

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

To: **BOARD OF SUPERVISORS**

Date: **MARCH 24, 2009**

From: **JD JAMES DURFEE / ALBERT RICHIE**

Subject: **LEASE AMENDMENT NO. 1 – 1130 CONROY LANE SUITES 501 502, 503,
601 HEALTH AND HUMAN SERVICES DEPARTMENT**

ACTION REQUESTED / RECOMMENDATION: Adopt a Resolution delegating authority to the Director of Facility Services to complete negotiations to amend Lease Agreement No. 11267 between the County of Placer and Steven C. Kyle and Margaret H. Kyle, Co-trustees of the Kyle Family Trust dated June 19, 1978, and Patricia Sheehan Peterson Co-owner (hereinafter "Landlord"), for 1130 Conroy Lane, 501, 502, 503, and 601 located in Roseville, CA; and authorize the Director of Facility Services, or his designee, to execute the resultant Lease Amendment in the amount of \$7,830 monthly, on behalf of your Board contingent upon approval by Risk Management and County Counsel.

BACKGROUND: Since 1993, the Health and Human Services Department (HHS) has provided Children's System of Care services in approximately 5,400 square feet of space at this location. The current Lease Agreement commenced on April 1, 2001, and provided for an initial term of five years, with one three-year option and one five-year option to extend the term. In early 2006, the County exercised its three-year option that will now expire on March 31, 2009. Although HHS recently identified the need to continue this occupancy, they determined that a commitment shorter than the remaining five-year option is desirable. Through discussions with County Counsel, staff determined that amendment of the existing Lease Agreement is the most efficient means to accomplish this modification.

Property Management subsequently initiated negotiations with the Landlord and secured HHS' desired two-year lease extension, with three one-year options that are exercisable at the County's discretion. As consideration for modifying the option term, the Landlord requested a modest \$0.05 per square foot increase to the base rent (\$3,240 annually). This increase, coupled with an estimated 2009 CPI adjustment, results in a new monthly rental rate of \$1.45 per square foot (\$7,830 monthly). In order for HHS to continue their occupancy at this site, it is recommended your Board adopt a Resolution authorizing the Director of Facility Services to complete negotiations and execute the Lease Amendment on your behalf.

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

FISCAL IMPACT: The new monthly rent shall commence at \$7,830, which compared to the current monthly rent of \$7,360, represents an annual increase of \$5,640. Funding for this lease cost is available in the Health and Human Services Department's 2008/2009 Budget.

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD'S OFFICE: LEASE AGREEMENT 11267

ATTACHMENT: RESOLUTION
JD:AR:MR:MM:DB

CC: COUNTY EXECUTIVE OFFICE
HEALTH HUMAN SERVICES

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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 TO TAKE VARIOUS ACTIONS
ASSOCIATED WITH AMENDING A LEASE
AGREEMENT BETWEEN THE COUNTY OF PLACER AND
STEVEN C. KYLE AND MARGARET H. KYLE, OF THE KYLE
FAMILY TRUST DATED JUNE 19, 1978, AND PATRICIA
SHEEHAN PETERSON CO-OWNER.

Resol. No: _____
Ord No: _____
First Reading: _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2009 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 1993, Health and Human Services Department (HHS) has occupied approximately 5,400 square feet at 1130 Conroy Lane, Suites 501, 502, 503, 601 in Roseville CA; and

WHEREAS, this property is owned by Steven C. Kyle and Margaret H. Kyle of The Kyle Family Trust Dated June 19, 1978, and Patricia Sheehan Peterson Co-Owner; and

WHEREAS, the current three-year option term will expire on March 31, 2009, and one five-year option term remains available through the Lease Agreement; and

WHEREAS, Property Management has successfully negotiated an Amendment to the Lease Agreement that extends the term for two-years, and provides three one-year options that are exercisable at the County's discretion; and

WHEREAS, in consideration of the Landlord's modification to the option provisions, the monthly rental rate shall commence on April 1, 2009, at \$7,830 per month; and

WHEREAS, in order to continue HHS functions at this facility, your Board must adopt a Resolution authorizing the Director of Facility Services to complete negotiations and execute this Lease Amendment on your behalf.

NOW, THEREFORE, BE IT RESOLVED that the County of Placer Board of Supervisors does hereby delegate authority to the Director of Facility Services to complete negotiations for a lease amendment and contingent upon approval by Risk Management and County Counsel, authorize the Director of Facility Services, or his designee, to execute the Lease Amendment between the County of Placer and Steven C. Kyle and Margaret H. Kyle, of the Kyle Family Trust dated June 19, 1978, and Patricia Sheehan Peterson Co-owner for the continued HHS occupancy at 1130 Conroy Lane, Suites 501, 502, 503, and 601, in Roseville, CA.