

413



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

FROM: Economic Development Agency

SUBMITTAL DATE:
June 30, 2010

SUBJECT: First Amendment to Lease – Agricultural Commissioner

RECOMMENDED MOTION: That the Board of Supervisors:

1. **Ratify** 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 2009/10 budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	(\$ 1,662)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	(\$ 415)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 21,741	For Fiscal Year:	09/10

SOURCE OF FUNDS: State Contracts/Local Fees 75%, General Fund 25%	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.: 3.9 of 4/8/08 | District: 4 | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.28

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: Samuel Wong, 6/2/10
SAMUEL WONG

FORM APPROVED COUNTY COUNSEL
DATE: 6-7-10
BY: Cynthia M. Gunzel
SYNTHIA M. GUNZEL

By: John Snyder, Agricultural Commissioner

BACKGROUND:

The County of Riverside entered into a lease agreement on April 8, 2008 for the Agricultural Commission for the facility located at 81077 Indio Blvd., Suites K & L in Indio. The Economic Development Agency (EDA), Real Estate Division, has negotiated the rent from \$1.80 per square foot to \$1.44 per square foot, which equates to a 20% savings in rent for the Agricultural Commission, effective June 1, 2010.

Lessor: Spectra Novae, Ltd.
Edward P. Lilly
7628 SW 32nd Avenue
Portland, Oregon 92719

Premises Location: 81077 Indio Blvd., Suites K & L
Indio, California

Term: Forty two (42) months, terminating November 30, 2013

Size: 4,417 square feet

Rent:	Current Rent	New Rate
	\$1.80 per sq. ft.	\$1.44 per sq. ft.
	\$7,961.75 per month	\$6,360.48 per month
	95,541.00 per year	\$76,325.76 per year

Rental Adjustment: Three percent (3%)

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

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

FINANCIAL DATA:

All associated costs for this First Amendment to Lease will be fully funded through the Agricultural Commissioner's budget. The Agricultural Commissioner has budgeted these costs in FY 2009/10. While EDA will front the costs for the First Amendment to Lease with the property owners, the Agricultural Commissioner will reimburse EDA for all associated lease costs.

Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$1,601)
10000-7200400000-572500 – Intra Leases	\$1,601

Exhibit A

Agricultural Commissioner Lease Cost Analysis FY 2009/10 81077 Indio Blvd., Suites K & L, Indio, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		4,417	SQFT	
Cost Per Sq. Ft:	\$	1.80		
Lease Cost per Month		\$	7,961.75	
Total Lease Cost included in Budget for FY 2009/10			\$	95,541.00

ACTUAL AMOUNTS

Current office:		4,417	SQFT	
Approximate Cost per SQFT (July - May)	\$	1.80		
Approximate Cost per SQFT (June)	\$	1.44		
Lease Cost per Month (July - May)	\$	7,961.75		
Lease Cost per Month (June)	\$	6,360.48		
Total Lease Cost (July - May)		\$	87,579.25	
Total Lease Cost (June)		\$	6,360.48	
Total Lease Cost for FY 2009/10			\$	93,939.73
TOTAL LEASE COST SAVINGS FOR FY 2009/10			\$	(1,601.27)

Estimated Utility Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	530.04	
Total Estimated Utility Cost for FY 2009/10			\$	6,360.48
EDA Lease Management Fee (Based @ 3.79%)			\$	3,621.00
Total Estimated Additional Costs included in Budget for FY 2009/10			\$	9,981.48

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	530.04	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)			\$	6,360.48
EDA Lease Management Fee (Based @ 3.79%)			\$	3,560.32
Total Estimated Additional Costs for FY 2009/10			\$	9,920.80
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10			\$	(60.69)
TOTAL SAVINGS FOR LEASE COST FY 2009/10			\$	(1,661.96)
TOTAL COUNTY COST AT 25%				(415.49)

Exhibit B

Agricultural Commissioner Lease Cost Analysis FY 2010/11 81077 Indio Blvd., Suites K & L, Indio, California

Current Square Feet Occupied:

Office:		4,417	SQFT		
Cost per Square Foot:	\$	1.44			
Lease Cost per Month (July 1, 2010 -November 30, 2010)			\$	<u>6,360.48</u>	
				\$	31,802.40
Cost per Square Foot:	\$	1.48			
Lease Cost per Month (December 1, 2010 -June 30, 2011)			\$	<u>6,551.29</u>	
				\$	45,859.03
Total Estimated Lease Cost for FY 2010/11				\$	<u><u>77,661.43</u></u>

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12			
Estimated Utility Costs per Month (July 1, 2010 -June 30, 2011)			\$	<u>530.04</u>	
Total Estimated Utility Cost for FY 2010/11				\$	6,360.48
EDA Lease Management Fee (Based @ 3.79%)				\$	<u><u>2,943.37</u></u>
Total Estimated Lease Cost FY 2010/11:				\$	86,965.28
TOTAL COUNTY COST AT 25%				\$	21,741.32

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FIRST AMENDMENT TO LEASE
81077 Indio Blvd., Suites K & L
Indio, California

This **FIRST AMENDMENT TO LEASE** ("First Amendment") is made as of _____, 2010 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **SPECTRA NOVAE, LTD.** ("Lessor"), as successor in interest to **MADISON COMMERCE CENTER, LLC.**

1. Recitals.

a. County and Madison Commerce Center, LLC, entered into that certain lease dated April 8, 2008, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 81077 Indio Blvd, Suites K & L, Indio, California (the "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. 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: 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 in full force and effect except to the extent amended by this First Amendment.

3. Rent. Section 5.1 of the Original Lease shall be amended as follows: Monthly rent shall be paid as follows through the remaining term:

June 1, 2010 through May 31, 2011	\$6,360.48
June 1, 2011 through May 31, 2012	\$6,551.29
June 1, 2012 through May 31, 2013	\$6,747.82
June 1, 2013 through November 30, 2013	\$6,950.25

4. Notices. Section 19.18 of the Lease shall be amended as follows. Any notices required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

COUNTY:

Economic Development Agency
County of Riverside
3403 Tenth Street, Suite 500
Riverside, California 92501

LESSOR:

Spectra Novae, Ltd.
Edward P. Lilly
7628 SW 32nd Avenue
Portland, Oregon 92719

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5. Except as modified or supplemented by this First Amendment to Lease, all provisions of this Lease shall remain in full force and effect.

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

Dated: _____

SPECTRA NOVAE, LTD.

By: Edward Lilly
Edward Lilly, Manager

COUNTY OF RIVERSIDE

By: _____
Marion Ashley, Chairman
Board of Supervisors

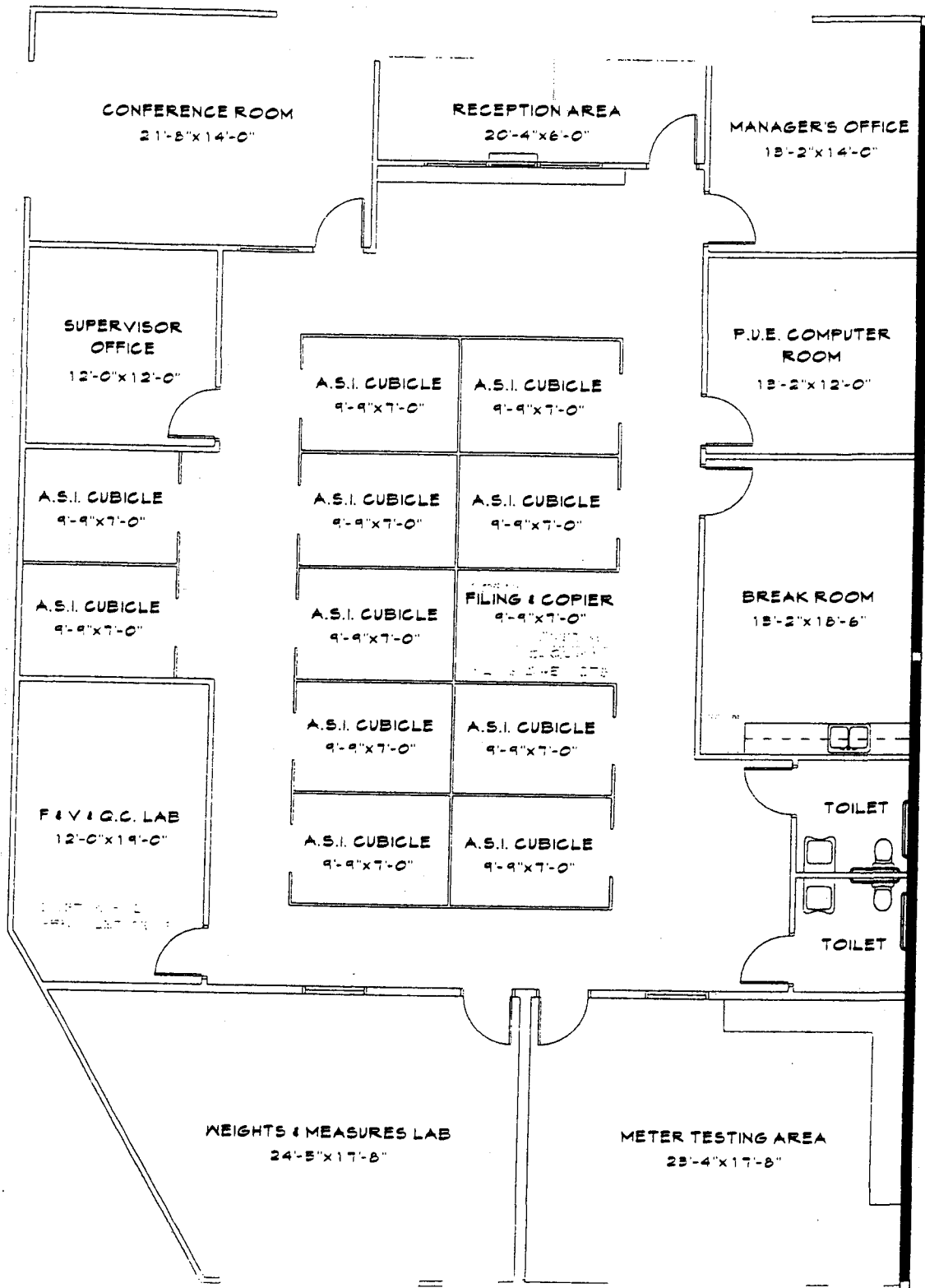
ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

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

TW:jw
05/10/10
IN074
13.291



VACANT

FLOOR PLAN

SCALE 1/8" = 1'-0"

EXHIBIT A