



**General Services Agency  
Property Management  
COUNTY OF TULARE  
AGENDA ITEM**

**BOARD OF SUPERVISORS**

KUYLER CROCKER  
District One

PETE VANDER POEL  
District Two

AMY SHUKLIAN  
District Three

EDDIE VALERO  
District Four

DENNIS TOWNSEND  
District Five

**AGENDA DATE:** April 30, 2019 - **REVISED**

Public Hearing Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>

CONTACT PERSON: Maria Benavides    PHONE: 205-1124

**SUBJECT:** First Amendment to Lease Agreement 28923 with Paloma Development Co., Inc.

**REQUEST(S):**

That the Board of Supervisors:

1. Approve a First Amendment to Ground Lease Agreement No. 28923 with Paloma Development Co., Inc. to extend the Inspection Period from six (6) months to nine (9) months with an expiration date of August 5, 2019, subject to termination of the Lease Agreement, upon County's sole discretion.
2. Authorize the Chairman to sign the Amendment.

**SUMMARY:**

On November 6, 2018, the County and Paloma Development Co. (Paloma) entered into a Ground Lease Agreement No. 28923 for the lease of a 2.26 acre portion of Assessor's Parcel No. 087-460-007 located at 800 S. Akers Street in Visalia and referred to as the "Leased Premises". A vicinity map of the Leased Premises is included as Exhibit 1 to this agenda item. The Agreement calls for an Inspection Period of six (6) months from the lease execution date to expire on May 5, 2019, during which time Paloma is required to provide the County a \$1,000 payment and a Parcel Map. The County's approval or denial of the Parcel Map is to be provided in writing to Paloma within ten (10) days from receipt. If no parcel Map is agreed upon within six (6) months, the Agreement will terminate at the end of the Inspection Period or May 5, 2019. Conversely, if a Parcel Map is agreed upon and Paloma begins construction, a \$75,000 annual rental payment is due to County.

Paloma has paid the County the \$1,000 payment and has been working to

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However, those negotiations and site planning are unlikely to be completed prior to the May 5, 2019 deadline. Therefore, Paloma has requested a three (3) month extension to the Inspection Period for a total Inspection Period of nine (9) months.

The proposed First Amendment to Ground Lease Agreement 28923 calls for the Inspection Period to be extended by three (3) months, for a total Inspection Period of nine (9) months, to expire on August 5, 2019 and be subject to termination of the Lease Agreement at County's sole discretion.

**FISCAL IMPACT/FINANCING:**

There is no Net County Cost to the General Fund. Approval of the proposed Amendment to Ground Lease Agreement will generate rental revenue for the County in the amount of \$75,000 per year increased annually by a flat 2.5%.

Rental income will be deposited into General Services revenue line 001-087-5300-4807 for auditing and recordkeeping purposes before being transferred to the Tulare Akers Improvement Fund 596, as is the practice currently utilized for rental proceeds generated at the Tulare-Akers Professional Center.

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

The County's Strategic Business Plan includes the Organizational Performance and Economic Development initiatives. This agenda item contributes to these initiatives in that it efficiently utilizes vacant space in County-owned facilities to generate revenue and the private-public development of the site into commercial buildings will increase property tax revenue and create jobs.

**ADMINISTRATIVE SIGN-OFF:**



Laura Silva  
General Services Manager

cc: County Administrative Office

**Attachments:**

- A - Exhibit 1 – Vicinity map
- B – Amendment to Ground Lease Agreement

IN THE MATTER OF FIRST AMENDMENT )  
TO LEASE AGREEMENT 28923 WITH ) Resolution No. \_\_\_\_\_  
PALOMA DEVELOPMENT CO., INC. ) Agreement No. \_\_\_\_\_  
)

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## Exhibit 1

### Vicinity Map

800 S. Akers St., Visalia, CA

