

FISCAL PROCEDURES APPROVED
 ROBERT F. BYRD, AUDITOR-CONTROLLER
 BY: *Samuel Wong* 5/24/10
 SAMUEL WONG

FORM APPROVED COUNTY COUNSEL
 BY: *Synthia M. Gunzel* 5-18-10
 SYNTHIA M. GUNZEL DATE

938



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

FROM: Economic Development Agency

SUBMITTAL DATE:
 May 26, 2010

SUBJECT: Fourth Amendment to Lease – Economic Development Agency, Hemet

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Fourth Amendment to Lease and authorize the Chairman to execute the same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's FY 2009/10 budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

Robert Field

Robert Field
 Assistant County Executive Office/EDA

FINANCIAL DATA	Current F.Y. Total Cost: (\$39,689)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost: \$0	Budget Adjustment:	Yes
	Annual Net County Cost: \$0	For Fiscal Year:	09/10

SOURCE OF FUNDS: 100% Federal Funds	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*
 Jennifer L. Sargent

County Executive Office Signature

Dept't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 12/2/97, 3.9; 8/4/98, 3.10; 12/1/01, 3.17; 9/28/04, 3.28

District: 4

Agenda Number:

ATTACHMENTS FILED
 WITH THE CLERK OF THE BOARD

3.26

BACKGROUND:

Since 1998, the Economic Development Agency has occupied space in Hemet located at 1025 and 1075 State Street for their Workforce Development Center and Senior Center. Currently, tenant improvement work for two new office locations are underway with the majority of staff moving out of the Hemet Workforce Development Center in May to a new leased facility. The remaining WDC and Senior Center staff are expected to relocate this fall to the new Hemet Service Center. The existing lease expired December 31, 2009, and this Fourth Amendment to Lease provides for a short-term extension with a reduced square footage until the new locations are ready for occupancy and the two moves are complete.

Location: 1025 and 1075 State Street
Hemet, CA 92543

Lessor: State Street Buildings 1 and 11
5055 Canyon Crest Drive
Riverside, CA 92507

Size: 14,582 square feet.

Term: Extended through October 31, 2010.

Rent:	<u>Current</u>	<u>New</u>
	27,800 square feet	14,582 square feet
	\$ 1.34 per sq.ft.	\$ 1.34 per sq.ft.
	\$ 37,131.50 per month	\$ 19,539.88 per month
	\$445,578.00 per year	\$234,478.56 per year
	Savings per month:	\$ 17,591.62
	Savings per 7 months:	\$123,141.34

Utilities: County shall reimburse Lessor 52% of the monthly cost for telephone and electric service.

Custodial: Provided by Lessor.

Interior/Exterior
Maintenance: Provided by Lessor.

Economic Development Agency
Fourth Amendment to Lease – Economic Development Agency, Hemet
May 26, 2010
Page 3

FINANCIAL DATA:

All associated costs for this Lease will be fully funded through the Economic Development Agency's WDC budget. EDA WDC has budgeted for these costs in FY 2009/10; however, the Economic Development Agency requires a budget adjustment to its FY 2009/10 budget to cover related transactional costs with the property owner. While EDA will front the costs for this Lease with the property owner, EDA WDC will reimburse EDA for all associated lease costs.

Schedule A

Decrease Estimated Revenues:

10000-7200400000-778150 – Intra – Leases	(\$35,183)
10000-7200600000-778350 – Intra – Utilities	(\$3,172)

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$35,183)
10000-7200600000-529540 - Utilities	(\$3,172)

Exhibit A

Economic Development Agency Lease Cost Analysis for FY 2009/10 1025 and 1075 State Street, Hemet, California

Square Footage-Current & New:

BUDGETED AMOUNTS

Current office:		27,800	SQFT		
Cost Per Sq. Ft:	\$	1.34			
Lease Cost per Month				\$ 37,131.50	
Total Lease Cost included in Budget for FY 2009/10					\$ 445,578.00

ACTUAL AMOUNTS

Current office:		27,800	SQFT		
Approximate Cost per SQFT (July - Apr)	\$	1.34			
Proposed office:					
Approximate Cost per SQFT (May - June)	\$	1.34			
Lease Cost per Month (July - Apr)	\$	37,131.50			
Lease Cost per Month (May - June)	\$	19,539.88			
Total Lease Cost (July - Apr)				\$ 371,315.00	
Total Lease Cost (May - June)				\$ 39,079.76	
Total Lease Cost for FY 2009/10					\$ 410,394.76
TOTAL LEASE COST SAVINGS FOR FY 2009/10					\$ (35,183.24)

Estimated Additional Costs:

UTILITIES

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12			
Estimated Utility Costs per Month				\$ 3,336.00	
Total Estimated Utility Cost for FY 2009/10					\$ 40,032.00

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12			
Costs per Month (July - Apr)				\$ 3,336.00	\$ 33,360.00
Costs per Month (May - June)				\$ 1,749.84	\$ 3,499.68
Total Actuals Utility Cost for FY 2009/10				\$ 36,859.68	
TOTAL UTILITIES COSTS SAVINGS FOR FY 2009/10					\$ (3,172.32)

EDA Budgeted Lease Management Fee (Based @ 3.79%)	\$	16,887.41			
EDA Actual Lease Management Fee (Based @ 3.79%)				\$ 15,553.96	
TOTAL MANAGEMENT FEE SAVINGS					\$ (1,333.45)

TOTAL LEASE SAVINGS FY 2009/10					\$ (39,689.01)
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FOURTH AMENDMENT TO LEASE
(Economic Development Agency
1025 and 1075 State Street, Hemet, California)

This FOURTH AMENDMENT to State Street Buildings 1 and 11 ("Fourth Amendment") is made as of February 16, 2010, by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **STATE STREET BUILDINGS 1 AND 11**, a joint venture ("Lessor").

1. Recitals.

a. **STATE STREET BUILDINGS 1 AND 11, a joint venture**, Lessor, and **COUNTY OF RIVERSIDE**, County, hereby agree to amend that certain lease dated May 18, 1999, (the "original lease") pertaining to the premises located within that certain building located at 1025 and 1075 State Street, Hemet, California, as more particularly shown on Exhibit "A", attached to the Lease as follows:

b. The Original Lease has been amended by:

i. That certain First Amendment of State Street Buildings 1 And 11 dated July 18, 2000, by and between County of Riverside and State Street Buildings 1 and 11 (the "First Amendment").

ii. That certain Second Amendment of State Street Buildings 1 And 11 dated August 26, 2003, by and between County of Riverside and State Street Buildings 1 And 11 (the "Second Amendment").

iii. That certain Third Amendment of State Street Buildings 1 And 11 dated March 1, 2005, by and between County of Riverside and State Street Buildings 1 and 11 (the "Third Amendment").

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

d. The term of the Lease, as heretofore amended, expired December 31, 2009. County and Lessor desire to further amend the Lease to extend the term of the Lease.

e. The leased premises, as heretofore amended, shall be modified. County and Lessor desire to amend the Lease by reducing the leased premises.

2. Capitalized Terms: Fourth 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 Fourth 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 Fourth Amendment.

3. Extension of Term. The Term of this Lease is hereby extended through October 31, 2010 ("Extended Term"). The extended term will commence upon the partial

1 relocation of the County into new premises, on or near May 1, 2010.

2 **4. Option to Extend.** County shall have the option to extend the lease for a
3 period of three (3) months. The option shall be exercised by County giving Lessor notice of its
4 election thereof, in writing, no later than thirty (30) days prior to the expiration of the extended
5 term.

6 **5. Leased Premises During Extended Term.** The leased premises shall be
7 reduced from 27,800 square feet to 14,582 square feet as shown on the attached Exhibit "F".

8 **6. Rent During Extended Term.** County shall pay to Lessor the monthly sum of
9 \$19,539.88 for the Leased premises during the extended term of this Lease.

10 **7. Utilities During Extended Term.** Lessor shall pay for all utilities used in
11 connection with the leased premises and County shall reimburse Lessor fifty two (52%)
12 percent of the cost for electric and gas usage.

13 **8.** All other provisions of the Lease remain the same.

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9. This Fourth Amendment to Lease shall not be binding or consummated until its approval by the County's Board of Supervisors.

Dated: _____

**STATE STREET BUILDINGS 1 AND 11
a joint venture**

By: W.D. Bell
W.D. Bell, Managing Partner

By: Carol A. Stratford, aka Carol Anne Blake Trustee
Carol A. Stratford, aka Carol Anne Blake
Trustee, Milton W. Stratford and Margaret
Hoyt Stratford Trust

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

HR:jw
02/16/10
HM025
13.174

NOTIFICATION SHALL BE PROVIDED PRIOR

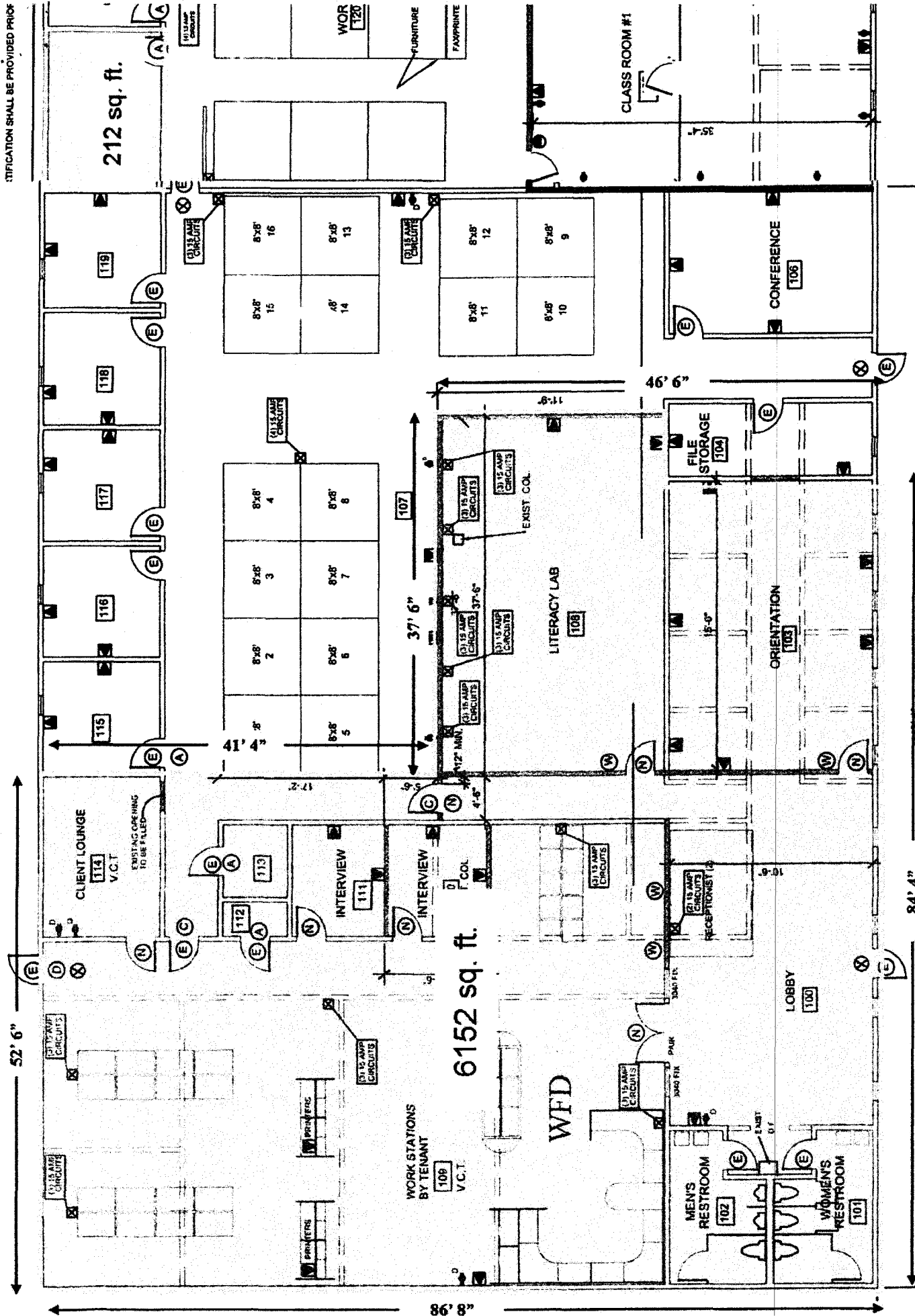
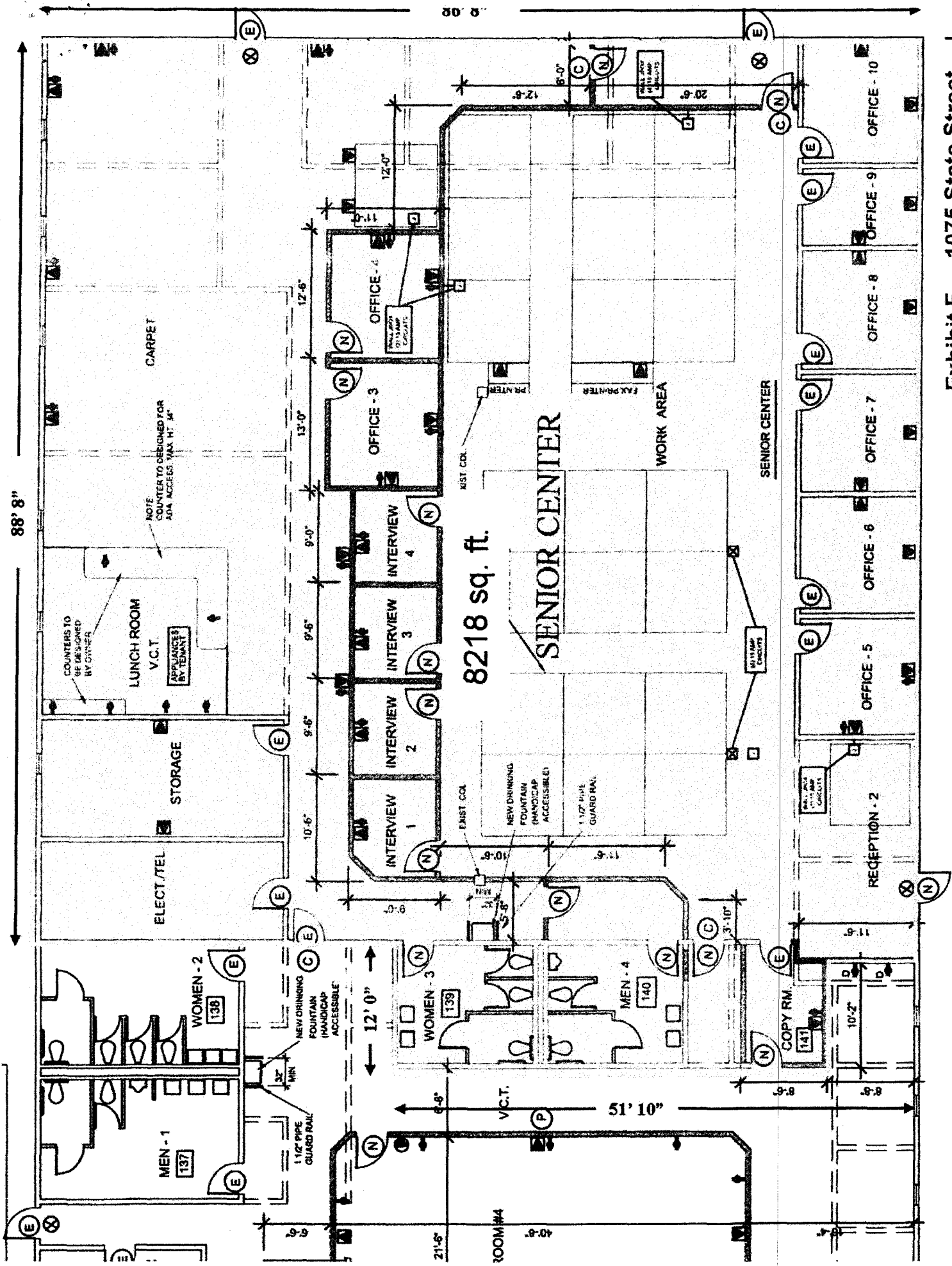


Exhibit F - 1025 State Street



88' 8"

8218 sq. ft.

SENIOR CENTER

Exhibit F - 1075 State Street