIOUS ACTIONS  
ASSOCIATED WITH AMENDING A LEASE AGREEMENT  
BETWEEN THE COUNTY OF PLACER AND SUNSET  
COMMERCIAL CENTER AND DELEGATE AUTHORITY  
TO THE DIRECTOR TO EXECUTE AND CARRY OUT THOSE  
PROVISIONS AND RESPONSIBILITIES AS SPECIFIED IN THE  
LEASE AGREEMENT INCLUDING BUT NOT LIMITED TO  
SUBSEQUENT FUTURE TENANT IMPROVEMENT LEASE AMENDMENTS**

Resolution No: \_\_\_\_\_

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held \_\_\_\_\_, 2011 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

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**WHEREAS**, Since December 2009, the Health and Human Services Department, Human Services Division has provided client services out of a ± 33,570 square foot facility located at 1000 Sunset Boulevard Suite 220 located in Rocklin, CA, pursuant to Lease Agreement CN028106; and,

**WHEREAS**, the Landlord is Sunset Commercial Center, LLC, a California limited liability company; and,

**WHEREAS**, the Federal Food and Nutrition Services is mandating that Counties provide both online self-service and staff-assisted services for clients that come to Human Service Offices. In order to accommodate this requirement, the existing lobby needs to be reconfigured to allow for computer access necessitating the relocation of the judge's chambers to an existing space in HHS' Suite. The cost of the improvement is funded with 100% State and Federal revenues; and,

**WHEREAS**, the current Lease Agreement specifies that in order for the Landlord to complete the improvement on behalf of the County, your Board must approve a Lease Amendment; and,

**WHEREAS**, to accommodate Future Tenant Improvements, the Lease Amendment will also authorize the Director of Facility Services or his designee (DFS) to execute and carry out those provisions and responsibilities as specified in the Lease Agreement including but not limited to subsequent Tenant Improvements, up to a cumulative value of \$500,000, as provided in the current Lease Agreement contingent upon approval by Risk Management, HHS, CEO and County Counsel; and,

**NOW, THEREFORE, BE IT RESOLVED** that the Placer County Board of Supervisors does hereby delegate authority to the DFS, to complete negotiations and execute Lease Amendment No. 2; and delegate authority to the DFS to execute and carry out those provisions and responsibilities as specified in the Lease Agreement including but not limited to Lease Amendments for Future Improvements.

## EXHIBIT A – MATERIAL TERMS – LEASE AMENDMENT NO. 2

The following summarizes the key terms and conditions which the Parties agree will be incorporated as the material terms in Lease Amendment No.2.

1. **Parties:** The Parties are the County of Placer, a political subdivision of the State of California (County) and Sunset Commercial Center, LLC, a California limited liability (Landlord).
2. **Premises:** 1000 Sunset Boulevard, Suite 220, Rocklin CA.
3. **Occupant:** Health and Human Services Department, Human Services Division.
4. **Scope of Work:** The Landlord shall perform all of the work and supply all the necessary materials and labor to accommodate the new “service center” in the main lobby area (Improvement). Such work includes preparation of plans and specifications, architectural, engineering and design services, acquisition of all permits, equipment and labor associated with the construction of such Improvement. Scope of Work will necessitate the removal of two walls, installation of electrical/data cabling, reconfiguration of the ceiling tiles, patch/paint walls, debris removal, clean-up, and matching of flooring materials. All work to be done after-hours, on weekends and/or on recognized County Holidays. All work shall comply with all laws regarding payment of prevailing wage, including, without limitation, California Labor Code section 1720, as such laws may be amended or modified.
5. **Payment:** Within ten (10) working days of completion of the Improvement, County shall inspect the same and provide Landlord with any corrections or “punch list” items in writing at the time of such inspection. Improvement shall be deemed to be complete when the final Improvement is approved by the County. Once approved by the County, Landlord shall prepare an itemized final invoice, plus any adjustments thereto for approved change orders and the Landlord’s 3% administrative fee. In no event shall the total of the final invoice exceed \$21,000. Invoice shall be due and payable to the Landlord within forty-five (45) days of receipt of itemized final invoice, and the payment shall be made as additional rent pursuant to the Lease.
6. **Authority of the Director:** The Director of the Department of Facility Services, or his designee, shall administer this Building Lease on behalf of County. Unless otherwise provided herein or required by applicable law, the Director shall be vested with all rights, powers, and duties of County hereunder.
7. **Section 2. E Shall Be Replaced in its Entirety with the Following Language:**

E. **TENANT IMPROVEMENTS – FUTURE:** Upon mutual agreement by the PARTIES, LANDLORD shall construct desired Future 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 Future Tenant Improvements. The amendment shall contain provisions which include the project description, the approved project cost, the time of construction, and identify the method and timing of payment for the Future Tenant Improvements. LANDLORD’s management and oversight fees including, but not limited to, construction management, asset management and property management activities, shall not exceed three percent (3%) of the Future Tenant Improvement cost. This Amendment shall be approved as to form by the HHS, Risk Management, County Counsel, and the County Executive’s Office. The total expenditure for Future Tenant Improvements over the Term of this Lease Agreement and any exercised options shall not exceed Five Hundred Thousand and No/100 Dollars (\$500,000.00) and is exclusive of the amount for minor alterations as allowed for in Section 11. Upon termination of Lease Agreement, “Tenant Improvements” and alterations installed pursuant to this Lease Agreement and any Amendments thereto shall become the property of the LANDLORD and COUNTY shall have no obligation to remove the same. Movable furniture, trade fixtures and personal property shall not be considered “Fixtures” and may be removed by COUNTY at any time.

**EXHIBIT A – MATERIAL TERMS – LEASE AMENDMENT NO. 2**  
(Continued)

Should LANDLORD elect to construct or have constructed such Future Tenant Improvements, all work shall comply with all laws regarding payment of prevailing wage, including, without limitation, California Labor Code section 1720, as such laws may be amended or modified. LANDLORD agrees that it will require its contractor to comply with any directives or regulations issued by the California State Department of Industrial Relations or any other regulatory body of competent jurisdiction. LANDLORD shall perform all of the work and supply the necessary materials and labor to renovate the Premises for the COUNTY as described and depicted in subsequent Amendment(s).

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