

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

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FROM: Department of Facilities Management

SUBMITTAL DATE:

April 8, 2009

SUBJECT: Third Amendment to Lease – Department of Public Social Services, Lake Elsinore

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Third Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and
2. Authorize the Auditor Controller to adjust the Department of Facilities Management's budget as set out on Schedule "A."

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER

BY: Susana Garcia-Bocanegra 5/7/09
SUSANA GARCIA-BOCANEGRA

Robert Field
Assistant County Executive Officer/EDA/FM

FINANCIAL DATA	Current F.Y. Total Cost:	\$3,460,717	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$ 238,789	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	08/09

SOURCE OF FUNDS: Federal 51.9%, State 34.7%, General Fund 6.9%, Realign 6.5%

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent
Jennifer L. Sargent

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 2/27/07, 3.46; 10/23/07, 3.13; 7/15/08, 3.3; 11/4/08, 3.20

District: 1

Agenda Number:

3.20

Reviewed by
 CLIP TEAM
 Christopher Hand Susan Loew
 Susan Loew, Director, DPSS
 APPROVED COUNTY COUNSEL
 BY: Synthia M. Gunzel 4-14-09
 SYNTHIA M. GUNZEL DATE
 Departmental Concurrence

BACKGROUND:

This Third Amendment to Lease represents a revision to the Early Termination clause stipulating the department cannot terminate until they have occupied the space for five (5) years. In addition, the tenant improvement balance of \$3,188,980.00 will be paid in full including interest accrued from January 1, 2009, through the date of final approval by the Board of Supervisors which is anticipated to be May 31, 2009. The rent for this facility represents comparable market rates in the area.

Lessor: Lake Elsinore Office Park, L.P.
13795 Blaisdell Place, Suite 203
Poway, California 92064

Premises Location: 1400 Minthorn Street
Lake Elsinore, California

Size: 56,005 square feet

Term: Ten (10) years

Rent: \$ 2.10 per sq. ft.
\$ 117,612.60 per month
\$1,411,351.20 per year

Improvements: \$3,188,980.00 Principal
\$ 131,927.19 Interest
\$3,320,907.19 Total

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

FINANCIAL DATA:

All associated costs for this Third Amendment to Lease will be fully funded through the Department of Public Social Services (DPSS) budget. DPSS has budgeted these costs in FY 2008/09; however, the Department of Facilities Management (DOFM) requires a budget adjustment. While DOFM will front the costs for this Third Amendment to Lease with the property owner, DPSS will reimburse DOFM for all associated costs. There will be no expenditures for FY 2009/10.

SCHEDULE A

Increase Appropriations:

10000-7200400000-526700 – Real/Lease Buildings	\$3,320,907.19
10000-7200400000-572500 – Intra – Leases	(\$3,320,907.19)

Exhibit A

DPSS Lease Cost Analysis for FY 2008/09 1400 Minthorn Street, Lake Elsinore, California

Current Square Feet Occupied:

Office: N/A

Cost per Square Foot: N/A

Lease Cost per Month (June 1, 2009 - June 30, 2009)

Total Estimated Lease Cost for FY 2008/09 N/A

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (June 1, 2009 - June 30, 2009)

Total Estimated Utility Cost for FY 2008/09 \$ -

Tenant Improvement Costs: \$ 3,320,907

RCIT Improvements: \$ -

FM Lease Management Fee (Based @ 4.21%) \$ 139,810

Total Estimated Lease Cost FY 2008/09: \$ 3,460,717

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THIRD AMENDMENT TO LEASE
(Department of Public Social Services
1400 Minthorn Street, Lake Elsinore, California)

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LAKE ELSINORE OFFICE PARK, L.P., herein called "Lessor", and the **COUNTY OF RIVERSIDE**, herein called "County", hereby agree to amend that certain Lease dated February 27, 2007, as amended July 15, 2008 and November 4, 2008 for the premises located at 1400 Minthorn Street, Lake Elsinore, California, as more particularly shown on Exhibit "A" attached thereto as follows:

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1. County's Right to Early Termination. Paragraph 2 of the Second Amendment to Lease shall be deleted in its entirety and replaced with the following: "After County has occupied the premises for at least five (5) years the County shall have the right to terminate this Lease by providing Lessor with written notification, one hundred and twenty days (120) prior to the termination date. County's notice shall state the reason for its termination of this Lease and provide reasonable evident of the basis therefore. County's obligation to pay Rent shall continue through the termination date."

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2. Tenant Improvement Payments. Paragraph 1(b) and 1(c) of the First Amendment to Lease shall be deleted in its entirety and replaced with the following: "The remaining two thirds balance of tenant improvement payments totaling \$3,188,980.00 shall be paid in full including interest accrued at the rate of ten percent (10%), commencing on January 1, 2009 through the date of final approval of this Third Amendment to Lease by the Board of Supervisors."

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3. Change Orders. County shall not be responsible for costs associated with any outstanding change orders. These costs shall be the responsibility of the Landlord.

4. Except as modified or supplemented by this Third Amendment to Lease, all provisions of this Lease shall remain in full force and effect.


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LeSee's Copy

1 5. This Third Amendment to Lease shall not be binding or consummated until its
2 approval by the Board of Supervisors of Riverside County.

3 Dated: _____

4 **LAKE ELSINORE OFFICE PARK, L.P.**

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6 By: 
7 _____
8 Edwin Stoughton, Managing Partner

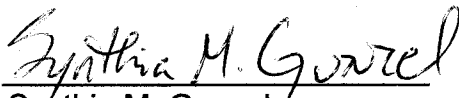
9 **COUNTY OF RIVERSIDE**

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12 By: _____
13 Jeff Stone, Chairman
14 Board of Supervisors

12 ATTEST:
13 Kecia Harper-Ihem
14 Clerk of the board

15 By: _____
16 Deputy

17 APPROVED AS TO FORM:
18 Pamela J. Walls
19 County Counsel

19 By: 
20 _____
21 Synthia M. Gunzel
22 Deputy County Counsel

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TW:ra
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