

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



SUBMITTAL DATE:
August 24, 2009

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* 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*
County Executive Office Signature

Probation Department
 FORM APPROVED COUNTY COUNSEL
 BY: *Synthia M. Gunzel* 9-14-09
 SYNTHIA M. GUNZEL
 DATE: 9-14-09
 Departmental Concurrence
 SALLY A. BEAVAN
 Chief Deputy Administrator

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

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

3.30

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

///
///
///

