

Memo

Carmichael



RECREATION AND
PARK DISTRICT

To: Advisory Board of Directors

From: Mike Blondino, District Administrator
Ingrid Penney, Administrative Services Manager

Subject: Request for Approval of a new Lease with the Department of Regional Parks – County Therapeutic Recreation Services

Date: May 18, 2023

Introduction/Background:

Since April 1, 2013, Regional Parks - Therapeutic Recreation Services (TRS) has leased office and storage space from Carmichael Recreation and Park District (CRPD) at the La Sierra Community Center. TRS provides recreation opportunities for community members with disabilities residing in Sacramento County.

CRPD has had a long term commitment to TRS. Even prior to their move to the La Sierra Community Center, TRS hosted numerous recreational programs that included monthly dances, cooking classes, basketball leagues, soccer, and broomball tournaments and more. These programs continue today.

In addition to sports and leisure classes, TRS fosters friendships, independence, and valuable lifelong skills such as communication, decision making, community awareness, social skills, and money management; skills that will benefit participants in their everyday lives.

TRS leases approximately 1539.42 sq ft. at LSCC, with a lease rate is \$0.42 per sq ft based on the Lease Agreement executed in 2018. The total monthly lease is \$646.56, for annual lease payments in excess of \$7.7k.

Since August 2020, they have been using Room 800 temporarily, due to a CRPD property loss claim (extensive water damage) affecting the leased premises. Fortunately, the restoration work has been completed which will allow them to move back in to 805 (storage) , 810B (office) and 825B (storage) soon. (LSCC map attached)

Discussion:

The current tenant lease agreement ended March 31, 2023. They are in holdover status under the same terms and conditions.

CRPD and TRS Staff have been meeting to review and negotiate terms and conditions of a new Lease Agreement.

The cost of utilities and services was built into the rate. Using the FY2021-22 Utilities and Services Rate of \$0.63, the \$0.42 amount no longer covers the pro-rated cost of utilities and services. Because the lease rate is not sufficient to cover the pro-rated utilities and service costs, Staff has negotiated a new lease amount with TRS, proposing to charge only the Utilities and Services Rate of \$0.63 per sq ft. This rate would be reviewed annually with potential increases each January.

The new lease rate would increase to \$0.63 per sq ft, monthly lease amount of \$969.83, annual payments in excess of \$11,638.

New Lease Summary:

By mutual consent, both parties have agreed to the terms and conditions outlined in the new Lease Agreement. County Counsel and County Risk Management have reviewed and approved, finding the new Lease Agreement legally sufficient.

Total square footage:	Approximately 1,539.42 square feet
Price per square foot:	Utilities and services only, \$0.63; with annual review and potential increase in January
Monthly lease:	\$969.83 (annual payments in excess of \$11,638)
Term:	Five (5) year lease; April 1, 2023 to March 31, 2028

California Civil Code §1938: Through the recent restoration project, the leased premises have undergone an inspection by a Certified Access Specialist (CASp). It was determined that the Premises met all applicable construction-related accessibility standards and disability access inspection certificate has been issued pursuant to California Civil Code §55.51 et seq.

Recommendation:

Staff recommends that the Advisory Board of Directors of the Carmichael Recreation and Park District approve the proposed Tenant Lease Agreement between Carmichael Recreation & Park District and Regional Parks – Therapeutic Recreation Services, effective April 1, 2023; delegate authority to the District Administrator or designee to execute the Lease.

LEASE AGREEMENT RE: LA SIERRA COMMUNITY CENTER
BETWEEN **CARMICHAEL RECREATION AND PARK DISTRICT (LESSOR) AND**
COUNTY OF SACRAMENTO (LESSEE)

THIS AGREEMENT is made and entered into this ____ day of _____, 2023, by and between CARMICHAEL RECREATION AND PARK DISTRICT, a Recreation and Park District formed pursuant to the California Public Resources Code (Section 5780, et seq.), hereinafter "LESSOR," and **COUNTY OF SACRAMENTO, a political subdivision of the State of California** hereinafter "LESSEE."

1. Demise. LESSOR grants to LESSEE, and LESSEE accepts, as of **April 1, 2023**, an exclusive tenancy in approximately **1539.42** square feet of air conditioned building space, designated as **Suits 805 (514 sq ft), 810 B (829.42 sq ft) and 825 B (196 sq ft)** located in La Sierra Community Center (hereinafter "Community Center"), 5325 Engle Road, Carmichael, California 95608, as shown on Exhibit "A" attached hereto and incorporated herein, and which is hereinafter referred to as the "Leased Premises" or "Premises". **The LESSOR will make available Suite 810 A and kitchen with the LESSEE at no additional charge for non-exclusive use if available.**

2. Use. The leased premises are leased for **County of Sacramento purposes; including but not limited to use by the Department of Regional Parks use by the County Therapeutic Recreation Services Program** and for any other lawful use. LESSEE shall not use or permit the leased premises or any part thereof to be used for any other purpose or purposes. LESSEE shall be responsible that such use conforms to authorized uses as permitted by the Sacramento County Zoning Code for the leased premises.

3. Term.

A. Initial Term. The term of this Lease for **Suites 805, 810 B, and 825 B** shall be for **60 MONTHS** commencing on **April 1, 2023**, and terminating on **March 31, 2028**, hereinafter referred to as the "Lease Initial Term."

B. Lease Term. As used in this Lease, the term "lease term" means and includes the initial term of this Lease and any extensions of the Lease initial term.

4. Security Deposit. (Intentionally Omitted)

5. Rent. Each month of the Lease term LESSEE shall pay to LESSOR the total monthly rent set forth below, subject to adjustment as provided herein:

A. Base Rent. Commencing **April 1, 2023** ("Commencement Date"), LESSEE shall pay LESSOR a Lease Base Rent in the initial amount of **\$969.83** per month for air conditioned space (based upon **\$.63** per square foot of leased space) for a total monthly rent of **\$969.83**, representing the cost of Utilities and Services only, but does not include phone, internet access or janitorial services.

B. Adjustment of Base Rent. The Lease Base Rent shall be reviewed on an annual basis. The district reserves the right to increase the Base Rent each January 2024 to cover increased costs of utilities and services.

C. Definition Of "Total Monthly Rent." The term "total monthly rent" as used in this Lease means the Lease Base Rent referred to in Subparagraph A of this Paragraph No. 5, and as said rent may be adjusted pursuant to the provisions of Subparagraph B of this Paragraph No. 5.

6. Payment. Total monthly rent for the Lease is due and payable in advance on the first calendar day of each month. Any such payment received more than five (5) calendar days past the date such payment is due shall be subject to a ten percent (10%) late charge. In the event occupancy shall begin or end with less than a full calendar month, then total monthly rent for the Lease shall be prorated and paid only for the actual number of days the leased premises is occupied during such month. All payments shall be made to LESSOR at 5750 Grant Avenue, Carmichael, CA 95608-3779.

7. Maintenance. LESSOR shall maintain the roof and exterior of the building in which the leased premises is located and keep it in habitable condition. The remainder of the leased premises is leased in its "as is" condition and LESSEE shall be responsible for all improvements to, and maintenance of, the leased premises, including any glass or windows, throughout the Lease term subject to the provisions of this Lease. LESSEE shall be liable for any damage to the building in which the leased premises is located resulting from acts or omissions of LESSEE or its employees or authorized representatives.

8. Fire Or Casualty Loss. If the leased premises is totally destroyed by fire or other casualty, this Lease shall terminate. If ten percent (10%) or less of the area of the leased premises is rendered unusable for the purposes intended, because of fire or other casualty, LESSOR agrees to restore the leased premises to substantially the same condition as it was in immediately before the destruction, if the restoration can be made under the existing laws and can be completed within ninety (90) working days after the date of destruction; in which event this Lease shall not terminate. Within fifteen (15) working days after the date of destruction LESSOR shall notify LESSEE if the restoration can be accomplished within the ninety (90) day period, and if it cannot be done in such period of time then LESSEE shall have the right to terminate this Lease within ten (10) days after receiving such notice. If LESSEE fails to so terminate this Lease, then LESSOR, at its option, may either terminate this Lease or restore the leased premises within a reasonable time by giving LESSEE notice thereof within ten (10) days after LESSEE's notice period has

expired. In case of destruction there shall be an abatement or reduction of the total monthly rent between the date of destruction and the date of completion of restoration, based on the extent to which the destruction interferes with LESSEE's use of the leased premises.

9. Telephone, Internet Access, And Janitor Services. LESSEE shall pay for all telephone, internet access, and interior janitorial services with regard to the leased premises.

10. Insurance.

Each party, at its sole cost and expense, shall carry insurance – or self-insure - its activities in connection with this Agreement, and obtain, keep in force and maintain, insurance or equivalent programs of self-insurance, for general liability, workers compensation, property, professional liability, and business automobile liability adequate to cover its potential liabilities hereunder. Each party agrees to provide the other thirty (30) days' advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverages. Failure to maintain insurance as required in this Agreement is a material breach of contract and is grounds for termination of the Agreement.

11. Increased Risk Prohibited. LESSEE shall not do anything on the leased premises, nor bring or keep anything thereon, which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction. Any fire or safety equipment required by LESSEE's use of the premises shall be furnished by LESSEE. If any use by LESSEE requires installation of a sprinkling system, LESSEE shall bring water service necessary for said system to the leased premises and shall pay for the cost of installation, testing and maintenance of the sprinkler system.

12. Indemnity.

LESSEE shall defend, indemnify and hold harmless LESSOR, its officers, directors, agents, employees and volunteers from and against any and all demands, claims, actions, losses, liabilities, damages, and costs, including reasonable attorneys' fees, sustained by any person or to any property in, on or about the leased premises caused in whole or in part by a wrongful or negligent act or omission of LESSEE or anyone directly employed by LESSEE, its agents, invitees, guests, or volunteers.

LESSOR shall defend, indemnify and hold harmless LESSEE, its officers, directors, agents, employees and volunteers from and against any and all demands, claims, actions, losses, liabilities, damages, and costs, including reasonable attorneys' fees, sustained by any person or to any property in, on or about the leased premises caused in whole or in part by a wrongful or negligent act or omission of LESSOR or anyone directly employed by LESSOR, its agents, invitees, guests, or volunteers.

It is the intention of LESSEE and LESSOR that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its employees, agents, invitees, guests, or volunteers.

13. Default.

Default By LESSEE: In addition to any other default provision contained in this Lease, the occurrence of any of the following shall constitute a default by LESSEE:

A. Failure to pay Total Monthly Rent when due, if the failure continues for fifteen (15) days after notice has been given to LESSEE by LESSOR.

B. Abandonment and vacation of the leased premises. Unless notice is provided to LESSOR in writing to the contrary, failure to occupy and operate the leased premises for thirty (30) consecutive days shall be deemed an abandonment and vacation.

C. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after notice has been given to LESSEE. If the default cannot reasonably be cured within thirty (30) days, LESSEE shall not be in default of this Lease if LESSEE commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default. Notices given under this Paragraph No. 13 shall specify the alleged default and the applicable Lease provisions, and shall demand that LESSEE perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the leased premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless LESSOR so elects in the notice. If LESSOR elects to terminate this Lease by reason of LESSEE's default, then upon such termination LESSOR, or its authorized agents, may enter upon and take possession of the leased premises. In such event, LESSOR and LESSEE each waive any and all claims for damages against the other party, inclusive of the other's officers, agents, or employees.

Default by LESSOR: In the event, LESSOR fails to perform any of its duties or obligations under the Lease provisions, LESSEE has the right, but not the obligation to perform said duty or obligation and deduct LESSEE's cost for the performance thereof from the Rent.

14. Compliance With Law. LESSEE shall use the leased premises in accordance with the rules and regulations of the Community Center, all applicable health, safety, fire and building laws, Government regulations, codes, ordinances and other applicable laws. Should any alteration to the interior

or exterior of the leased premises be required to comply with any applicable laws, regulations, codes or ordinances, by reason of LESSEE's occupancy of the leased premises, said alteration shall be done at the sole cost and responsibility of LESSEE.

15. Security. LESSEE shall be responsible for the security of the leased premises.

16. Parking. Parking shall be in the area shown on the La Sierra Community Center Site Plan, **Exhibit "B,"** attached hereto and incorporated herein. LESSEE shall be responsible to ensure all parking generated by its use is located within the area so designated.

17. No Alterations. LESSEE shall not make any alteration or addition to the interior or exterior of the leased premises, including electrical wiring, plumbing, water main or lines, or gas lines, without the prior written approval of LESSOR. LESSEE shall submit all specifications and plans for alterations to LESSOR for approval, which approval may be subject to such reasonable procedures as LESSOR may proscribe and to such terms and conditions deemed necessary to ensure safety, maintain quality, and protect the Community Center site and improvements thereon as LESSOR's property. Such specifications and plans shall comply with the improvement standards of the Community Center. Upon approval, LESSEE shall have the right to remodel or make alterations to the interior or exterior of the leased premises as may be necessary or convenient to its use thereof. LESSEE shall pay all costs of such construction and shall keep the leased premises, and the building in which the leased premises is located, free and clear of all mechanics' liens resulting from construction done by or for LESSEE. When installed, all such alterations or improvements shall at once become the property of LESSOR. Upon completion, LESSEE may be required to provide LESSOR with two (2) sets of "as built" drawings which accurately and completely depicts all additions and changes made.

18. No Sublease Or Assignment. LESSEE shall not have the right to assign or to sublease any part of the leased premises without the prior written consent of LESSOR, reasonably exercised.

19. Notice of Possessory Interest Tax. (Intentionally Omitted)

20. Holdover. Should LESSEE occupy the leased premises after the date of the expiration of the Lease with the consent of LESSOR, expressed or implied, such possession shall be construed to be a tenancy from month-to-month only, subject to all of the terms and conditions of this Lease, except those pertaining to the term and option to extend the term, and LESSEE agrees to pay a total monthly rent in the amount of 125% of the rent payable in the final month of the Lease Term. Such tenancy shall be terminable on thirty (30) days notice given at any time by either party.

21. Notice. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail. Such matters shall be addressed to the other party at the following address:

To LESSEE at:

**County of Sacramento
Department of Regional Parks --County
Therapeutic Recreation Services Program**

4040 Bradshaw Road

Sacramento, CA 95827

To LESSOR at:

**Carmichael Recreation and Park
District**

5750 Grant Avenue

Carmichael, CA 95608-3779

or to such other address as a party may designate to the other by notice. Any communication mailed pursuant to this paragraph shall be deemed delivered to the other party 72 hours after the time of mailing.

22. Administration and Delegation. Unless otherwise set forth herein, the administration of this Lease is hereby delegated to the Administrator of Carmichael Recreation and Park District (herein "Lessor's Administrator") and his designated representatives, and whenever it is provided herein for LESSOR to give any notice, authorization, permission, approval, rejection, or demand, the Lessor's Administrator is designated as the person to take any such action on behalf of LESSOR.

23. Common Areas.

A. Definition of "Common Areas". As used herein, the term "Common Areas" means all areas and facilities outside the leased premises and within the exterior boundaries of the Community Center that are provided and designated by LESSOR from time to time for the general use and convenience of LESSEE and of other tenants of the Community Center, and their respective authorized representatives and invitees. Common Areas include, with some limitations, pedestrian walkways, patios, sidewalks, landscaped areas, service corridors, restrooms, loading areas, and parking areas, as depicted in Exhibit "C," attached hereto and incorporated herein. Sport fields, gymnasiums and other community

facilities are available for LESSEE use pursuant to the Carmichael Parks and Recreations District Rate Schedule and availability.

B. Right To Use. LESSOR gives LESSEE and its authorized representatives and invitees the non-exclusive right to use the Common Areas at the Community Center with others who are entitled to use the Common Areas, subject to LESSOR's rights hereunder.

C. Maintenance. LESSOR shall maintain the Common Areas at the Community Center in good condition at all times. LESSOR shall have the right to:

(1) Establish and enforce reasonable rules and regulations applicable to all tenants concerning the maintenance, management, use, and operation of the Common Areas.

(2) Close any of the Common Areas temporarily for maintenance or other purposes, or permanently if LESSOR deems such closure is necessary for the public health or safety.

(3) Make changes to the Common Areas including without limitation, changes in the location of driveways, entrances, exits, or to such other address as a party may designate to the other by vehicular parking spaces, parking areas, or the direction of the flow of traffic.

24. Entry By Lessor.

A. LESSOR and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes.

(1) To determine whether or not (a) the Premises are in good condition, and (b) if LESSEE is complying with its obligations under this Lease.

(2) To do any necessary maintenance or to make any restoration to, or remodeling of, the Leased Premises, or the building in which the Premises are located, that LESSOR has the right or obligation to perform.

(3) When LESSEE has abandoned or surrendered the Premises.

(4) In case of an emergency.

B. LESSOR shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of LESSOR's entry on the leased premises as provided in this Paragraph No. 24, except damage resulting from acts of LESSOR or its authorized representatives. LESSOR shall not abuse such right of access or use it to harass LESSEE.

C. LESSOR shall give LESSEE reasonable notice (no less than twenty-four (24) hours) of LESSOR's intent to enter the leased premises, which entry shall only be made during normal business hours, except:

- (1) in cases of emergency,
- (2) if it is deemed impracticable to do so.

25. Signs. LESSEE shall not have any right to place any permanent signs on the leased premises, the building in which the leased premises are located, or any other area of the Community Center without first obtaining the written consent of LESSOR.

26. Statement Regarding a Certified Access Specialist –

Pursuant to California Civil Code §1938, the LESSOR states that the Premises:

- Have not undergone an inspection by a Certified Access Specialist (CASp).
- Have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards and a disability access inspection certificate has been issued pursuant to California Civil Code §55.51 et seq.
- Have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

27. Surrender On Expiration Or Termination.

A. On expiration or termination of the lease term of the Lease, LESSEE shall surrender the pertinent leased premises, and all of LESSEE's improvements and alterations located

thereon, in good condition, except for ordinary wear and tear. LESSEE shall also remove all of its personal property by said termination date. Any of LESSEE's personal property not removed from the leased premises by said termination date shall become LESSOR's property, or LESSOR may elect (1) to store such property for LESSEE's benefit, or (2) dispose of such property in any manner it sees fit. LESSEE waives all damage to LESSEE caused from LESSOR's retention or disposition of such personal property. If LESSOR stores the property for LESSEE's benefit, LESSEE shall be liable for all costs of moving and storing such property.

B. If LESSEE fails to surrender the leased premises to LESSOR upon expiration or termination of the lease term, LESSEE shall hold LESSOR harmless from all damages of any nature resulting from LESSEE's failure to surrender the premises, including, without limitation, claims made by a succeeding tenant resulting from LESSEE's failure to surrender the premises.

28. No Waiver. No delay or omission in the exercise of any right or remedy of LESSOR on any default by LESSEE shall impair such right or remedy or be construed as a waiver. The receipt and acceptance by LESSOR of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of LESSOR, including, without limitation, the acceptance of the keys to the leased premises, shall constitute an acceptance of the surrender of the leased premises by LESSEE before the expiration of the term. Only upon notice from LESSOR to LESSEE shall acceptance of the surrender of the leased premises and a termination of this Lease be accomplished, unless otherwise provided herein. LESSOR's consent to or approval of any act by LESSEE requiring LESSOR's consent or approval shall not be deemed to waive or render unnecessary LESSOR's consent to or approval of any subsequent act by LESSEE. Any waiver by LESSOR of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease.

29. Time Of Essence. Time is of the essence of each provision of this Lease.

30. Successor. This Lease shall be binding and inure to the benefit of the parties and their successors, except as otherwise provided herein.

31. Authorization. If LESSEE is a corporation, LESSEE shall deliver to LESSOR on execution of this Lease by LESSEE a certified copy of a resolution of LESSEE's board of directors authorizing the execution of this Lease and naming the officers that are authorized to execute this Lease on behalf of the corporation..

32. Electronic Signatures. Electronic and scanned signatures shall be deemed original signatures for all purposes, including proof of terms herein, and shall be binding on each party.

33. Choice of Law. This Lease shall be construed and interpreted in accordance with the laws of the State of California.

34. Construction. Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. It is agreed and acknowledged by the parties hereto that the provisions of this Agreement have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

35. Exhibits. All exhibits attached hereto and referred to herein are incorporated herein by reference as if specifically set forth herein. **Exhibit A (Demise), Exhibit B (Parking), and Exhibit C (Common Areas)** shall be a part of this Lease.

36. Attorney's Fees and Costs. Any party may bring a suit or proceeding to enforce or require performance of the terms of this Agreement, and each party in that suit or proceeding shall be responsible for its own attorney's fees and costs.

37. Lessor's Right to Relocate Lessee. LESSOR maintains the right, during the Initial Term and, if applicable, any Extended Term, to relocate LESSEE within the La Sierra Community Center complex, to alternative space of a similar nature at the discretion of the Administrator. Lessor shall provide LESSEE with thirty (30) days advanced written notice of LESSOR's intent to relocate LESSEE.

38. Early Termination Clause. LESSEE shall have the option to terminate this lease, which termination shall not be effective until after the third year of the Lease Terms, by giving written notice of that intention and identifying the early termination date to LESSOR at least 90 days prior. The Director of the Department of Regional Parks is authorized to give this notice on behalf of LESSEE.

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IN WITNESS WHEREOF the respective parties hereto have executed this Lease as of the date first set forth herein and the initial term hereof shall commence on the date set forth in Paragraph No. 3.

CARMICHAEL RECREATION AND PARK DISTRICT, a Recreation and Park District formed pursuant to the California Public Resources Code (Section 5780, et seq.)

By _____
Mike Blondino, District Administrator

“LESSOR”

County of Sacramento, a political subdivision of the State of California

By _____
Liz Bellas, Director
Department of Regional Parks

“LESSEE”

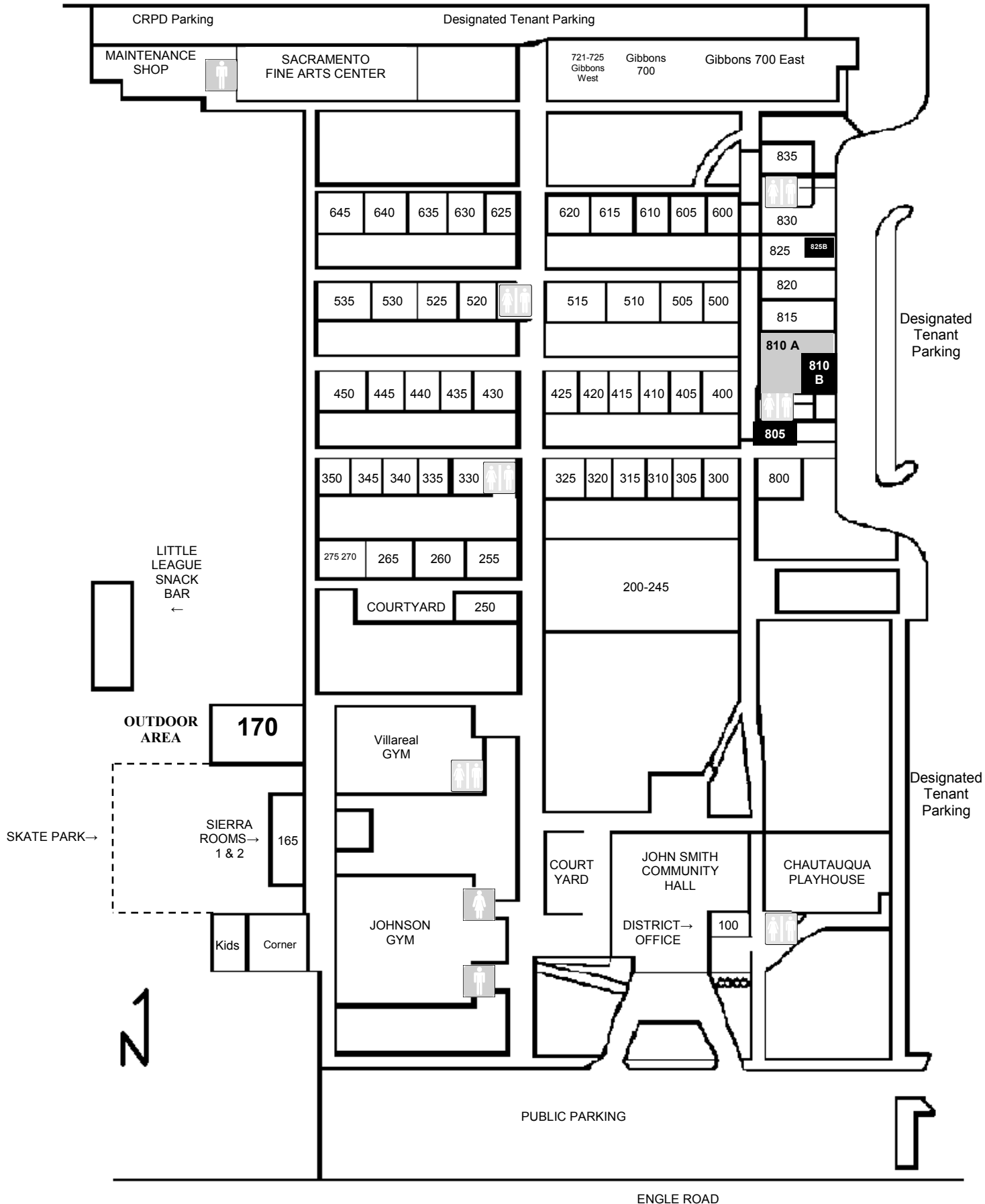
As authorized under SCC 2.62.20

REVIEWED AND APPROVED:
By email dated 4/30/2023

Deon Merene
Deputy County Counsel

La Sierra Community Center

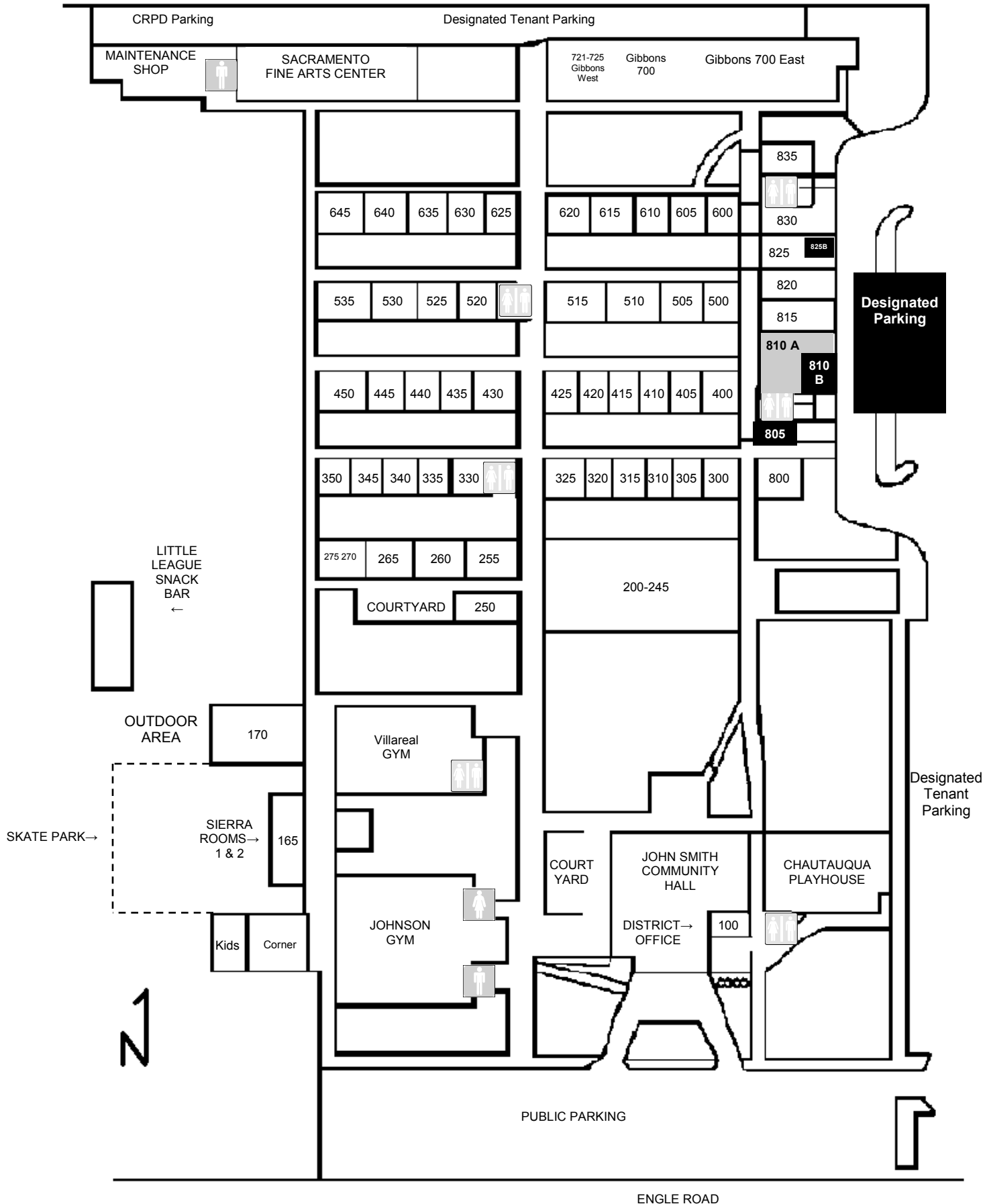
GIBBONS DRIVE



ENGLE ROAD

La Sierra Community Center

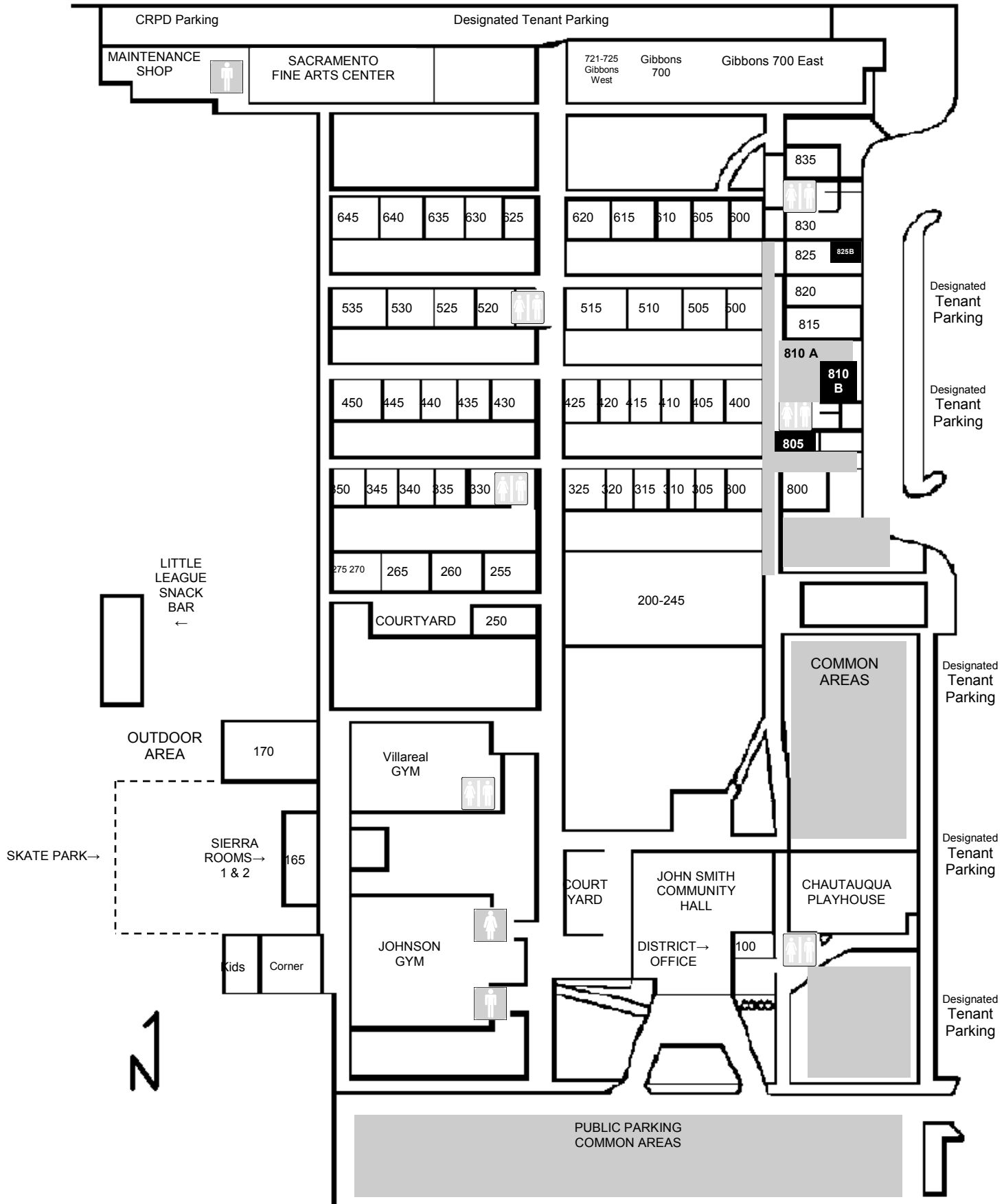
GIBBONS DRIVE



ENGLE ROAD

La Sierra Community Center

GIBBONS DRIVE



ENGLE ROAD