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

FROM: Economic Development Agency

SUBMITTAL DATE:
January 20, 2010

SUBJECT: Third Amendment to Lease – Treasurer/Tax Collector, Palm Springs

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's FY 2009/2010 budget as outlined on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: Susana Garcia-Bocanegra 2/25/10
SUSANA GARCIA-BOCANEGRA

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (978)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ (978)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$57,584	For Fiscal Year:	09/10
SOURCE OF FUNDS: Treasurer/Tax Collector Budget			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

Dep't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 1/15/02 3.17; 8/13/02 3.24; 2/8/05 3.10 | District: 4 | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.32

FORM APPROVED COUNTY COUNSEL
 BY: Synthia M. Gunzel 2/24/10
 SYNTHIA M. GUNZEL, CLERK OF SUPERVISORS
 DATE: 2/24/10
 DEPARTMENT: TAX COLLECTOR

BACKGROUND:

The County of Riverside entered into a lease agreement on January 15, 2002, for the Treasurer/Tax Collector for the facility located 997 E. Tahquitz Canyon Way, Suite A, in Palm Springs. This Third Amendment to Lease will extend the Lease for a period of two years effective as of March 1, 2010. This facility continues to meet the department's office space requirements. The Economic Development Agency (EDA), Real Estate Division, has negotiated the rent from \$1.69 per square foot to \$1.60 per square foot, which equates to a 5.3% savings in rent for the Department. An annual increase of 3% will be applied during the second year of this lease extension.

Lessor: Suitt Family Trust
 C/O Suitt Properties
 2700 E. Mesquite Avenue #E-28
 Palm Springs, California 92264

Premises Location: 997 E. Tahquitz Canyon Way
 Palm Springs, California 92262.

Size: 2,670 square feet

Term: Two (2) year lease extension effective as of
 March 1, 2010

Rent:	<u>Current Rent</u>	<u>New Rent</u>
	\$1.69 per square foot	\$1.60 per square foot
	\$4,507.66 per month	\$4,272.00 per month
	\$54,091.92 per year	\$51,264.00 per year

Savings per Square Foot:	5.3% decrease
Savings per Month:	\$ 235.66 per month
Savings per Year:	\$2,827.92 per year

Rental Adjustments:	Year 1	\$4,272 per month
	Year 2	\$4,400.16 per month

Utilities: County pays electric, Lessor pays all others.

Market Data:	3655 E. Ramon Rd, Palm Springs, CA	\$2.00 psf
	420 S. Palm Canyon Dr, Palm Springs, CA	\$1.89 psf
	265 N El Cielo Blvd, Palm Springs, CA	\$1.75 psf

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

Economic Development Agency
Third Amendment to Lease – Treasurer/Tax Collector, Palm Springs
January 20, 2010
Page 3

FINANCIAL DATA:

All associated costs for this Third Amendment to Lease Agreement will be fully funded through Treasurer/Tax Collector's budget. Treasurer/Tax Collector has budgeted these costs in FY 2009/2010. While EDA will front the costs for the Third Amendment to Lease with the property owners, Treasurer/Tax Collector will reimburse EDA for all associated lease costs.

Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$943)
10000-7200400000-572500 – Intra Leases	\$943

Exhibit A

Treasurer/Tax Collector Lease Cost Analysis FY 2009/10 997 E. Tahquitz Way, Palm Springs, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		2,670 SQFT	
Cost Per Sq. Ft:	\$	1.69	
Lease Cost per Month		\$ 4,507.66	
Total Lease Cost included in Budget for FY 2009/10		\$ 54,091.92	

ACTUAL AMOUNTS

Current office:		2,670 SQFT	
Approximate Cost per SQFT (July - Feb)	\$	1.69	
Approximate Cost per SQFT (March - June)	\$	1.60	
Lease Cost per Month (July - Feb)	\$	4,508	
Lease Cost per Month (March - June)	\$	4,272	
Total Lease Cost (July - Feb)		\$ 36,061.28 ✓	
Total Lease Cost (March - June)		\$ 17,088.00 ✓	
Total Lease Cost for FY 2009/10		\$ 53,149.28 ✓	
TOTAL LEASE COST SAVINGS FOR FY 2009/10		\$ (942.64) ✓	

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 320.40 ✓	
Total Estimated Utility Cost for FY 2009/10		\$ 3,844.80 ✓	
Tenant Improvement Costs		N/A	
RCIT Costs		N/A	
EDA Lease Management Fee (Based @ 3.79%)		\$ 2,050.08 ✓	
Total Estimated Additional Costs included in Budget for FY 2009/10		\$ 5,894.88 ✓	

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 320.40	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)		\$ 3,844.80	
Tenant Improvement Costs		N/A	
RCIT Costs		N/A	
EDA Lease Management Fee (Based @ 3.79%)	\$	2,014.36 ✓	
Total Estimated Additional Costs for FY 2009/10		\$ 5,859.16 ✓	
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10		\$ (35.73) ✓	
TOTAL SAVINGS FOR LEASE COST FY 2009/10		\$ (978.37)	

Exhibit B

Treasurer/Tax Collector Lease Cost Analysis FY 2010/11 997 E. Tahquitz Way, Palm Springs, California

Current Square Feet Occupied:

Office:	2,670	SQFT		
Cost per Square Foot:	\$	1.60		
Lease Cost per Month (July 1, 2010 - February 29, 2011)		<u>\$</u>	4,272.00	
			\$	34,176.00 ✓
Cost per Square Foot:	\$	1.65		
Lease Cost per Month (March 1, 2011 - June 30, 2011)		<u>\$</u>	4,400.16	
Annual Increase 3%				\$
				17,600.64 ✓
Estimated Lease Cost (July 1, 2010 - June 30, 2011)			<u>\$</u>	<u>51,776.64</u> ✓
<u>Estimated Utility Costs:</u>				
Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs (July 1, 2010 - February 28, 2011)			\$	2,563.20
Estimated Utility Costs (March 1, 2011 - June 30, 2011)			\$	1,281.60
EDA Lease Management Fee @ 3.79%			<u>\$</u>	<u>1,962.33</u> ✓
Total Estimated Lease Cost FY 2010/11:			\$	<u>57,583.77</u> ✓

1 **THIRD AMENDMENT TO LEASE**

2 Treasurer – Tax Collector
997 E. Tahquitz Canyon Way, Suite A, Palm Springs, California

3 This THIRD AMENDMENT to Lease (“Third Amendment”) is made as of
4 _____, 2010, by and between the **COUNTY OF RIVERSIDE**, on behalf of the
5 Treasurer – Tax Collector, a political subdivision of the State of California, herein called
6 (“County”), and Jacqueline H. Suitt, Trustee of **SUITT FAMILY TRUST**, dated _____,
7 herein called (“Lessor”).

8 **WITNESSETH**

9 **WHEREAS**, Lessor and County entered into that certain Lease dated January 15,
10 2002 (the “Original Lease”), pursuant to which County leased the premises located at 997 E.
11 Tahquitz Canyon Way, Suite A, Palm Springs, California (“Leased Premises”), as more
12 particularly described on Exhibit “A”, attached hereto and made a part hereof.

13 **WHEREAS**, the Original Lease has been amended by that certain First Amendment of
14 Lease dated August 13, 2002, by and between Lessor and County (the “First Amendment”).

15 **WHEREAS**, the Original Lease has been amended by that certain First Amendment of
16 Lease dated February 8, 2005, although incorrectly titled First Amendment to Lease, is in fact
17 the Second Amendment to this Lease and hereinafter will be referred to as such, by and
18 between Lessor and County (the “Second Amendment”).

19 **WHEREAS**, the term of the Lease, as heretofore amended, will expire February 28,
20 2010. County and Lessor desire to further amend the Lease to extend the term of the Lease,
21 to modify the monthly rental payments and to otherwise modify the terms and conditions of the
22 Lease as set forth in this Third Amendment.

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

25 **1. Capitalized Terms; Third 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 Third 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 Third Amendment.

2. Extension of Term. The Term of this Lease is hereby extended two (2) years
 (“Extended Term”). The Extended Term will commence on March 1, 2010, and will expire on
 February 29, 2012 (“Expiration Date”).

3. Option to Extend Term. Lessor grants to County one (1) option to extend the
 Lease term (“Extension Option”). Extension Option shall be for a period of one (1) year.

3.1 Exercise of Option, Rent. The Extension Option shall be exercised by
 County delivering to Lessor a written notice thereof, no later than sixty (60) days prior to the

1 expiration of the Original Term or any extension thereof. The monthly rent during the option
2 period shall be increased by three percent (3%).

3 **4. Rent During Extended Term.**

4 **a.** Section 5.1 of the Original Lease and Section 2 of the Second
5 Amendment to Lease are hereby amended by the following: County shall pay to the Lessor the
6 monthly sums as rent for the Leased Premises during the Extended Term of this Lease as
7 indicated below:

<u>Amount</u>	<u>Year</u>
\$4,272.00	3/1/2010-2/28/2011
\$4,400.16	3/1/2011-2/29/2012

8 **b.** As set forth in Section 4(a) herein, Section 5 of the Original Lease, and
9 Section 3 of the Second Amendment is hereby amended as follows: The monthly rental shall
10 be increased on the anniversary of this Lease by an amount equal to three percent (3%)
11 during year two (2) of the Extended Term.

12 **5. Notices.** Section 19.18 of the Original Lease is hereby amended as
13 follows:

14 **County**

15 County of Riverside
16 Economic Development Agency
17 Real Estate Division
18 3403 10th Street, Suite 500
19 Riverside, California 92501

20 **Lessor**

21 Suitt Family Trust
22 c/o Timothy D'Attile
23 Business Management CPA's Inc
24 P.O. BOX 2290
25 Palm Springs, California 92263

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

Dated: _____

SUITT FAMILY TRUST

By: Jacqueline H. Suitt
Jacqueline H. Suitt, Trustee

COUNTY OF RIVERSIDE

By: _____
Marion Ashley, Chairman
Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel
Deputy County Counsel

MT:jw
12/03/09
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