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

FROM: Economic Development Agency

SUBMITTAL DATE:
May 26, 2010

SUBJECT: Third Amendment to Lease – Riverside County and Norco Branch Library, Norco

RECOMMENDED MOTION: That the Board of Supervisors ratify the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and

BACKGROUND: On April 7, 1993, the City of Riverside entered into a Lease for approximately 7,865 square feet of space for a library in the Norco area. The City of Riverside's interest in the Lease was assigned to the County of Riverside on August 21, 1996. The leased facility at 3954 Old Hamner Road, Norco, continues to meet the needs and requirements of the library and this Third Amendment to Lease extends the term an additional five (5) years commencing retroactively as July 1, 2009 and expiring on June 30, 2014.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$44,964	For Fiscal Year:	09/10
SOURCE OF FUNDS: 21200-1102200000-537000 (County Free Library Fund)			Positions To Be Deleted Per A-30	<input type="checkbox"/>
			Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: Jennifer L. Sargent

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: Samuel Wong 5/17/10
SAMUEL WONG

FORWARDED BY: Cynthia M. Gunzel 5-10-10
DATE: 5/10/10
CYNTHIA M. GUNZEL

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

Prev. Agn. Ref.: 3.12 of 12/3/96, 3.20 of 10/21/03, 3.16 of 10/24/06 | District: 2 | Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.28

BACKGROUND: (Continued)

Lessor: City of Norco
2870 Clark Avenue
Norco, California 92860

Premises Location: 3954 Old Hamner Road
Norco, California 91760

Size: 7,865 square feet

Term: Five (5) year lease extension effective as of
July 1, 2009

Rent:	<u>Current Rent</u>	<u>New Rent</u>
	\$.34 per square foot	\$.34 per square foot
	\$2,700.80 per month	\$2,700.80 per month
	\$32,409.60 per year	\$32,409.60 per year

Rental Adjustments: Rent to be increased two (2%) percent annually commencing year
three (3).

Utilities: County pays all Utilities

Market Data:	1860 Lampton Street, Norco, CA	\$1.00 psf
	2191 5 th Street, Suite 211, Norco, CA	\$1.00 psf
	Beacon Hill Office Plaza, Norco, CA	\$1.15 psf

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

FINANCIAL DATA:

All associated costs for this Third Amendment to Lease Agreement will be fully funded through
the County Free Library Fund. The County Free Library Fund has budgeted these costs in FY
2009/2010. While EDA will front the costs for the Third Amendment to Lease with the property
owners, County Free Library Funds will reimburse EDA for all associated lease costs.

Exhibit A

Library Lease Cost Analysis FY 2009/10 3954 Old Hamner Road, Norco, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	7,865	SQFT		
Cost Per Sq. Ft:	\$	0.34		
Lease Cost per Month		\$	2,700.80	
Total Lease Cost included in Budget for FY 2009/10			\$	32,409.60

ACTUAL AMOUNTS

Current office:	7,865	SQFT		
Approximate Cost per SQFT (July - June)	\$	0.34		
Lease Cost per Month (July - June)	\$	2,700.80		
Total Lease Cost (July - June)		\$	32,409.60	
Total Lease Cost for FY 2009/10			\$	32,409.60
TOTAL LEASE COST SAVINGS FOR FY 2009/10				N/A

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	943.80	
Total Estimated Utility Cost for FY 2009/10			\$	11,325.60
Tenant Improvement Costs				N/A
RCIT Costs				N/A
EDA Lease Management Fee (Based @ 3.79%)			\$	1,228.32
Total Estimated Additional Costs included in Budget for FY 2009/10			\$	12,553.92

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	943.80	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)			\$	11,325.60
Tenant Improvement Costs				N/A
RCIT Costs				N/A
EDA Lease Management Fee (Based @ 3.79%)		\$	1,228.32	
Total Estimated Additional Costs for FY 2009/10			\$	12,553.92
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10			\$	-
TOTAL SAVINGS FOR LEASE COST FY 2009/10			\$	-

Exhibit B

Library Lease Cost Analysis FY 2010/11 3954 Old Hamner Road, Norco, California

Current Square Feet Occupied:

Office: 7,865 SQFT

Cost per Square Foot: \$ 0.34

Lease Cost per Month (July 1, 2010 -June 30, 2011)

\$ 2,700.80

Total Estimated Lease Cost for FY 2010/11

\$ 32,409.60

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2010 -June 30, 2011)

\$ 11,325.60

Total Estimated Utility Cost for FY 2010/11

\$ 11,325.60

EDA Lease Management Fee (Based @ 3.79%)

\$ 1,228.32

Total Estimated Lease Cost FY 2010/11:

\$ 44,963.52

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THIRD AMENDMENT TO LEASE

City of Norco
3954 Old Hamner Road, Norco, California

This THIRD AMENDMENT to Lease ("Third Amendment") is made as of _____, 20____, by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, herein called ("County"), and **CITY OF NORCO**, herein called ("Lessor").

WITNESSETH

WHEREAS, Lessor and County entered into that certain Lease dated April 7, 1993 (the "Original Lease"), pursuant to which County leased the premises located at 3954 Old Hamner Road, Norco, California ("Leased Premises"), as more particularly described on Exhibit "A," attached hereto and made a part hereof.

WHEREAS, the Original Lease has been amended by that certain Assignment and Assumption Agreement of the City of Norco dated December 3, 1996, by and between Lessor and County ("Assignment and Assumption Agreement").

WHEREAS, the Original Lease has been amended by that certain First Amendment of Lease dated October 21, 2003, by and between Lessor and County (the "First Amendment").

WHEREAS, the Original Lease has been amended by that certain Second Amendment of Lease dated October 24, 2006, by and between Lessor and County (the "Second Amendment").

WHEREAS, the term of the Lease, as heretofore amended, will expire on June 30, 2009. 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 Third Amendment.

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

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 five (5) years ("Extended Term"). The Extended Term will commence retroactively as July 1, 2009 and will expire on June 30, 2014 ("Expiration Date").

3. Rent During Extended Term.

a. Section 5 of the Original Lease, Section 2 of the First Amendment and

 ORIGINAL

1 Section 2 of the Second Amendment to Lease are hereby amended by the following: County
2 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>
\$2,700.80	7/1/2009-6/30/2010
\$2,700.80	7/1/2010-6/30/2011
\$2,754.82	7/1/2011-6/30/2012
\$2,809.92	7/1/2012-6/30/2013
\$2,866.11	7/1/2013-6/30/2014

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

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13 **4. Notices.** Section 6 of the Original Lease and Section 11 of the
14 Assignment and Assumption Agreement shall be amended as follows:

15 Except as expressly provided elsewhere in this Third Amendment to Lease, all
16 notices and other communication required under this Lease shall be in writing and delivered
17 by: (a) Certified Mail, postage prepaid, return receipt requested in the United States mail; or
18 (b) via an overnight courier that provides written evidence of delivery and addressed to the
19 Party hereto to whom the same is directed at the addresses as set forth in Section 4 herein.
20 Either Party hereto may from time to time change its mailing address by written notice to the
21 other Party.

22 **COUNTY**

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

LESSOR

City of Norco
2870 Clark Avenue
Norco, California 92860

5. Option to Terminate. Section 14 of the Original Lease is hereby
amended by granting the County the right to terminate this Third Amendment by giving Lessor
sixty (60) days advance written notice.

6. All other provisions of the Lease shall remain the same.

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7. This Third Amendment to Lease shall not be binding or consummated until its approval by the Assistant County Executive Officer.

Dated: 1-4-2010

CITY OF NORCO

By: *Beth Groves*
Beth Groves, City Manager

COUNTY OF RIVERSIDE

By: _____
Jeff Stone, 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
12/15/09
NR002
13.091