

368



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

FROM: Economic Development Agency

SUBMITTAL DATE:
June 10, 2009

SUBJECT: First Amendment to Lease – Riverside County Fire Department, Riverside

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

BACKGROUND: Riverside County Fire Department has occupied the office located at 2300 Market Street since January 2007. With the current economic condition County Fire reviewed their operations at the Market Street office and requested a reduction of their occupied space by 1,500 square feet. The Real Estate Division made a request to reduce the space and the Lessor offered an abatement of rent for 1,500 square feet in lieu of returning the space. The attached First Amendment to Lease addresses the proposed abatement of rent for one year commencing July 1, 2009.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 6-23-09
DATE: *6/18/09*
By: *Synthia M. Gunzel*
Tracy Hobday, Riverside County Fire Departmental Concurrence

| | | | | |
|----------------|-------------------------------|-------|-------------------------|-------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$-0- | In Current Year Budget: | N/A |
| | Current F.Y. Net County Cost: | \$-0- | Budget Adjustment: | N/A |
| | Annual Net County Cost: | \$-0- | For Fiscal Year: | 09/10 |

| | | |
|--|----------------------------------|--------------------------|
| SOURCE OF FUNDS: Plan Review and Inspection Fees | 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 *Jennifer L. Sargent*

- Consent
- Policy
- Consent
- Policy

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

(Continued)

BACKGROUND:

Location: 2300 Market Street, Suite 150
Riverside, CA

Lessor: MEF Realty, LLC
c/o The Muller Company
7887 Mission Grove #A
Riverside, CA 92508

Size: 8,772 square feet

Term: Expires December 31, 2011
Rent abatement is July 1, 2009 – June 30, 2010

| | | |
|-----------------|--|--|
| Rent Abatement: | <u>Current</u> | <u>New</u> |
| | \$ 2.36 per sq. ft. \$ 20,672.92 per month \$248,075.04 per year | \$ 1.95 per sq. ft. \$ 17,132.92 per month \$205,595.04 per year |
| | Savings per square foot: | 8.26% decrease |
| | Savings per month: | \$3,540.00 |
| | Savings per year: | \$42,480.00 |

Utilities: Paid by Lessor

Interior/Exterior
Maintenance: Paid by Lessor

Early Termination: During the 12 month abatement period, County cannot exercise the option to terminate as stipulated in the lease agreement.

The attached First 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 Riverside County Fire Department budget and are not anticipated to be incurred prior to 2009/10. Fire has adjusted 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.

1 5. The First Amendment to Lease shall not be binding or consummated until its
2 approval by the County's Board of Supervisors.

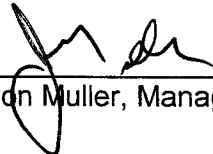
3
4 Dated: 6/19/09

MEF REALTY, LLC

a Delaware limited liability company

By: MULLER EQUITY FUND, LLC
a Delaware limited liability company

By: MEF PARTNERS, LLC
a California limited liability company
its manager

By: 
John Muller, Manager

COUNTY OF RIVERSIDE

By: _____
Jeff Stone, Chairman
Board of Supervisors

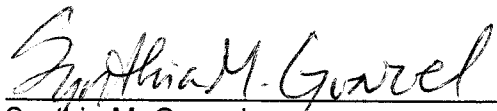
ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:

Pamela J. Walls
County Counsel

By: 
Cynthia M. Gunzel
Deputy County Counsel

HR:jw 22
05/29/09
RV345 23
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