

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

To: **BOARD OF SUPERVISORS**

Date: **SEPTEMBER 24, 2013**

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

Subject: **GOLD COUNTRY MUSEUM LEASE EXTENSION**

ACTION REQUESTED: Authorize the Director of Facility Services, or designee, to extend the current Rental Agreement for the Gold County Mining Museum building between the County and the Twentieth District Agricultural Association on a month-to-month basis.

BACKGROUND: Since 1977, Placer County has leased the Mining Building at the Gold Country Fairgrounds in Auburn, CA from the Twentieth District Agricultural Association (Association). Over the past 36 years, the County's Museums Division has used this 2,988 square foot building to educate the public on the history of the gold rush in Placer County through static and interactive exhibits. The museum annually serves approximately 7,000 visitors, including school-age students on field trips.

The current five-year Rental Agreement (Agreement) (Exhibit A) between the County and the Association ended on June 30, 2013. This tenancy now continues on a month-to-month basis, which the Agreement stipulates must end on September 30, 2013. Despite beginning negotiations this Spring, Property Management and the Association have not reached an agreement on lease terms. Property Management is seeking to address a number of long-standing operational and maintenance issues, including parking for Museum visitors. To date the Association has not agreed to these proposals, and has taken the position that rent should increase and a common area charge should be implemented.

Property Management and the Association believe the recommended lease extension is mutually beneficial, as both parties are motivated to complete negotiations. To provide additional time to finalize negotiations and execute a new agreement with the Association, staff requests your Board's approval to extend the Agreement on a month-to-month basis. Staff will return to your Board for approval of a new agreement once terms have been reached.

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 proposed action results in no new net county costs. During the proposed extension, Museums will continue to pay monthly rent at \$1,331 and utilities at \$175. Funding for the current annual rent and utility charges is included in the Department of Facility Services, Museum Division's FY 2013-2014 Final Budget.

MD/MR/LM/GM/KW

ATTACHMENT: EXHIBIT A – RENTAL AGREEMENT

CC: COUNTY EXECUTIVE OFFICE T:\FAC\BSMEMO2013\GC MUSEUM AGREEMENT EXTENSION.DOC

**EXHIBIT A
RENTAL AGREEMENT**

RENTAL AGREEMENT

20th D.A.A. (Gold Country Fair) and County of Placer – Facilities Services

DATE: **FEBRUARY 11, 2008**

Page 1 of 3

AGREEMENT NO.: 21-08

THIS AGREEMENT by and between the **TWENTIETH DISTRICT AGRICULTURAL ASSOCIATION**, hereinafter called the Association, and **COUNTY OF PLACER – FACILITIES SERVICES**, hereinafter called the Rentor.

WITNESSETH:

1.

THAT WHEREAS, The Rentor

desires to secure from the Association certain rights and privileges and to obtain permission from the Association to use Association premises beginning on **JULY 1, 2008** and ending on **JUNE 30, 2013**.
2. NOW, THEREFORE, Association hereby grants to the Rentor the right to occupy the spaces(s) described below for the purposes hereinafter set forth, subject to the terms and conditions of this agreement: **MINING BUILDING (MUSEUM), GOLD COUNTRY FAIRGROUNDS [BUILDING IS APPROXIMATELY 36' X 83' (2,988 SQUARE FEET)]**.
3.

THAT WHEREAS, The purposes of

occupancy shall be limited to: **GOLD COUNTRY MUSUEM** and shall be for no other purpose or purposes whatsoever.
4.

THAT WHEREAS, Rentor agrees to

pay to Association for the rights and privileges hereby granted, the amounts and in the manner set forth below:
 - A. **July 1, 2008 through June 30, 2013 – Seventy Nine Thousand Eight Hundred Sixty Dollars (\$79,860.00) plus the cost of utilities, payable as follows: One Thousand Three Hundred Thirty-one Dollars (\$1,331.00) per month payable in advance by the fifteenth (15th) day of each and every month, plus the cost of utilities as billed. Any extraordinary labor or service required of Fair staff will be billed to Rentor at current rate.**
 - B. **Over the period of this agreement, the Association may increase the monthly rent every three years to a maximum of ten percent of the current rent. This would, in turn, increase the total amount of the contract.**
5.

THAT WHEREAS, It is mutually

agreed that this contract or the privileges granted herein, or any part thereof, cannot be assigned or otherwise disposed of without the written consent of Association.
6.

THAT WHEREAS, It is mutually

understood and agreed that no alteration or variation of the terms of this contract shall be valid, unless made in writing and signed by the parties hereto, and that no oral understandings or agreements not incorporated herein and no alterations or variations of the terms hereof, unless made in writing and signed by the parties hereto, shall be binding upon any of the parties hereto.
7.

THAT WHEREAS, The Rules and

Regulations printed below are made a part of this agreement as though fully incorporated herein, and Rentor agrees that he has read this agreement and the said Rules and Regulations and understands that they shall apply, unless amended by mutual consent in writing of the parties hereto.
8.

THAT WHEREAS, In the event

Rentor fails to comply in any respect with the terms of this agreement and the Rules and Regulations referred to herein, all payments for this rental space shall be deemed earned and non-refundable by Association and Association shall have the right to occupy the space in any manner deemed for the best interests of Association.
9.

THAT WHEREAS, The attached

Exhibits (A-State Fire Marshal Requirements, B-Rentor Rules, Regulations & Information, and C-Eliminating Sexual Harassment) are incorporated herein and made part of this agreement.

RULES AND REGULATIONS GOVERNING RENTAL SPACE

1. Each and every article of the space and all boxes, crates, packing material, and debris of whatsoever nature used in connection with the space and owned by Rentor must be removed from the buildings and grounds by Rentor, at his own expense, not later than a date specified by Association. It is understood in the event of Rentor's failure to vacate said premises as herein provided, unless permission in writing is first obtained, Association may and is hereby authorized and

382

RENTAL AGREEMENT

20th D.A.A. (Gold Country Fair) and County of Placer – Facilities Services

DATE: FEBRUARY 11, 2008

Page 2 of 3

AGREEMENT NO.: 21-08

made the agent of Rentor to remove and store the concession and all other material of any nature whatsoever, at the Rentor's risk and expense, and Rentor shall reimburse Association for expenses thus incurred.

2. All safety orders of the Division of Industrial Safety, Department of Industrial Relations, must be strictly observed.
3. Failure of Association to insist in any one or more instances upon the observance and/or performance of any of these rules and regulations shall not constitute a waiver of any subsequent breach of any such rules and regulations.
4. The Association shall have the privilege of inspecting the premises covered by this agreement at any time or all times.
5. This parties hereto agree that Rentor, and any agents and employees of Rentor, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of Association.
6. Time is of the essence of each and all the provisions of this agreement, and the provisions of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

Memo for Fair Management: Hazardous Agreements. If this agreement provides for a hazardous activity, the current Form FE-13, Statement Regarding Insurance, must be attached to each copy and incorporated by reference in Paragraph 14 of page one. Nondiscrimination Clause, Form 17A or Form 17B for agreements over \$5,000 must be attached to each copy and incorporated by reference in Paragraph 14 of page one.

THE RENTOR further agrees:

1. The Rentor agrees to provide building maintenance and repairs.
2. The Association acknowledges that Rentor is a self-insured public entity. The Rentor shall save and hold the Association free and harmless from injury to the person, persons, or property resulting from the Rentor's use of said premises, excepting only such injury resulting from the negligent or willful acts of the Association, its agents, employees or their tenants using the premises. The Association shall provide fire insurance to protect their interest in the building and other improvements that are a part of the premises. The Association shall not be obligated to maintain any insurance for improvements installed by, which are the property of, the Rentor. Both parties agree to waive any rights of subrogation which they or their insurer may have against each other, provided such subrogations can be accomplished without prejudice to insured's rights and without extra expense, unless such extra expense is paid by the other party. In the event Rentor discontinues its policy of self-insurance, Rentor agrees to procure and continue in force and effect insurance coverage for bodily injury and property damage liability and fire and extended coverage for vandalism and malicious mischief for the Rentor's fixtures, furniture and improvements.
3. To provide written documentation of self-insurance statement, as required in paragraph 2 above, as approved by County Counsel, for inclusion in this document.
4. It will be the responsibility of the museum staff to insure that museum restrooms are locked and lights turned off after each usage and at the end of each museum operating day to prevent vandalism.
5. If Rentor remains in possession of the facilities after the expiration of this agreement, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension of any further term. In such case, rental shall be payable in the amount and at the time specified in Item 4.A. Such month-to-month tenancy shall be for a period not to exceed three (3) months. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.
6. Either party may terminate this agreement upon ninety (90) days written notice.
7. THE ASSOCIATION agrees to provide restroom facilities, water, sewage service, garbage removal service, road maintenance, general clean-up, and irrigation water as dictated by local water availability. Access to grounds will be dictated by the need to manage various events throughout the year.

RENTAL AGREEMENT

20th D.A.A. (Gold Country Fair) and County of Placer – Facilities Services

DATE: FEBRUARY 11, 2008

Page 3 of 3

AGREEMENT NO.: 21-08

NOTICES

1. Any and all notices required to be sent here under may be given by us mail postage pre-paid or hand delivered as follows:
TWENTIETH DISTRICT AGRICULTURAL ASSOCIATION COUNTY OF PLACER – FACILITIES SERVICES
ATTN: CEO ATTN: JAMES DURFEE
P.O. BOX 5527 11476 C AVENUE
AUBURN, CA 95604-5527 AUBURN, CA 95603

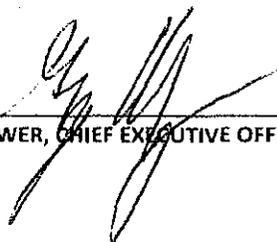
This agreement is not binding upon Association until it has been duly accepted and signed by its authorized representative, and approved (if required) by the Department of Food and Agriculture and the Department of General Services.

IN WITNESS WHEREOF, this agreement has been executed in duplicate, by and on behalf of the parties hereto, the day and year first above written.

TWENTIETH DISTRICT AGRICULTURAL ASSOCIATION
P.O. BOX 5527
AUBURN, CA 95604-5527
530-823-4533

COUNTY OF PLACER – FACILITIES SERVICES
11476 C AVENUE
AUBURN, CA 95603
530-886-4900

By _____
GREG HEGWER, CHIEF EXECUTIVE OFFICER



By _____
JAMES DURFEE, DIRECTOR

