

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

608



**SUBMITTAL DATE:**  
August 24, 2009

**FROM:** Economic Development Agency

**SUBJECT:** First Amendment to Lease, District Attorney's Office, Murrieta

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

**BACKGROUND:** This First Amendment to Lease represents a two (2) year extension in the lease term which will expire on December 31, 2012, in addition to a decrease in the rent. The Economic Development Agency (EDA), Real Estate Division, has negotiated a reduction in the rent from \$2.06 per square foot to \$.95 per square foot. This equates to a 53% savings in rent for the department. Rent decrease will be effective August 1, 2009.

Robert Field,  
Assistant County Executive Officer/EDA

|                       |                                      |             |                                |       |
|-----------------------|--------------------------------------|-------------|--------------------------------|-------|
| <b>FINANCIAL DATA</b> | <b>Current F.Y. Total Cost:</b>      | (\$177,177) | <b>In Current Year Budget:</b> | Yes   |
|                       | <b>Current F.Y. Net County Cost:</b> | (\$177,177) | <b>Budget Adjustment:</b>      | No    |
|                       | <b>Annual Net County Cost:</b>       | \$-0-       | <b>For Fiscal Year:</b>        | 09/10 |

|   |   |                          |
|---|---|--------------------------|
| <b>SOURCE OF FUNDS:</b> 100% General Fund | <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  
 BY:   
 County Executive Office Signature Jennifer L. Sargent

FORM APPROVED COUNTY COUNSEL  
 BY: SYNTIA M. GUNZEL 9/9/09  
 DATE: 9/9/09  
 Department: Concurrence

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

Prev. Agn. Ref.: 9/28/04 #3.16, 6/28/05 #3.16 | District: 3 | Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.23

The lease rate reduction was initiated at the request of the Office of the District Attorney (DA) as part of the DA's ongoing efforts to identify cost saving measures. The original intention was to reduce the amount of space occupied by the Victim Services division in the DA's Southwest Office, which would have considerably reduced the amount of space available for staff but would have realized the requested lease rate reduction; however, as an alternative EDA staff was able to negotiate a significant lease rate reduction and allow the Victim Services division to retain all of the space it had previously occupied. The result of the renegotiation is a greater cost savings to the DA than originally anticipated while maintaining the amount of space needed for Victims Services to continue to provide much-needed services.

Lessor: Valley View Commerce Center, LLC  
41623 Margarita Road, Suite 100  
Temecula, California

Premises Location: 30045 Technology Drive  
Murrieta, California

Term: Lease expires December 31, 2012

Size: 14,482 square feet

| Rent: | Current                  | New                    |
|-------|--------------------------|------------------------|
|       | \$ 2.06 per sq. ft.      | \$ 0.95 per sq. ft.    |
|       | \$ 29,864.48 per month   | \$ 13,757.90 per month |
|       | \$358,373.76 per year    | \$165,094.80 per year  |
|       | Savings per square foot: | 53% decrease           |
|       | Savings per month:       | \$16,106.58            |
|       | Savings per year:        | \$193,278.96           |

Rental Adjustment: Three (3%) percent annually

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

#### FINANCIAL DATA:

The lease rate reduction reflects a cost savings for the department in FY 09/10 of \$177,177.00. All associated costs for this First Amendment to Lease will be fully funded through the District Attorney's budget. The District Attorney has budgeted these costs in FY 09/10; however, EDA will request a budget adjustment to its FY 09/10 budget to cover related transactional costs with the property owner, as well as ongoing utility costs, as necessary, during its quarterly budget report.



## Exhibit B

### District Attorney Lease Cost Analysis for FY 2010/11 30045 Technology Drive, Murrieta, California

#### Current Square Feet Occupied:

|   |             |           |                |
|---|-------------|-----------|----------------|
| Office:   | 14,482 SQFT |           |                |
| Cost per Square Foot:                                 | \$          | 0.95      |                |
| Lease Cost per Month (July 1, 2010 - July 31, 2010)   |             | <u>\$</u> | <u>13,757</u>  |
| Cost per Square Foot:                                 | \$          | 0.97      |                |
| Lease Cost per Month (August 1, 2010 - June 30, 2011) |             | <u>\$</u> | <u>14,047</u>  |
| <b>Total Estimated Lease Cost for FY 2010/11</b>      |             | <b>\$</b> | <b>168,280</b> |

#### Estimated Utility Costs:

|  |    |           |               |
|--|----|-----------|---------------|
| Utility Cost per Square Foot                           | \$ | 0.12      |               |
| Estimated Utility Costs (July 1, 2010 - June 30, 2011) |    | <u>\$</u> | <u>20,854</u> |
| <b>Total Estimated Utility Cost for FY 2010/11</b>     |    | <b>\$</b> | <b>20,854</b> |

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**FIRST AMENDMENT TO LEASE**

(District Attorney  
30045 Technology Drive,  
Murrieta, California)

This First Amendment to Lease between the **COUNTY OF RIVERSIDE**, herein called "County", and **VALLEY VIEW COMMERCE CENTER, LLC**, herein called "Lessor" as successor in interest to **VALLEY VIEW PARTNERS, LLC**, Fred Grimes, Managing Member, hereby amends that certain Lease dated June 28, 2005, pertaining to the premises located at 30045 Technology Drive, Murrieta, California, as follows:

1. **Premises Defined.** Section 2.2 of the Lease is hereby amended as follows: The address reflected in Section 2.2 shall be revised from 30033 – B Technology Drive to 30045 Technology Drive.

2. **Term.** Section 4 of the Lease is hereby amended as follows: The term of the lease is extended two (2) years and shall expire on December 31, 2012.

3. **Rent.** Section 5.1 of the Lease is hereby amended as follows: Effective August 1, 2009 the new monthly rent for the premises shall be reduced to thirteen Thousand Seven Hundred Fifty Seven Dollars and 90/100 (\$13,757.90).

4. **Notice.** Section 6.4.1 of the Lease is hereby amended as follows: Section 6.4.1 is deleted in its entirety and replaced with the following: "County shall provide Lessor with written notification of its election to terminate this Lease by providing sixty (60) days written notice prior to the date of termination. County's notice shall state the reason for its termination of this Lease. County's obligation to pay Rent shall continue through the termination date. "

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


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 **ORIGINAL**

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

3 Dated: \_\_\_\_\_

4 **VALLEY VIEW COMMERCE CENTER, LLC**

5 By:   
6 Fred Grimes, Managing Member

7 **COUNTY OF RIVERSIDE**

8 **ATTEST:**

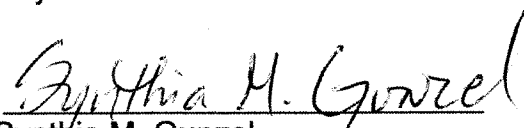
9 Kecia Harper-Ihem  
10 Clerk of the Board

11 By: \_\_\_\_\_  
12 Jeff Stone, Chairman  
13 Board of Supervisors

14 By: \_\_\_\_\_

15 **APPROVED AS TO FORM:**

16 Pamela J. Walls  
17 County Counsel

18 By:   
19 Cynthia M. Gunzel  
20 Deputy County Counsel  
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