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

**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
June 10, 2009

**SUBJECT:** Second Amendment to Lease – Department of Public Social Services, Temecula

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

**BACKGROUND:** The County has leased the facility located at 27464 Commerce Center Drive, Temecula, since March 2, 1999. The Department of Public Social Services (DPSS) utilizes the facility for a Children's Services office, which continues to meet the needs of the department. This Second Amendment to Lease extends the term three (3) years with a 13.2% reduction in rent, and no increases. This reduction represents a current below market rate based on market data for the Temecula area.

(Continued)

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$ -0-	<b>In Current Year Budget:</b>	N/A
	<b>Current F.Y. Net County Cost:</b>	\$ -0-	<b>Budget Adjustment:</b>	N/A
	<b>Annual Net County Cost:</b>	\$6,122	<b>For Fiscal Year:</b>	2008/09

**SOURCE OF FUNDS:** 47.4% Federal; 33.5% State; 2.7% County; 16.4% Realignment

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

**C.E.O. RECOMMENDATION:**

APPROVE

County Executive Office Signature

Policy  
 Policy

Consent  
 Consent

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

Prev. Agn. Ref.: 03/02/99, #3.14;  
03/09/04, #3.21; 03/15/05, #3.17;  
08/15/06, #3.12

District: 3

Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.23

FORM APPROVED COUNTY COUNSEL  
BY: SYNTIA M. GUNZEL  
DATE: 6-16-09  
Department Concurrence

Susan Loew-Director DPSS

(Continued)

**BACKGROUND:**

Location: 27464 Commerce Center Drive  
Temecula, CA 92591

Lessor: Temecula Legacy Properties, LLC  
c/o Land Trek Property Management, Inc.  
901 Hacienda  
Vista, CA 92083

Size: 10,311 square feet.

Term: Three (3) years, commencing July 1, 2009, through June 30, 2012.

Option to Extend: One (1) one-year option to renew with 90 days notice.

Rent:

	<u>Current</u>	<u>New</u>
	\$ 1.90 per sq. ft.	\$ 1.65 per sq. ft.
	\$ 19,601.41 per month	\$ 17,013.15 per month
	\$235,216.92 per year	\$204,157.80 per year
Savings per square foot:		13.2% decrease
Savings per month:		\$ 2,588.26
Savings per year:		\$31,059.12

Rent Adjustment: None during the extended term.

Utilities: County pays electric and. telephone services. Lessor shall provide and pay for all other utility services.

Interior/Exterior Maintenance: Provided by Lessor.

Improvements: Lessor shall paint various areas throughout the suite as requested by County.

RCIT: None.

Market Data: 43264 Business Park Dr., Temecula \$1.77 per sq. ft.  
27235 Madison Avenue, Temecula \$1.95 per sq. ft.

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

**FINANCIAL DATA:**

All associated costs for this Lease Amendment will be fully funded through the DPSS budget and costs are not anticipated to be incurred prior to 2009/10. DPSS will adjust their budget to reflect the reduction for these costs in FY2009/10. EDA will return to the Board with the First Quarter Report to request any necessary budget adjustments to its FY 2009/10 budget associated with this transaction.

## Exhibit B

### DPSS Lease Cost Analysis for FY 2009/10 27464 Commerce Center Drive, Temecula

#### Current Square Feet Occupied:

Office: 10,311 SQFT

Cost per Square Foot: \$ 1.65

Lease Cost per Month (July 1, 2009 -June 30, 2010)

\$ 17,013

**Total Estimated Lease Cost for FY 2009/10**

\$

**204,157**

#### Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2009 -June 30, 2010)

\$ 14,848

**Total Estimated Utility Cost for FY 2009/10**

\$

**14,848**

**FM Lease Management Fee (Based @ 3.79%)**

\$

**7,738**

**Total Estimated Lease Cost FY 2009/10:**

\$

**226,742**

**Annual Net County Cost at 2.7%**

\$

**6,122**

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**SECOND AMENDMENT TO LEASE**  
Department of Public Social Services  
27464 Commerce Center Drive, Temecula, California

The **COUNTY OF RIVERSIDE**, "County", and **TEMECULA LEGACY PROPERTIES, LLC**, herein called "Lessor", hereby agree to amend that certain Lease dated March 2, 1999, and as amended August 15, 2006, pertaining to the premises located at 27464 Commerce Center Drive, Suite E, Temecula, California, as more particularly shown on Exhibit "A", attached to the Lease as follows:

1. **TERM.** This Lease shall be extended for a period of three (3) years effective July 1, 2009 and terminating June 30, 2012.

2. **RENT.**

(a) County shall pay to Lessor a monthly payment of \$17,013.15 effective July 1, 2009, official anniversary date of this Lease.

(b) Notwithstanding Paragraph 2 (a) herein, effective July 1, 2009 through June 30, 2012, the monthly rent shall be \$17,013.15 per month.

3. **OPTION TO EXTEND.** County desires, and Lessor is willing to give to County, one (1) additional separate one (1) year option to extend the Lease for one (1) separate one (1) year period. County's rights to exercise the option are conditioned upon giving notice of such extension ninety (90) days prior to the expiration of the prior option period, and on condition of the Lease. The additional option will have the current rent adjusted annually by a fixed four percent (4%) increase.

4. **IMPROVMENTS.** Lessor at Lessor's expense shall:

(a) Have the carpet cleaned throughout the suite.

(b) Paint the lobby, interview and family rooms and if necessary the bathrooms.

5. All other provisions of the Lease not otherwise affected by this First Amendment to Lease shall remain the same.

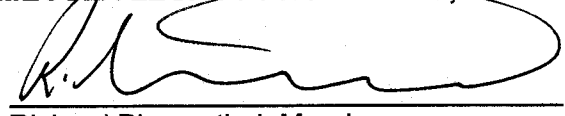
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FORM APPROVED COUNTY COUNSEL  
BY: Synthia M. Gunzel 6-16-09  
DATE  
SYNTHIA M. GUNZEL

1           6.       The Second Amendment to Lease shall not be binding or consummated until its  
2 approval by the County's Board of Supervisor's.

3 Dated:         6-21-09        

4 **TEMECULA LEGACY PROPERTIES, LLC**

5 By:   
6 Richard Blumenthal, Member


7 **COUNTY OF RIVERSIDE**

8  
9 By: \_\_\_\_\_  
10 Jeff Stone, Chairman  
11 Board of Supervisors

11 **ATTEST:**  
12 Kecia Harper-Ihem  
13 Clerk of the Board

14 By: \_\_\_\_\_  
15 Deputy

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

19 By:  6-16-09  
20 Cynthia M. Gunzel  
21 Deputy County Counsel

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HR:ra  
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