

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

To: **BOARD OF SUPERVISORS**

Date: **JULY 23, 2013**

From: **MD MARY DIETRICH / MARK RIDEOUT**

Subject: **TAHOE TELECOMMUNICATIONS DIVISION - LEASE AGREEMENT**

ACTION REQUESTED:

1. Approve a Lease Agreement for the Tahoe Telecommunications Division's continued occupancy at 2929 Lake Forest Road, Bay 9 in Tahoe City, CA, between the County of Placer and Garrett R. Carlson in the amount of \$11,724 in previously budgeted net county cost for FY 2013-14; and,
2. Adopt a Resolution authorizing the Director of Facility Services, or designee, to execute a Lease Agreement following approval by County Counsel and Risk Management, and to carry out administrative provisions and responsibilities contained in the Lease Agreement.

BACKGROUND: Since 1983, the County's Tahoe Telecommunications Division has occupied 614 square feet of shop space at 2929 Lake Forest Road, Bay 9 in Tahoe City, CA for the purposes of providing telecommunications and radio services to various County Departments operating in the Lake Tahoe region. This centrally located space consists of an office area and vehicle bay that allows the Telecommunications technician to work on radio and telecommunications equipment year round. The current lease terminated on June 30, 2013 and is currently on a hold-over status.

After investigation of other facilities that would meet this Division's location and operational requirements, staff determined that the current space best meets this Division's objectives. Therefore, Property Management initiated negotiations with the current landlord and successfully reached material terms for a new two-year Lease with three one-year options where the 1st year's monthly rent will remain at the current rental amount of \$845.48 (\$1.37 per square foot). Thereafter, the rent is subject to annual adjustment based on the Consumer Price Index. Consistent with the current Lease, the County must also pay the current Building Operating Costs totaling \$131.52 per month (\$0.21 per square foot) for sewer, water, snow removal, taxes, and insurance. This charge will remain constant throughout the lease term and any exercised options.

To continue the delivery of these important radio and telecommunications services in the Tahoe region, your Board's authorization is necessary to enter into a new Lease Agreement, subject to the Material Terms (Exhibit A). Your Board's adoption of the attached Resolution is required to authorize the Director of Facility Services, or designee, to execute this Lease Agreement following approval by County Counsel and Risk Management, and to carry out the provisions of the new Lease Agreement, including the Future Tenant Improvements provision.

ENVIRONMENTAL CLEARANCE: The 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, when there is no expansion of use beyond that previously existing.

FISCAL IMPACT: The monthly rent and Building Operating Costs total \$977.00 or \$11,724 annually. These costs have been budgeted in Administrative Services' FY 2013-14 Department budget.

MD:MR:LM:GM

ATTACHMENTS: EXHIBIT A - MATERIAL TERMS
RESOLUTION

cc: COUNTY EXECUTIVE OFFICE
ADMINISTRATIVE SERVICES

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**SUMMARY OF MATERIAL TERMS
LEASE AGREEMENT**

**Administrative Services – Telecom Division
2929 Lake Forest Road, Bay #9
Tahoe City, CA**

Parties: County of Placer (County) and Garrett R. Carlson (Landlord).

Use: Shop space for the purposes of conducting County business including those functions associated with the Tahoe branch of the Telecommunications Division, and/or other County services.

Premises: Approximately 614 square feet of shop space.

Initial Term: Two (2) year Term.

Options: Three (3) One (1) year options.

Rent: \$845.48 monthly rent based on \$1.37 per square foot per month.

Building Operating Costs: \$131.52 additional monthly payment based on \$0.21 per square foot per month.

Annual CPI adjustment: Following notice from Landlord, rent shall be subject to an annual adjustment on the anniversary date of the Lease Agreement and each year thereafter the Rent may be adjusted based on the State of California, Department of Industrial Relations Consumer Price Index (CPI) – California for "ALL URBAN CONSUMERS" for the thirty (30) to sixty (60) day period immediately preceding the effective date of the rental increase. Notwithstanding the foregoing, the annual increase shall never be more than 5%.

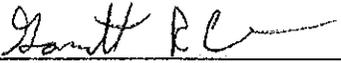
Additional Parking Spaces: Approval of two (2) designated parking spots in front of the Premises. County shall be allowed to post a reserved parking sign at County's cost.

Future Tenant Improvements: Subject to approval by Administrative Services, CEO and County Counsel, if the County finds it necessary to construct Tenant Improvements, and the parties are in mutual agreement, Landlord shall construct desired Tenant Improvements on behalf of the County. County and Landlord shall execute a Lease Amendment setting forth the terms and conditions pertaining to the construction of such Tenant Improvements. The total expenditure over the Term of this Agreement shall not exceed Twenty Five Thousand Dollars (\$25,000). Prevailing wage is applicable to Future Tenant Improvements.

Minor Alterations: Landlord may perform minor alterations to the Premises on County's behalf if the alterations are: 1) considered County's responsibility; 2) such alterations are of a minor nature and scope where such alterations would not be construed as tenant improvements; and 3) the scope of work for any single minor alteration project does not exceed Nine Thousand Five Hundred Dollars (\$9,500). Prevailing wage is applicable to Minor Alterations.

EXHIBIT A – MATERIAL TERMS

ACCEPTANCE OF MATERIAL TERMS



Garrett R. Carlson, Owner

6/13/13
Date

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

Before the Board of Supervisors County of Placer, State of California

In the matter of: A RESOLUTION AUTHORIZING
THE DIRECTOR OF FACILITY SERVICES
TO EXECUTE AND ADMINISTER THE PROVISIONS
OF A LEASE AGREEMENT FOR TAHOE
TELECOMMUNICATIONS DIVISION'S
CONTINUED OCCUPANCY AT 2929 LAKE FOREST
ROAD, BAY 9, 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 _____, 2013 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chair, Board of Supervisors

Clerk of said Board

WHEREAS, since 1983, the Telecommunications Division has leased approximately 614 square feet of shop/office space located at 2929 Lake Forest Road, Bay #9 in Tahoe City, CA; and

WHEREAS, the current Lease Agreement expired on June 30, 2013; and

WHEREAS, the County desires to continue leasing this space for a two-year term with three one-year options that are exercisable at the County's discretion; and

NOW, THEREFORE, BE IT RESOLVED that the Placer County Board of Supervisors does hereby authorize the Director of Facility Services, or designee, to execute a new Lease Agreement subject to approval of County and Risk Management, between the County of Placer and Garrett R. Carlson for the facility located at 2929 Lake Forest Road, Bay 9, in Tahoe City, CA 95730 based on the negotiated material terms; and, to carry out the provision and responsibilities as specified within the Lease Agreement on behalf of the County including but not limited to the Future Tenant Improvements provision.