

729

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Department of Facilities Management

SUBMITTAL DATE:
August 29, 2008

SUBJECT: First Amendment to Lease – Public Defender, French Valley Business Center, Murrieta

RECOMMENDED MOTION: That the Board of Supervisors approve the attached First Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND: The Board of Supervisors approved three ground leases between the county and French Valley Business Center, LLC, for county property located at French Valley Airport on April 1, 2008 for the purpose of development to accommodate space needs of the county and support the operation of the Southwest Justice Center.

(Continued)

Robert Field, Director
Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$-0-	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$-0-	Budget Adjustment:	No
	Annual Net County Cost:	\$-0-	For Fiscal Year:	08/09

SOURCE OF FUNDS: General Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
 BY: *Sandy Williams*
 GORDON V. WOO
 DATE: 9/22/08
 Departmental Concurrence

Dept't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 5/13/08, 3.55 | District: 3 | Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.17

BACKGROUND: (Continued)

On May 13, 2008, the Board of Supervisors approved the French Valley Business Center, LLC to construct and to lease to the county an office building consisting of 40,000 square feet. The building will provide office space to accommodate the needs of the Public Defender (PD).

The primary purpose of the First Amendment to Lease is to clarify the responsibility for certain operating expenses associated with the lease. In addition, the First Amendment to Lease sets forth the parameters for commencement of the lease term and commencement of the monthly rental.

The First Amendment to Lease Agreement is summarized below:

Lessor: French Valley Business Center, LLC
41635 Enterprise Circle North, Suite A
Temecula, California 92590-3633

Premises Location: French Valley Business Center
30700 Auld Road, Building 3
Murrieta, California 92563

Building Sizes: 40,000 square feet

Term: Twenty-five (25) years

Operating Expense Responsibility by category:	<u>Current Lease</u>	<u>Under First Amendment</u>
Insurance	County	Lessor
Management	County	Lessor
Maintenance	County	County
Custodial	County	County
Property Taxes	County	County

The monthly rent and expenses were previously approved by the Board of Supervisors as item 3.55 on May 13, 2008. There are no additional net costs associated with this First Amendment to Lease.

Commencement of Lease Term: Anticipated timeframe for occupancy is June 2009. In the event of delay, this amendment provides for occupancy no later than September 1, 2010, as described in Exhibit A.

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The attached First Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

No additional costs associated with this First Amendment to Lease are anticipated to be incurred during FY 2008/09.

Exhibit A

Public Defender Lease Cost Analysis for FY 2008/09 30700 Auld Road, Building 3, Murrieta, CA

Total Proposed Square Footage to be Leased:

Proposed Office	40,000	SQFT
Total Square Footage:	<u>40,000</u>	SQFT

Cost per Square Foot:	\$	2.10
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Base Lease Cost per Month (June 1, 2009 - June 30, 2009)	\$	84,000	
Total Estimated Lease Cost for FY 2008/09			\$ 84,000

Estimated Ongoing Costs:

Utility Cost per Square Foot	\$	0.25
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Estimated Utility Costs (June 1, 2009 - June 30, 2009)	\$	10,000	
FM Lease Management Fee (Based @ 4.21%)	\$	5,591	
Operating Lease Cost per Month (June 1, 2009 - June 30, 2009)	\$	24,400	
Total Ongoing Costs for FY 2008/09:			\$ 39,991

Estimated One-Time Costs:

Tenant Improvement Costs for Expansion Space:	\$	2,800,000	
RCIT Improvements:	\$	278,800	
Total Estimated One-Time Costs:			\$ 3,078,800

Total Estimated Lease Cost FY 2008/09:			\$ 3,202,791
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Less Current Lease Amount:			\$ (58,336)
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Net Estimated Lease Cost for FY 08/09:			\$ 3,144,455
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Exhibit B

Public Defender Lease Cost Analysis for FY 2009/10 30700 Auld Road, Building 3, Murrieta, CA

Total Proposed Square Footage to be Leased:

Proposed Office		40,000	SQFT	
Total Square Footage:		<u>40,000</u>	SQFT	
Cost per Square Foot:	\$	2.10		
Base Lease Cost per Month (July 1, 2009 - June 30, 2010)			\$	<u>1,008,000</u>
Total Estimated Lease Cost for FY 2009/10			\$	1,008,000

Estimated Ongoing Costs:

Utility Cost per Square Foot	\$	0.25		
Estimated Utility Costs (July 1, 2009 - June 30, 2010)	\$	120,000		
FM Lease Management Fee (Based @ 4.21%)	\$	42,437		
Operating Lease Cost per Month (July 1, 2009 - June 30, 2010)	\$	<u>292,800</u>		
Total Estimated One-Time Costs:			\$	<u>455,237</u>
Total Estimated Lease Cost FY 2009/10:			\$	1,463,237