

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

To: Honorable Board of Supervisors

Date: November 18, 2014

From: Mary Dietrich, Facility Services Director
By: Laurie Morse, Property Manager

Subject: Costco Wholesale Corporation Site Access Negotiating Agreement – First Amendment

ACTION REQUESTED:

1. Authorize the Director of Facility Services or designee to execute the First Amendment to the Site Access and Negotiating Agreement between the County of Placer and Costco Wholesale Corporation, a Washington Corporation, with no net county cost.

BACKGROUND: On March 11, 2014, your Board approved the execution of a Site Access and Negotiating Agreement (SANA) between the County and Costco Wholesale Corporation (Costco). The SANA's primary purpose is to memorialize the commitment of the County and Costco to negotiate a proposed Option to Ground Lease (Option) and Ground Lease for a site at the Placer County Government Center in Auburn. This proposed site is approximately 16-acres in area, and is bordered by First Street, Second Street, C Avenue, and the Placer County Garage area adjacent F Avenue. The SANA also provides assurances that neither party is negotiating for another site within a 5-mile radius of the Placer County Government Center.

At the March 11, 2014 meeting, your Board approved key proposed business and financial terms that established the framework for negotiations between the County and Costco for the proposed Option and Ground Lease. Over the past eight months, County staff has engaged Costco representatives and is nearing completion of extensive negotiations for the proposed Option and Ground Lease terms. While both parties have made significant progress, additional time is needed to finalize these documents.

The SANA term, including one authorized extension, will expire on November 21, 2014. To allow the parties additional time to finalize the proposed Option and Ground Lease, and to present negotiated agreements to your Board, Facilities Services recommends an amendment to the SANA to extend its term to January 31, 2015.

ENVIRONMENTAL CLEARANCE: The action to approve the SANA is Categorical Exempt from California Environmental Quality Act (CEQA) pursuant to Section 15306 - Information Collection which exempts basic data collection, research, and resource evaluation activities leading to an action which a public agency has not yet approved. The proposed Costco Project will undergo an independent environmental review pursuant to CEQA and CDRA's processes.

FISCAL IMPACT: There is no fiscal impact associated with your Board's action to approve the First Amendment of the SANA.

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD'S OFFICE:
SITE ACCESS AND NEGOTIATING AGREEMENT, CONTRACT NUMBER 028204, AND PROPOSED FIRST AMENDMENT

CC: COUNTY EXECUTIVE OFFICE
COUNTY COUNSEL

MD/MR/LM/EF

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