



Legislation Text

File #: 17-0489, **Version:** 4

Chief Administrative Office, Facilities Division, recommending the Board conduct a public hearing to:

- 1) Introduce and adopt (uncodified) Ordinance **5074** authorizing a lease agreement for the county-owned building located at 542 Main Street Placerville; and
- 2) Approve and authorize the Purchasing Agent to sign the attached lease with the El Dorado County Chamber of Commerce for the leasing of the property located at 542 Main Street, Placerville for a term of five years in the sum of One Dollar (\$1) per year. (4/5 vote required) (Est. Time: 10 Min.)

DEPARTMENT RECOMMENDATION

Chief Administrative Office, Facilities Division, recommending the Board:

- 1) Approve and authorize the Chair to sign the attached Ordinance authorizing an agreement for leasing the county-owned building located at 542 Main Street, Placerville; and
- 2) Approve and authorize the Purchasing Agent to sign the attached lease with the El Dorado County Chamber of Commerce for the leasing of the property located at 542 Main Street, Placerville for a term of five years in the sum of One Dollar (\$1.00) per year.

DISCUSSION / BACKGROUND

The County owns the building located at 542 Main Street in Placerville, California. Based on current Assessor's records, this building was built in 1923 and was originally the County Veteran's Hall. The building is near end of life, is not ADA compliant, does not meet current seismic codes, electrical codes or fire codes, has existing structural and dry rot issues, and a history of plumbing and sewer issues. A large portion of the building is still "knob and tube" wiring that was common from about 1880 to the 1930s. In addition, there is no parking available for the building. The only parking available is common parking on the street. While a detailed assessment and cost estimate related to these issues has not been done, the lack of parking, small size of the building, and non-ADA compliance prohibit the use of this building for County operations. Annually the County spends approximately \$10,000 on minor maintenance and repair issues for the Building. In FY 2014-15 the roof was replaced at a cost of approximately \$20,000.

Currently the El Dorado County Chamber of Commerce is leasing the building for one dollar (\$1) per year with the lease expiring on August 22, 2017. The Chamber has been leasing the building since 1972. State law and El Dorado County Ordinance Code make it clear that in order to be exempt from the competitive bidding procedure, such leases are not renewable. El Dorado County Ordinance Code Section 3.08.021 (A) states that "Any property or lease interest therein owned by the County, together with any or all improvements thereon, may be leased by the County without compliance with the formal bidding procedures required by Government Code §§ 25526 through 25535; provided that such leases shall not be for a period exceeding five years in duration and shall not exceed an estimated \$1,000 monthly rental value. If a lease is entered into by the County pursuant to the authority granted in this section, the actual monthly rental in the executed lease shall not exceed \$1,000 per month, the term of the executed lease shall not exceed a period of five years' duration, and the lease shall not be renewable."

On May 9, 2017, the Board directed the Chief Administrative Office, Facilities Division to pursue

leasing the building to a prospective tenant that qualifies for tax-exempt status pursuant to IRS Code Section 501(c) (public agency or non-profit organization); and adopted Resolution 081-2017 declaring the Board's intent to lease the County owned building located at 542 Main Street, Placerville (APN #003-141-07).

A request for proposal was issued with bids due no later than 10:00 on Tuesday, July 18, 2017. One proposal was received from the El Dorado County Chamber of Commerce (Chamber). On August 15, 2017, a proposed lease agreement was presented to the Board and a motion was made by Supervisor Veerkamp, seconded by Supervisor Novasel to direct staff to: 1) Negotiate with the El Dorado County Chamber of Commerce a lease agreement or if a lease agreement cannot be agreed upon look into the sale of the building; and 2) Include language in the lease agreement that no political activities should take place on the premises.

The County has completed negotiations with the Chamber and successfully included terms that match the initial request for proposal issued in July. Some of these key terms include:

- 1) Capital Expenses: Lessee is solely responsible for all capital repairs and improvements.
- 2) Repairs and Maintenance : Lessee is solely responsible for all repairs and maintenance.
- 3) Prohibited Use : Lessee shall not use or permit another to use the Property in support of any political activity.

Staff is recommending that the Board approve the lease agreement. Under this agreement, the Lessee will be responsible for all costs associated with capital improvements and maintenance of the building. The County will no longer provide any funding for maintenance of the building.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION

It is recommended that the Board approve this item.

FINANCIAL IMPACT

The County will receive \$1 per year for the next five years for a total increase in revenue of \$5 to the General Fund.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None

STRATEGIC PLAN COMPONENT

Infrastructure

CONTACT

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