

FORM APPROVED COUNTY COUNSEL  
 BY: Synthia M. Gunzel 4-5-10  
 DATE: SYNTHIA M. GUNZEL

632



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

**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
 April 22, 2010

**SUBJECT:** Second Amendment to Lease – Department of Public Social Services

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify the attached Second 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 09/2010 budget as set out on Schedule A.

**BACKGROUND:** (Commences on Page 2)

FISCAL PROCEDURES APPROVED  
 ROBERT E. BYRD, AUDITOR-CONTROLLER  
 BY: Samuel Wong 4/14/10  
 SAMUEL WONG

*Robert Field*

Robert Field  
 Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	(\$1,797)	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	(\$ 101)	<b>Budget Adjustment:</b>	Yes
	<b>Annual Net County Cost:</b>	\$2,336	<b>For Fiscal Year:</b>	09/10

**SOURCE OF FUNDS:** 59.1% Federal, 35.3% State, 5.6% County

<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
<b>Requires 4/5 Vote</b>	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Jennifer L. Sargent*

**County Executive Office Signature**

Jennifer L. Sargent

By: *Susan Loew*  
 Susan Loew, Director  
 Department of Public Social Services

Consent     Policy  
 Consent     Policy

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

**Prev. Agn. Ref.:** 3.15 of 5/25/04;  
 3.14 of 2/6/07

**District:** 5

**Agenda Number:**

ATTACHMENTS FILED  
 WITH THE CLERK OF THE BOARD

3.33

**BACKGROUND:**

The County has a leasehold interest, as Lessee, under a lease between the County and Juhns Rialto Investment, LLC, for the facility located at 2055 North Perris Boulevard, Suites A-10 and A-11, Perris California. The Department of Public Social Services has utilized this office for its Temporary Assistance MediCal Division. This facility continues to meet the needs and requirements of the Department and a lease extension has been negotiated by the Economic Development Agency's Real Estate Division reflecting an eight (8%) decrease in the rent.

Lessor: Juhns Rialto Investment, LLC  
9030 E. Blair Street  
Rosemead, California 91770.

Premises Location: 2055 N. Perris Blvd., Suites A10 – A-11, Perris, California

Term: Two years commencing January 1, 2010

Size: 1,880 square feet

Rent:

<u>Old</u>	<u>New</u>
\$1.80 per sq. ft.	\$1.65 per month
\$3,390.64 per month	\$3,102.00 per year
\$40,687.68 per year	\$37,224.00 per year

Savings

Per Sq. Ft.	\$ .15
Per Month	\$ 288.64
Per Year	\$3,463.68

Rental Adjustment: Two (2%) percent

Utilities: County pays electric and telephone, Landlord pays all others.

Maintenance: Provided by Landlord.

Custodial: Provided by Landlord

Improvements: N/A

RCIT Costs: N/A

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

Economic Development Agency  
Second Amendment to Lease – Department of Public Social Services  
April 22, 2010  
Page 3

**FINANCIAL DATA:**

The associated costs for this Second 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 2009/10. While EDA will front the costs for the Second Amendment to Lease with the property owners, the Department of Public Social Services will reimburse EDA for all associated costs. (Exhibit A & B)

## Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$1,732)
10000-7200400000-572500 – Intra Leases	\$1,732

# Exhibit A

## DPSS Lease Cost Analysis FY 2009/10 2055 N. Perris Boulevard, A10 - A11, Perris, California

**Total Square Footage to be Leased:**

**BUDGETED AMOUNTS**

Current office:		1,880	SQFT	
Cost Per Sq. Ft:	\$	1.80		
Lease Cost per Month		\$	3,390.64	
<b>Total Lease Cost included in Budget for FY 2009/10</b>			<b>\$</b>	<b>40,687.68</b>

**ACTUAL AMOUNTS**

Current office:		1,880	SQFT	
Approximate Cost per SQFT (July - Dec)	\$	1.80		
Approximate Cost per SQFT (Jan - June)	\$	1.65		
Lease Cost per Month (July - Dec)	\$	3,390.64		
Lease Cost per Month (Jan - June)	\$	3,102.00		
Total Lease Cost (July - Dec)		\$	20,343.84	
Total Lease Cost (Jan - June)		\$	18,612.00	
<b>Total Lease Cost for FY 2009/10</b>			<b>\$</b>	<b>38,955.84</b>
<b>TOTAL LEASE COST SAVINGS FOR FY 2009/10</b>			<b>\$</b>	<b>(1,731.84)</b>

**Estimated Additional Costs:**

**BUDGETED AMOUNTS**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	225.60	
<b>Total Estimated Utility Cost for FY 2009/10</b>			<b>\$</b>	<b>2,707.20</b>
<b>Tenant Improvement Costs</b>				<b>N/A</b>
<b>RCIT Costs</b>				<b>N/A</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			<b>\$</b>	<b>1,542.06</b>
<b>Total Estimated Additional Costs included in Budget for FY 2009/10</b>			<b>\$</b>	<b>4,249.26</b>

**ACTUAL AMOUNTS**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	225.60	
<b>Total Additional Estimated Utility Cost for FY 2009/10 (July - June)</b>			<b>\$</b>	<b>2,707.20</b>
<b>Tenant Improvement Costs</b>				<b>N/A</b>
<b>RCIT Costs</b>				<b>N/A</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			<b>\$</b>	<b>1,476.43</b>
<b>Total Estimated Additional Costs for FY 2009/10</b>			<b>\$</b>	<b>4,183.63</b>
<b>TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10</b>			<b>\$</b>	<b>(65.64)</b>
<b>TOTAL SAVINGS FOR LEASE COST FY 2009/10</b>			<b>\$</b>	<b>(1,797.48)</b>
<b>TOTAL COUNTY COST 5.6%</b>			<b>\$</b>	<b>(100.66)</b>

# Exhibit B

## DPSS Lease Cost Analysis FY 2010/11 2055 N. Perris Boulevard, A10 - A11, Perris, California

### Current Square Feet Occupied:

Office:	1,880	SQFT		
Cost per Square Foot:	\$	1.65		
Lease Cost per Month (July 1, 2010 -December 31, 2010)		<u>\$</u>	<u>3,102.00</u>	\$ 18,612.00
Cost per Square Foot:	\$	1.69		
Lease Cost per Month (January 1, 2011 -June 30, 2011)		<u>\$</u>	<u>3,161.04</u>	\$ 18,966.24
<b>Total Estimated Lease Cost for FY 2010/11</b>				<u><u>\$ 37,578.24</u></u>

### Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July 1, 2010 -June 30, 2011)		<u>\$</u>	<u>225.60</u>	
<b>Total Estimated Utility Cost for FY 2010/11</b>				<u><u>\$ 2,707.20</u></u>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>				<u><u>\$ 1,424.22</u></u>
<b>Total Estimated Lease Cost FY 2010/11:</b>				<u><u>\$ 41,709.66</u></u>
<b>TOTAL COUNTY COST 5.6%</b>				<u><u>\$ 2,335.74</u></u>

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**SECOND AMENDMENT TO LEASE**  
**2055 N. Perris Blvd, Suites A10-A11, Perris, California**

This **SECOND AMENDMENT TO LEASE** ("Second Amendment") is made as of \_\_\_\_\_, 2010 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **JUHNS RIALTO INVESTMENTS, LLC**, ("Lessor") as successor in interest to **MISSOURI PLAZA, LLC, a MISSOURI LIMITED LIABILITY COMPANY**.

**1. Recitals.**

a. County and Missouri Plaza, LLC, a Missouri Limited Partnership,, entered into that certain lease dated May 25, 2004, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 2055 N. Perris Blvd., Suites A10-A11, Perris, California (the "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated February 6, 2007 by and between Missouri Plaza, LLC, a Missouri Limited Liability Company and County (the "First Amendment").

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

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

**2. 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 in full force and effect except to the extent amended by this Second Amendment.

**3. Lease Term.** Section 1 of the First Amendment to Lease shall be amended as follows: The term of this Lease shall be extended twenty four (24) months commencing on January 1, 2010, and terminating on December 31, 2011.

**4. Rent.** Section 2 of the First Amendment to Lease shall be amended as follows: Monthly rent shall be paid as follows through the extended term:

January 1, 2010 through December 31, 2010 \$3,102.00  
January 1, 2011 through December 31, 2011 \$3,161.04

**5. Options to Terminate.** Section 12 (b) of the Lease shall be amended as follows: (b) The parties hereto recognize and understand that the rental consideration

1 hereunder originates from County/State and/or Federal sources and therefore, if such funding  
2 is reduced or otherwise becomes unavailable, based on the County's annual fiscal budget,  
3 County shall have the right to terminate this lease by giving Lessor sixty (60) days notice  
4 thereof in writing.

5 **6. Notices.** Section 13 of the Lease shall be amended as follows. Any notices  
6 required or desired to be served by either party upon the other shall be addressed to the  
7 respective parties as set forth below:

8 COUNTY:

9 LESSOR:

10 Economic Development Agency  
11 County of Riverside  
12 3403 Tenth Street, Suite 500  
13 Riverside, California 92501

14 Juhns Rialto Investment, LLC  
15 Juhn Hyunyoung  
16 9030 E. Blair Street  
17 Rosemead, California 91770

18 **7.** Except as modified or supplemented by this Second Amendment to Lease, all  
19 provisions of this Lease shall remain in full force and effect.

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

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

**JUHNS RIALTO INVESTMENT, LLC**

By: H. Y. Juhn  
Juhn Hyunyoung, Single Member

**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

TW:ra  
02/25/10  
PR030  
13.165

# EXHIBIT "A"

AVOCADO AVE.

PERRIS BLVD.

CITRUS AVE.

BUILDING "G"

BUILDING "A"

BUILDING "B"

BUILDING "C"

DC - 60' to the corner  
 DT - 10' to the corner

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SITE PLAN NTS 1

Drawn by	DATE	BY	REMARKS
Checked by			
Date			
Commission No. 5-12-00A			

