

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

514



SUBMITTAL DATE:
August 24, 2009

Probation Department

Probation Department
Sally A. Beavan
Chief Deputy Administrator

FROM: Economic Development Agency

SUBJECT: Second Amendment to Lease – Probation Department, Perris

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Second 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 Economic Development Agency's FY 2009/10 budget as set out in Schedule A.

BACKGROUND: (Commences on Page 2)

Reviewed by
CIP/TEAM
Christopher Hans

Christopher Hans
FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER

BY: *Susana Garcia-Bocanegra* 10/1/09
SUSANA GARCIA-BOCANEGRA

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$120,886	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 27,803	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 48,432	For Fiscal Year:	09/10

SOURCE OF FUNDS: State 52%; Federal 22%; General Fund 23%; Other 3%

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

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 9-14-09
DATE: 9-14-09
SYNTHIA M. GUNZEL
Departmental Counsel

Consent Policy
Consent Policy

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 8/27/2002 3.35;
5/6/2008 3.9

District: 5

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.25

BACKGROUND:

On August 27, 2002, the County of Riverside entered into a lease agreement (as amended May 6, 2008) for the Probation Department in the City of Perris. The Probation Department facility is located at 2560 North Perris Blvd., Building N-1. This Second Amendment to Lease will extend the Lease for a period of five (5) years effective as of December 1, 2009. The Economic Development Agency (EDA), Real Estate Division, has renegotiated the rent from \$1.45 per square foot to \$1.37 per square foot, which equates to a 5.9% savings in rent for the department. In addition, the annual increase has been renegotiated from 5% to 3%.

Lessor: Perris Investment Trust
26371 Avery Parkway, Unit B
Mission Viejo, California 92692

Premises Location: 2560 North Perris Boulevard, Building N-1
Perris, California 92570

Size: Approximately 11,200 square feet

Term: Five (5) year extension effective as of December 1, 2009

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.45 per square foot	\$ 1.37 per square foot
	\$ 16,232.30 per month	\$ 15,344.00 per month
	\$ 194,787.60 per year	\$ 184,128.00 per year

Rental Adjustments:

Year 1	\$15,344.00
Year 2	\$15,804.32
Year 3	\$16,278.44
Year 4	\$16,929.58
Year 5	\$17,606.76

Utilities: County pays electric.

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 Second Amendment to Lease will be fully funded through the Probation's department budget. Probation has budgeted these costs in FY 2009/10; however, EDA requires a budget adjustment to its FY 2009/10 budget to cover related transactional costs with the property owners. While EDA will front the costs for this Second Amendment to Lease with the property owners, the Probation Department will reimburse EDA for all associated lease costs.

Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	\$107,408
10000-7200600000-529540 – Utilities	\$ 9,408
10000-7200400000-572500 – Intra Leases	(\$107,408)
10000-7200600000-573800 – Intra Utilities	(\$ 9,408)

Exhibit A

Probation Lease Cost Analysis for FY 2009/10 2560 North Perris Boulevard, Building N-1, Perris, California

Current Square Feet Occupied:

Office: 11,200 SQFT

Cost per Square Foot: \$ 1.37

Lease Cost per Month (December 1, 2009 - June 30, 2010) \$ 15,344
Total Estimated Lease Cost for FY 2009/10 \$ 107,408 ✓

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (December 1, 2009 - June 30, 2010) \$ 9,408

Total Estimated Utility Cost for FY 2009/10 \$ 9,408 ✓

EDA Lease Management Fee (Based @ 3.79%) \$ 4,070 ✓

Total Estimated Lease Cost FY 2009/10: \$ 120,886

Current Net County Cost @ 23% \$ 27,803

Exhibit B

Probation Lease Cost Analysis for FY 2010/11 2560 North Perris Boulevard, Building N-1, Perris, California

Current Square Feet Occupied:

Office:	11,200	SQFT		
Cost per Square Foot:	\$	1.37		
Lease Cost per Month (July 1, 2010 -November 30, 2010)		\$	15,344	
Total Estimated Lease Cost for FY 2010/11			\$	76,720
Cost per Square Foot:	\$	1.41		
Lease Cost per Month (December 1, 2010 - June 30, 2011)		\$	15,804	
Total Estimated Lease Cost for FY 2010/11			\$	110,630
<u>Estimated Utility Costs:</u>				
Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs (July 1, 2010 -June 30, 2011)		\$	16,128	
Total Estimated Utility Cost for FY 2010/11			\$	16,128
EDA Lease Management Fee (Based @ 3.79%)			\$	7,100
Total Estimated Lease Cost FY 2010/11:			\$	210,578
Annual Net County Cost @ 23%			\$	48,432

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SECOND AMENDMENT TO LEASE
Probation Department
2560 N. Perris Boulevard, Building N-1, Perris, California

This SECOND AMENDMENT to Lease ("Second Amendment") is made as of _____, 2009, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called ("County"), and PERRIS INVESTMENT TRUST, herein called ("Lessor").

WITNESSETH:

Whereas, Lessor and County entered into that certain Lease dated August 27, 2002 (the "Original Lease") pursuant to which County leased the premises located at 2560 N. Perris Boulevard, Building N-1, Perris, California ("Leased Premises"), as more particularly described on Exhibit "A," attached hereto and made a part hereof.

Whereas, the Original Lease has been amended by that certain First Amendment of Lease dated May 6, 2008, by and between Lessor and County (the "First Amendment").

Whereas, the Original Lease, as heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease."

Whereas, the term of the Lease, as heretofore amended, will expire November 30, 2009. County and Lessor desire to further amend the Lease to extend the term of the Lease, to modify the monthly rental payments and to otherwise modify the terms and conditions of the Lease as set forth in this Second Amendment.

NOW, THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Capitalized Terms; Second Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this Second Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains the same and in full force and effect except to the extent amended by this Second Amendment.

2. Extension of Term. The Term of this Lease is hereby extended five (5) years ("Extended Term"). The Extended Term will commence on December 1, 2009, and will expire on November 30, 2014 ("Expiration Date").

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3. Rent During Extended Term.

a. Section 5.1 of the Original Lease and Section 2.0 of the First Amendment are hereby amended by the following: County shall pay to the Lessor the monthly sums as rent for the Leased Premises during the Extended Term of this Lease as indicated below:

<u>Amount</u>	<u>Year</u>
\$15,344.00	12/1/2009-11/30/2010
\$15,804.32	12/1/2010-11/30/2011
\$16,278.44	12/1/2011-11/30/2012
\$16,929.58	12/1/2012-11/30/2013
\$17,606.76	12/1/2013-11/30/2014

b. As set forth in Section 3(a) herein, Section 5.2 of the Original Lease, is hereby amended as follows: The monthly rental shall be increased on each anniversary of this Lease by an amount equal to three percent (3%) during year one, two and three of the Extended Term. The monthly rental shall be increased by four percent (4%) in year four and five of the Extended Term.

4. Improvements by Lessor. Lessor, at its expense, shall provide the following tenant improvements:

- (a) Paint interview and training rooms
- (b) Install kick plates to designated doors

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