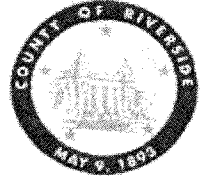


By: Ratna Reynolds
Assistant Director

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 3-11-10
DATE: 3-11-10
SYNTHIA M. GUNZEL
Departmental Counsel

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

438
SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



FROM: Economic Development Agency

SUBMITTAL DATE:
February 16, 2010

SUBJECT: First Amendment to Lease – Department of Public Social Services, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First 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: Samuel Wong 3/23/10
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	(\$15,829)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	(\$ 886)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$32,710	For Fiscal Year:	09/10
SOURCE OF FUNDS: Federal 59.1%; State 35.3%; County 5.6%			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

Prev. Agn. Ref.: 1/24/2008 3,15

District: 1

Agenda Number:

BACKGROUND:

The County of Riverside entered into a lease agreement on January 24, 2006 for the Department of Public Social Services for the facility located at 2300 Market Street, Suite 300, in Riverside. The Economic Development Agency (EDA), Real Estate Division, has negotiated the rent from \$2.35 per square foot to \$2.11 per square foot, which equates to a 10% savings in rent for the Department, effective as of April 1, 2010.

In addition, the current termination date is August 31, 2011. This First Amendment to Lease will extend the Lease for an additional six (6) months effective as of September 1, 2011 and terminating February 29, 2012. This facility continues to meet the department's office space requirements.

Lessor: MEF Realty, LLC
C/O The Muller Company
23521 Paseo de Valencia, Suite 200
Laguna Hills, California 92653

Premises Location: 2300 Market Street, Suite 300
Riverside, California 92501

Size: Approximately 21,639 square feet

Term: Six (6) month lease extension effective as of September 1, 2011, and terminating February 29, 2012

Rent:	<u>Current Rent</u>	<u>New Rent</u>
	\$2.35 per square foot	\$2.11 per square foot
	\$50,837.87 per month	\$45,754.08 per month
	\$610,054.44 per year	\$549,048.96 per year

Savings per square foot:	10% decrease
Savings per month:	\$5,083.79
Savings per year:	\$61,005.48

Rental Adjustments: Three percent (3%)

Utilities: Lessor pays all utilities

Tenant Improvements: Not to exceed \$100,000.00

RCIT: \$353,080.00

Market Data:	4204 Riverwalk Parkway, Riverside	\$2.85 psf
	3750 University Avenue, Riverside	\$2.35 psf
	3880 Lemon Street, Riverside	\$2.25 psf

Economic Development Agency
First Amendment – Department of Public Social Services
February 16, 2010
Page 3

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

FINANCIAL DATA:

All associated costs for this First Amendment will be fully funded through the Department of Public Social Services budget. The Department of Public Social Services has budgeted these costs in FY 2009/2010. While EDA will front the costs for the Third Amendment to Lease with the property owners, Department of Public Social Services will reimburse EDA for all associated lease costs.

Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease	(\$15,521)
10000-7200400000-572500 – Intra Leases	\$15,521

Exhibit A

DPSS Lease Cost Analysis FY 2009/10 2300 Market Street, Riverside, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	21,639	SQFT		
Cost Per Sq. Ft:	\$	2.35		
Lease Cost per Month			\$	50,837.87
Total Lease Cost included in Budget for FY 2009/10			\$	610,054.44

ACTUAL AMOUNTS

Current office:	21,639	SQFT		
Approximate Cost per SQFT (July - Mar)	\$	2.35		
Approximate Cost per SQFT (April - June)	\$	2.11		
Lease Cost per Month (July - Mar)	\$	50,837.87		
Lease Cost per Month (April - June)	\$	45,754.08		
Total Lease Cost (July - Mar)			\$	457,540.83
Total Lease Cost (April - June)			\$	137,262.24
Total Lease Cost for FY 2009/10			\$	594,803.07
TOTAL LEASE COST SAVINGS FOR FY 2009/10			\$	(15,251.37)

Estimated Additional Costs:

BUDGETED AMOUNTS

Tenant Improvements	\$	100,000.00		
RCIT Costs	\$	353,080.00		
EDA Lease Management Fee (Based @ 3.79%)			\$	23,121.06
Total Estimated Additional Costs for FY 2009/10			\$	476,201.06

ACTUAL AMOUNTS

Tenant Improvements	\$	100,000.00		
RCIT Costs	\$	353,080.00		
EDA Lease Management Fee (Based @ 3.79%)			\$	22,543.04
Total Estimated Additional Costs for FY 2009/10			\$	475,623.04
TOTAL ESTIMATED ADDITIONAL COST FOR FY 2009/10			\$	(578.03)
TOTAL SAVINGS FOR LEASE COST FY 2009/10			\$	(15,829.40)
TOTAL COUNTY COST SAVINGS 5.6%			\$	(886.45)

Exhibit B

DPSS Lease Cost Analysis FY 2010/11 2300 Market Street, Riverside, California

Current Square Feet Occupied:

Office:	21,639	SQFT		
Cost per Square Foot:	\$	2.11		
Lease Cost per Month (July 1, 2010 - August 31, 2010)		\$	<u>45,754.08</u>	
Cost per Square Foot:	\$	2.18		\$ 91,508.16
Lease Cost per Month (September 1, 2010 - June 30, 2011)		\$	<u>47,126.71</u>	
Total Estimated Lease Cost for FY 2010/11			<u>\$</u>	<u>471,267.10</u>
			\$	<u>562,775.26</u>

Estimated Utility Costs:

Utility Cost per Square Foot	\$	-		
Estimated Utility Costs (July 1, 2010 - June 30, 2011)		\$	<u>-</u>	
Total Estimated Utility Cost for FY 2010/11			\$	-
EDA Lease Management Fee (Based @ 3.79%)			\$	<u>21,329.18</u>
Total Estimated Lease Cost FY 2010/11:			\$	584,104.44
TOTAL COUNTY COST 5.6%			\$	32,709.85

FIRST AMENDMENT TO LEASE
Department of Public Social Services
2300 Market Street, Suite 300, Riverside, California

This FIRST AMENDMENT to Lease ("First Amendment") is made as of _____, 20___, by and between the **COUNTY OF RIVERSIDE**, on behalf of the Department of Public Social Services, a political subdivision of the State of California, herein called ("County"), **MEF REALTY, LLC**, a California Limited Liability Company, herein called ("Lessor").

RECITALS:

Whereas, Lessor and County entered into that certain Lease dated January 24, 2006 (the "Original Lease") pursuant to which County leased the premises located at 2300 Market Street, Suite 300, Riverside, California ("Leased Premises"), as more particularly described on Exhibit "A," attached hereto and made a part hereof.

Whereas, the term of the Lease, as heretofore amended, will expire August 31, 2011. 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 First 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; First 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 First 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 First Amendment.

2. Extension of Term. The Term of this Lease is hereby extended six (6) months ("Extended Term"). The Extended Term will commence on September 1, 2011, and will expire on February 29, 2012 ("Expiration Date").

3. Rent During Extended Term.

a. Section 5.1 of the Original Lease is 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>PSF Rate</u>	<u>Year</u>
\$45,754.08	\$2.11 psf	4/1/2010-8/31/2010
\$47,126.71	\$2.18 psf	9/1/2010-8/31/2011
\$48,540.51	\$2.24 psf	9/1/2011-2/29/2012

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4. Option to Extend Term.

a. Section 6.1 and Section 6.1.1 of the Original Lease is hereby amended as follows: Lessor grants to County two (2) (1) year options to extend the Lease Term ("Extension Option (s)"). The Extension Option shall be exercised by County delivering to Lessor a sixty (60) days advanced written notice.

b. Section 6.1.2 of the Original Lease is hereby amended as follows: The rent payable by County during any Extended Option shall be based on the then current Fair Market Value.

5. Improvements by Lessor.

a. Lessor at its sole cost and expense shall complete the improvements to the premises as specified in Exhibit I attached hereto and by this reference made a part of the ease.

b. Improvements shall not exceed One Hundred Thousand Dollars (\$100,000.00). Lessor shall provide County with an itemized statement of the cost of improvements within thirty (30) days after completion and acceptance of the improvements. Upon receipt of the itemized statement, County shall pay said One Hundred Thousand Dollars (\$100,000.00) or the reduced adjustment amount to Lessor by a County warrant as soon as said warrant can be processed and issued to Lessor.

6. Notice. Section 19.18 of the Original Lease is hereby amended as follows:

County
County of Riverside
Economic Development Agency
Real Estate Division
3403 10th Street, Suite 500
Riverside, California 92501

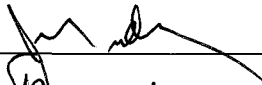
Lessor
MEF Realty, LLC
23521 Paseo de Valencia, Suite 200
Laguna Hills, California 92653

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

3 Dated: _____

MEF REALTY, LLC
A Limited Liability Company, (Lessor)

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5
6 By: 
7 Title: Manager

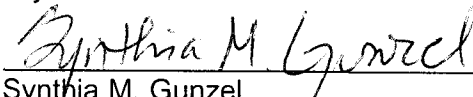
COUNTY OF RIVERSIDE

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10 By: _____
11 Marion Ashley, Chairman
12 Board of Supervisors

ATTEST:
11 Kecia Harper-Ihem
12 Clerk of the Board

13 By: _____
14 Deputy

APPROVED AS TO FORM:
14 Pamela J. Walls
15 County Counsel

16 By: 
17 Cynthia M. Gunzel
18 Deputy County Counsel

TW:jw
02/16/10
RV336
13.115

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Scope of Work
DPSS – 2300 Market Street, Suite 300
Riverside, California

1. Demo walls, doorways, mail slot area, entry countertop area
2. Construct new walls, doorway, drywall, texture all areas needed to prepare for paint.
3. Ceiling and t-grid repair
4. Electrical/Data
5. Replace VCT in break room
6. Carpet two offices and mail/imaging room
7. Install Mitsubishi 2 ton A/C in Data room
8. Install Formica countertop in break room

EXHIBIT I