

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

To: **BOARD OF SUPERVISORS**

Date: **FEBRUARY 26, 2013**

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

Subject: **HHS LEASE AGREEMENT AND AMENDMENTS - 1000 SUNSET ROCKLIN, CA**

ACTION REQUESTED / RECOMMENDATION:

1. Approve the relocation of Health and Human Services', Children's System of Care, Women Infants and Children, and Public Health Nursing programs to 1000 Sunset Boulevard, in Rocklin, CA, pursuant to a new lease, and the amendment to four (4) existing Lease Agreements between the County of Placer and Sunset Commercial Center, LLC for various programs currently located at 1000 Sunset resulting in rent savings over the next fifteen years.
 - a. Authorize the Director of Facility Services to complete negotiations for a new Lease Agreement and Lease Amendments between the County and Sunset Commercial Center, LLC based on the Material Terms (Exhibits A and B); and,
 - b. Adopt a Resolution authorizing the Director of Facility Services to execute the new Lease Agreement and Lease Amendments, following approval by County Counsel and Risk Management; and, to carry out the provisions and responsibilities of these Agreements and Amendments, including but not limited to initial tenant improvements totaling approximately \$845,000 and the Future Tenant Improvements provision as summarized in the Material Terms; and,
 - c. Approve two Budget Revisions, one creating a new Capital Project for the HHS Employment Services Expansion Project No. 4906 in the amount of \$550,000 of HHS budgeted net county cost, and the second to re-appropriate \$1,200,000 from the Miscellaneous Projects Fund (\$400,000) and HHS budgeted net county cost (\$800,000) to Building Fund 4887.

BACKGROUND / DISCUSSION: The project under consideration would bring compatible Health and Human Service (HHS) divisions and programs together into 1000 Sunset Boulevard, Rocklin, CA where HHS Human Services (HS), HS Work Experience Production Center (WEX), Veterans Services Office (VSO) and the Child Support Services Department (CSS) currently occupy approximately 60,000 sf under four separate leases. The relocated HHS divisions would include Children Systems of Care (CSOC), Women, Infants, and Children (WIC), and Public Health Nursing (PHN). With this relocation, approximately 88,500 of the 97,000 square foot building would be occupied by County programs.

Since 1993, HHS has leased approximately 11,900 sf at 1130 Conroy Lane in Roseville for programs including the CSOC, WIC, and PHN. The leases for these occupancies expire on March 31, 2013. Since April 2001, CSOC has also occupied 9,000 sf among the HHS Adult System of Care program at 101 Cirby Hills Drive in Roseville. As HHS has long desired to consolidate the CSOC, WIC and PHN programs, HHS requested that the Facility Services Property Management Division pursue opportunities to consolidate leases, realize cost savings, and improve service delivery.

Following Property Management's assessment of market rents in the Roseville and Rocklin area, staff negotiated very advantageous terms with Sunset Commercial Center, LLC for relocation of these HHS occupancies as well as for the County's existing 1000 Sunset occupants. On December 11, 2012, your Board authorized Facility Services to engage Sunset Commercial Center, LLC's architect to determine the programmatic and space needs associated with the consolidation of CSOC, WIC and PHN. As a result of this programming effort, it has been determined that these HHS programs require 24,485 sf of new rentable space.

Another component of this project includes moving WEX's premises to a new suite in the building, thus creating three contiguous suites for CSOC's occupancy. This move is beneficial to HS since the new WEX suite can be expanded to accommodate HS' need for additional program space in response to recent growth in its State funded Employment Services Program (ESP). Based on staffing and program needs, staff has estimated that an additional 5,000 sf is needed. This space would be located immediately adjacent to the new WEX premises. Property Management has negotiated terms for an amendment to the WEX Lease that addresses the proposed move and 5,000 sf expansion (see Exhibit B - Material Terms). This Lease Amendment will authorize Sunset Commercial Center, LLC to proceed with approximately \$195,000 in initial tenant improvements to facilitate the WEX occupancy.

The following provides a comparison between the current versus proposed square footage associated with the above described relocations and expansions:

Occupant	Location	Current sf	Proposed sf
HHS Human Services	Sunset	33,576	33,576
HHS Human Services WEX	Sunset	1,949	6,949
Child Support Services	Sunset	21,642	21,642
Veterans Services Office	Sunset	1,860	1,860
CSOC/WIC/PHN	Conroy/Cirby Hills	20,900	24,485
Total		79,927	88,512

To proceed with HHS' CSOC, WIC and PHN relocations to 1000 Sunset, your Board's authorization is necessary to enter into a new Lease Agreement for the required space, subject to the Material Terms (Exhibit A). The Lease Agreement will authorize Sunset Commercial Center, LLC to proceed with approximately \$650,000 of initial tenant improvements which the County will reimburse using previously budgeted funds. Per the proposed Material Terms, the Lease Agreement will be a 15-year full-service lease (Sunset Commercial Center, LLC is responsible for all maintenance, custodial and utilities) for \$38,441 per month, subject to a 2% annual adjustment. The recommended Lease Agreement will secure HHS' long-term occupancy at a favorable rental rate while providing the facility that HHS has long sought to consolidate its programs and improve service delivery.

As compared to HHS' CSOC, WIC and PHN current occupancies at Conroy and Cirby Hills, the relocation provides 3,585 sf of additional space that will result in significant operational and programmatic benefits to these programs. By entering into the new Lease Agreement, HHS will realize \$52,309 in annual rent savings due to the favorable rental rates Property Management has successfully negotiated. In addition to these savings, Sunset Commercial Center, LLC will provide four (4) months of rent abatement for an additional savings of \$155,736. Other advantageous terms are the County's right to an additional 5-year option to extend the term, and rights of first refusal to purchase or lease additional space in the building.

In consideration of the County's interest to occupy the majority of the 1000 Sunset building, Sunset Commercial Center, LLC is willing to make changes to the existing leases that benefit CSS, HS, WEX and VSO. These concessions include reducing existing base rents, lowering annual rent adjustments from 2.5% to 2%, reducing rents upon full-amortization of tenant improvements, and increasing lease terms to total 15-years with a five-year extension option. Notwithstanding the increase in WEX's premises due to the ESP expansion, these concessions would result in a cumulative savings to CSS, HS, WEX and VSO of approximately \$3,120,000 over their lease terms. To memorialize these modified terms, and the ESP expansion, your Board's authorization is required to enter into four separate Lease Amendments associated with CSS, HS, VSO and WEX pursuant to the proposed Material Terms (see Exhibit B).

ENVIRONMENTAL CLEARANCE: This action is Categorically Exempt from review pursuant to CEQA Guidelines Section 15301 of the California Environmental Quality Act as a lease and minor alteration of an existing structure.

FISCAL IMPACT: Rent associated with new HHS' occupancy in 1000 Sunset (HHS CSOC, WIC and PHN) will commence at \$38,441 per month (\$461,292 annually) and is included in the HHS Department's FY2013/14 Requested Budget. The total cost to relocate the CSOC, PHN, and WIC programs is estimated at \$1,200,000 which includes landlord constructed tenant improvements (\$650,000), and County installation of data/cabling and systems furnishings (\$550,000). Funding for these expenses will come from previously budgeted HHS funds and the Miscellaneous Projects Fund. The rent cost for the increased WEX premises, to accommodate the expanded ESP, is included in HHS' FY 2013/14 Requested Budget. Funding associated with tenant improvements (\$195,000), data/cabling, systems furnishings, and office equipment (\$355,000) for the expanded WEX leasehold estimated at \$550,000 is available in HHS' FY2012/13 Final Budget.

Two separate Budget Revisions are needed to transfer \$1,200,000 to Building Fund 4887 (\$400,000 from Miscellaneous Projects Fund and \$800,000 from HHS budgeted net county cost), and \$550,000 from HHS budgeted net county cost into the new HHS Employment Services Expansion Project No. 4906.

ATTACHMENTS: EXHIBIT A – MATERIAL TERMS / LEASE AGREEMENT
 EXHIBIT B – MATERIAL TERMS / LEASE AMENDMENTS
 BUDGET REVISION
 RESOLUTION

JD:MR:LM: MM

CC: COUNTY EXECUTIVE OFFICE
 HEALTH AND HUMAN SERVICES DEPARTMENT

EXHIBIT A – MATERIAL TERMS / LEASE AGREEMENT

MATERIAL TERMS – LEASE AGREEMENT

The following summarizes the Key Terms and Conditions which the Parties agree will be incorporated as the Material Terms of a Proposed Lease Agreement between the County of Placer and Sunset Commercial Center, LLC.

1. **Parties:** The Lease Agreement (Agreement) shall be between the County of Placer, a political subdivision of the State of California (County) and Sunset Commercial Center, LLC (SCC); referred collectively as (Parties).
2. **Building Location:** 1000 Sunset Blvd, Rocklin CA 95765 (Property).
3. **Leased Premises:** The Leased Premises (Premises) comprises approximately 24,485 Rentable Square Feet (RSF) that includes a 12.5 percent building load factor.
4. **Term:** Fifteen years (180 months).
5. **Base Rental Rates:** Rental Rates shall be as follows:
 - a. Base Rate shall be one dollar and twenty-five cents (\$1.25) per RSF for 2,100 RSF of existing unimproved warm space.
 - b. Base Rate shall be one dollar and sixty cents (\$1.60) per RSF for 22,385 RSF of existing improved spec space.
6. **Rent Abatement:** SCC to provide four (4) months of free rent. At the County's discretion, rent abatements may be applied towards future rent payments, and/or tenant improvements (TI). Schedule and purpose of rent abatements shall be determined by the County. County shall not apply rent abatements to reduce the Base Rental Rate. Such decision shall be made prior to issuance of the Temporary Certificate of Occupancy.
7. **Rent Escalation:** Rental Rates for the 24,485 RSF space shall be subject to fixed annual 2% increases. The 2% increase shall be applied to the Base Rent only.
8. **Tenant Improvements SCC:** SCC has agreed to manage and construct Tenant Improvements on behalf of the County for its occupancy. SCC to provide Architectural Services for Space Planning, Engineering, Construction Documents, Building Permits and Permit Costs, Contractor and Sub-Contractors Labor Costs, and Construction Management. SCC to provide all related pathway and cabling infrastructure to accommodate data/telecom services per the County's Standard for Structured Cabling. Prevailing wage is applicable to this project pursuant to CA Department of Industrial Relations (DLSE - CMU) AB 436.
9. **Tenant Improvements County:** County, at its sole cost, shall install and manage all related support equipment for telecom and data services. An example of County provided support equipment would include items such as phones, patch cords, switches gears, racks, PBX, UPS, HP Servers, etc. And, at its sole cost, shall provide and manage the systems furniture installation. SCC shall allow two (2) weeks for systems furniture installation prior to County's early occupancy, (see Section 10 below).
10. **Tenant Improvement Pay-Off:** Within 30 days of issuance of Certificate of Occupancy by the City of Rocklin and acceptance of the Premises by the County, County shall reimburse SCC for all direct costs incurred by the SCC for the construction and management of the Tenant Improvements.
11. **Rent Commencement:** Rent commencement date shall begin fifteen working days (15) after issuance of Temporary Certificate of Occupancy (TCO) by the City of Rocklin (Early Occupancy Period).
12. **Early Occupancy:** County shall be granted early occupancy after substantial completion and TCO is issued for the purpose of installing trade fixtures and support equipment. Such early occupancy shall be for fifteen working days (15) and at no rent cost to the County.
13. **Lease Type:** Full Service Gross Lease. SCC shall be responsible for base year operating expenses including property taxes, property insurance, maintenance, custodial and utilities (excluding hours outside of County's normal hours of operation).

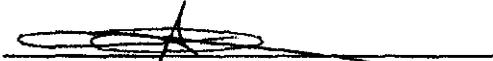
EXHIBIT A – MATERIAL TERMS / LEASE AGREEMENT

14. **Lease Agreement:** Parties shall utilize the County's modified standard Lease Agreement as modified to reflect the terms herein.
15. **Use:** The Premises shall be used for office space to house various divisions of the County's Health and Human Services, and/or any other County agency that the Premises can lawfully accommodate per California Building Code, Title 24, including any local agency permitted uses required for the County's occupancy.
16. **Operating Expenses:** Base Rent for this full service Agreement shall include all operating expenses. Base year operating expenses shall be established as the total expenses incurred in calendar year 2014. County shall pay its proportionate share of increases. Costs incurred in the management, operation and maintenance of the common area and the Property and Premises shall be competitive and customary with buildings and projects in the same or similar geographical location.
17. **Option to Extend Term:** Provided County is not in default of the then current lease term, SCC shall grant an option to renew the Agreement for (1) five-years. The Base Rental Rate shall be determined at Fair Market Rate. The Fair Market Rate analysis shall exclude any TIs that the County has paid-off.
18. **Future Tenant Improvements:** Upon mutual agreement by the Parties, SCC shall construct desired tenant improvements on behalf of the County at County's expense. Prior to commencement of any construction, County and SCC shall execute an Amendment to the Agreement setting forth the terms and conditions payment terms and/or any additional base rent pertaining to the construction of such tenant improvements. The total expenditure for tenant improvements over the term of the Agreement shall not exceed five-hundred thousand dollars (\$500,000) and is exclusive of the amount for minor alterations (see Section 19). Prevailing wage is applicable to Future Tenant Improvements.
19. **Minor Alterations:** SCC may perform minor alterations to the Premises on County's behalf if the alterations are considered the County's responsibility, alterations are of a minor nature and scope where such alterations would not be construed as tenant improvements. Scope of work for any single minor alteration shall not exceed nine thousand five hundred dollars (\$9,500) and shall be paid as additional rent upon completion. Prevailing wage is applicable to Minor Alterations.
20. **Real Property / Personal Property:** Upon conclusion of the Term or termination of the Agreement, tenant improvements and minor alterations shall be considered "Real Property" and become property of SCC, and County shall have no obligation to remove the Real Property. Personal Property such as movable furniture, systems furniture, and telecom/data equipment shall be considered trade fixtures and may be removed by County so long as any damage to the Premises caused by the removal is repaired.
21. **Right of First Refusal:** If the SCC decides to sell or lease the Property or if SCC receives an unsolicited offer at any time during the Term and or any Option year, the SCC shall grant the County first right of refusal to purchase the Property or lease any vacant portion of the Property. SCC shall provide the County a copy of all legitimate offer(s) which the County can match or refuse. County shall notify the SCC in writing of its notice of intent within thirty (30) calendar days from first receipt of written notice of intent from SCC.
22. **Availability of Funds:** County's ability to continue to administer programs at the Premises is subject to the continued appropriation of State and Federal funding. County reserves the right to terminate the Agreement upon one hundred and eighty (180) days' written notice. If the Availability of Funds provision is exercised, the County must pay SCC any unamortized costs paid by SCC in connection with the Agreement per paragraph 8 herein. SCC shall provide the County an amortization table as an exhibit to the Agreement that breaks down the TI amortization schedule by months over the term of the Agreement.
23. **Authority of the Director:** The Director of the Department of Facility Services, or their designee, shall administer the Agreement on behalf of the County. Unless otherwise provided herein or required by applicable law, the Director shall be vested with all rights, powers, and duties of the County.

EXHIBIT A – MATERIAL TERMS / LEASE AGREEMENT

SCC accepts and agrees to the incorporation of the Material Terms (Exhibit A) into the preparation of a Lease Agreement between the County and SCC. The County and SCC recognize and agree that the enforceability of the terms of any future resulting Agreement(s) shall be subject to prior approval by the Placer County Board of Supervisors or its designee; and SCC and the County's execution of Lease Agreements and Lease Amendments.

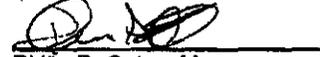
LANDLORD: Sunset Commercial Center, LLC

By: 
Andrew Kilpatrick, Manager

Date: 2/8/13

By: Buzz Oates LLC,
a California limited liability company, Manager

By: Oates Advisors LLC,
a California limited liability company, Manager

By: 
Philip D. Oates, Manager

Date: 2/8/13

By: 
Varry E. Allbaugh, Manager

Date: 2/8/13

EXHIBIT B – MATERIAL TERMS / LEASE AMENDMENTS

EXHIBIT B – MATERIAL TERMS / LEASE AMENDMENTS

The following summarizes the Key Terms and Conditions of proposed Lease Amendments to four (4) existing Lease Agreements that exist between the County of Placer and Sunset Commercial Center, LLC. The Parties agree that the following four Lease Agreements will be amended to incorporate the following terms and conditions contingent upon the County leasing an additional 25,000 ± RSF at 1000 Sunset Blvd.

1. **Parties:** The Lease Amendments (Amendments) are between the County of Placer, a political subdivision of the State of California (County) and Sunset Commercial Center, LLC (SCC); referred collectively as (Parties).
2. **Building Location:** 1000 Sunset Blvd, Rocklin CA 95765 (Property).
3. **Leases and Premises:**
 - i. Lease Agreement # CN028093 - Child Support Services (CSS) Suite 200
 - ii. Lease Agreement # CN028106 - Human Services (HS) Suite 220
 - iii. Lease Agreement # CN028115 - Veteran Services Office (VSO) Suite 115
 - iv. Lease Agreement # CN028129 - Human Services WEX (HS-WEX) Suite 100
4. **Term:** New Fifteen Year Term (180 months) effective upon full execution of amendments. The new Lease Agreement and Lease Amendments shall be co-terminus.
5. **Rental Rates:** Rental Rates are calculated on a Fully Serviced Basis and will become effective upon Lease Amendment and Option execution. New Monthly Rates shall be as follows:

i. CSS	21,642 RSF	\$2.00 per RSF	\$43,284.00
ii. HS	33,576 RSF	\$2.00 per RSF	\$67,152.00
iii. VSO	1,860 RSF	\$2.00 per RSF	\$ 3,720.00
iv. HS-WEX	1,949 RSF	\$1.73 per RSF	\$ 3,371.77
v. HS-WEX/ESP	4,000 RSF	\$1.25 per RSF	\$ 5,000.00
6. **Rent Escalation:** Rental Rates shall be subject to fixed annual 2% increases. Rent escalation shall begin one (1) year after Amendment execution.
7. **HS-WEX / ESP Expansion and Relocation:** SCC has agreed to allow the HS-WEX program to relocate to the lobby side of Suite 100 at the same RSF as defined in 5.iv of this exhibit, and to expand the HS-WEX Premises by an additional 4,000 ± RSF for the expanded Human Services Employment Services program. Subject to a subsequent Lease Amendment to the HS-WEX Lease, subject to funding being secured and approval of the amendment by HHS, Risk Management, County Counsel and the County Executive's Office, SCC agrees to lease this additional unimproved shell space for \$1.25 per RSF and to allow the County to either pay-off the necessary tenant improvements for this occupancy upon completion and/or to amortize the improvements over the term upon a mutual agreement of the terms and conditions between the County and SCC.
8. **Tenant Improvement Amortization Drop-Off:** Beginning January 1, 2026 amortized tenant improvement costs, amortized at 8% interest, that are built into the rent for HS, and VSO shall drop-off, and beginning July 1, 2025 amortized tenant improvements costs for CSS shall drop-off. SCC shall provide the County an amortization table as an exhibit to the Amendment(s) that breaks down the rent and TI costs for CSS, HS, and VSO Lease Agreements. Subsequently, Base Rents shall be adjusted down to reflect full payment of tenant improvements.
9. **Rent Abatements:** Rent abatements for HS shall remain as agreed upon in Lease Amendment #1 dated 6/8/10.
10. **Tenant Improvement Pay-off:** The County shall have the right to negotiate pay-off or pay-down of the SCC's previously provided Tenant Improvements at any time during the term. SCC shall not be under any obligation to agree to such a pay-off or pay-down; however, SCC agrees to work in good faith to come up with an equitable pay-off formula in the event the County desires to buy down their lease payments.

EXHIBIT B – MATERIAL TERMS / LEASE AMENDMENTS

11. **Option to Extend Term:** Provided County is not in default of the then current lease term, SCC shall grant an option to renew the existing lease for (1) five-year option. The Base Rental Rate shall be determined at Fair Market Rate. The Fair Market Rate determination shall exclude any Tenant Improvements that the County has paid-off and/or that have been fully amortized.
12. **Right of First Refusal:** If SCC decides to sell or lease the Property or if SCC receives an unsolicited offer at any time during the Term and or any Option year, SCC shall grant the County first right of refusal to purchase the Property or lease any vacant portion of the Property. SCC shall provide the County a copy of all legitimate offer(s) which the County can match or refuse. County shall notify SCC in writing of its notice of intent within thirty-eight (38) calendar days from first receipt of notice from SCC.
13. **Future Tenant Improvements:** The following will be added to the HS-WEX Lease: "Upon mutual agreement by the Parties, SCC shall construct desired tenant improvements on behalf of the County at County's expense. Prior to commencement of any construction, County and SCC shall execute an Amendment to the Agreement setting forth the terms and conditions payment terms and/or any additional base rent pertaining to the construction of such tenant improvements. The total expenditure for tenant improvements over the term of the Agreement shall not exceed five-hundred thousand dollars (\$500,000) and is exclusive of the amount for minor alterations (see Section 19). Prevailing wage is applicable to Future Tenant Improvements."
14. **Minor Alterations:** The following will be added to the CSS, and HHS-WEX, Leases: "SCC may perform minor alterations to the Premises on COUNTY's behalf if the alterations are: 1) considered COUNTY's responsibility pursuant to this Section; 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). In no event shall the services for any single minor alteration project to be performed by the SCC be artificially divided so as to cost less than nine thousand five hundred dollars (\$9,500). Prevailing wage is applicable to Future Tenant Improvements."
15. **Authority of the Director:** The Director of the Department of Facility Services, or their designee, shall administer the Agreement on behalf of the County. Unless otherwise provided herein or required by applicable law, the Director shall be vested with all rights, powers, and duties of the County.

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EXHIBIT B – MATERIAL TERMS / LEASE AMENDMENTS

SCC accepts and agrees to the incorporation of the Material Terms (Exhibit B) into the preparation of Lease Amendments between the County and SCC. The County and SCC recognize and agree that the enforceability of the terms of any future resulting Agreement(s) shall be subject to prior approval by the Placer County Board of Supervisors or its designee; and SCC and the County's execution of Lease Agreements and Lease Amendments.

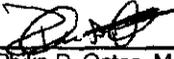
LANDLORD: Sunset Commercial Center, LLC

By: 
Andrew Kilpatrick, Manager

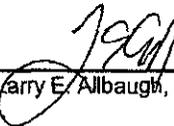
Date: 2/8/13

By: Buzz Oates LLC,
a California limited liability company, Manager

By: Oates Advisors LLC,
a California limited liability company, Manager

By: 
Philip D. Oates, Manager

Date: 2/8/13

By: 
Larry E. Allbaugh, Manager

Date: 2/8/13

PAS DOCUMENT NO.

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	4,000,000.00	9

Cash Transfer Required

Reserve Cancellation Required

Establish Reserve Required

No Auditor-Controller *2/26/13*

County Executive

Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
12	006		140		991078	04887	8990	704887	010000	800,000.00
TOTAL										800,000.00

APPROPRIATION ADJUSTMENT

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
14	015		100		994300	94300	2840			250,000.00
14	014		100		994300	94300	3778			250,000.00
14	015		100		994276	94276	1002			200,000.00
14	015		100		994276	94276	1310			100,000.00
14	015		100		994276	94276	2422			250,000.00
14	014		100		994276	94276	3778			550,000.00
12	014		140		991078	04887	4151			800,000.00
12	034		140		991078	04887	4151	704887	010000	800,000.00
TOTAL										3,200,000.00

REASON FOR REVISION: TO MOVE APPROPRIATIONS WITHIN THE COMMUNITY HEALTH BUDGET AND INCREASE THE CAPITAL PROJECT 704887-CSOC RELOCATION
IN THE AMOUNT OF \$800,000.

Prepared by Valerie Bayne Ext 6803
Department Head Valerie Bayne
Board of Supervisors _____

Date: 2/26/13
Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

PAS DOCUMENT NO.

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	2,750,000.00	6

Cash Transfer Required

Reserve Cancellation Required

Establish Reserve Required

4/26 Auditor-Controller

County Executive

Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT										APPROPRIATION ADJUSTMENT																													
DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT																		
12	006		140		991078	04906	8990	704906	010000	550,000.00	14	015		100		995307	95307	1002			350,000.00																		
											14	015		100		995307	95307	2555			200,000.00																		
											14	014		100		995307	95307	3778			550,000.00																		
											12	014		140		991078	04906	4151			550,000.00																		
											12	034		140		991078	04906	4151	704906	010000	550,000.00																		
TOTAL										TOTAL																													
										550,000.00																				2,200,000.00									

REASON FOR REVISION: TO MOVE APPROPRIATIONS WITHIN THE HUMAN SERVICES BUDGET AND CREATE A NEW CAPITAL PROJECT 704906-HHS EMPLOYMENT SERVICES EXPANSION IN THE AMOUNT OF \$550,000.

Prepared by Valerie Bayne Ext 6803
 Department Head Valerie Bayne
 Board of Supervisors _____

Date: 2/26/13
 Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

**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 A NEW
LEASE AGREEMENT AND FOUR LEASE AMENDMENTS
ASSOCIATED WITH COUNTY PROGRAMS AT 1000 SUNSET
BOULEVARD IN ROCKLIN, 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 1993 the Health and Human Services programs for the Children System of Care (CSOC), Women Infant and Children (WIC), and Public Health Nursing (PHN), have occupied office space at Conroy and Cirby Hills in Roseville; and

WHEREAS, HHS desires to consolidate the abovementioned programs to 1000 Sunset in Rocklin, CA to be in close proximity with other County programs currently located at 1000 Sunset, Rocklin, thereby providing better public service in one central location; and

WHEREAS, Property Management negotiated favorable lease terms and conditions with the Landlord that result in annual savings for these programs in excess of \$52,000 per year while also gaining an additional 3,585 sf of space when compared to current sf occupied at Conroy and Cirby Hills, and four (4) months of rent abatement for an additional savings of \$155,736; and

WHEREAS, HHS Human Services needs to expand its Work Experience Production center (WEX) premises by 5,000± sf to accommodate an expansion of the State funded Employment Services Program and Sunset Commercial Center, LLC (SCC) is willing to lease such additional space; and

WHEREAS, in consideration of the County's desire to occupy the majority of 1000 Sunset, the landlord, SCC has agreed to amend leases to reduce rents for Child Support Services, Veterans Service Office, Human Services, and Human Services-WEX resulting in rent savings over the lease term; and

NOW THEREFORE, BE IT RESOLVED, that the Placer County Board of Supervisors does hereby authorize the Director of Facility Services (DFS), or its designee, to: execute a new Lease Agreement for HHS CSOC, PHN and WIC and four (4) Amendments to existing Lease Agreements for the abovementioned County programs currently located at 1000 Sunset based on the negotiated Material Terms, following approval by County Counsel and Risk Management; and, delegate authority to the DFS to execute and carry out those provisions and responsibilities as specified in these Agreements and Amendments including but not limited to the Future Tenant Improvements provision.