

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



**SUBMITTAL DATE:**  
June 30, 2010

**FROM:** Economic Development Agency

**SUBJECT:** First Amendment to Lease – Cooperative Extension

**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

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	(\$ 2,167)	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	(\$ 2,167)	<b>Budget Adjustment:</b>	Yes
	<b>Annual Net County Cost:</b>	\$113,407	<b>For Fiscal Year:</b>	09/10

<b>SOURCE OF FUNDS:</b> 100% General Fund	<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:   
 County Executive Office Signature: Jennifer L. Sargent

Dep't Recomm.:  Consent  Policy

Per Exec. Ofc.:  Consent  Policy

**Prev. Agn. Ref.:** 3.10 of 4/8/08      **District:** 4      **Agenda Number:**

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

**3.29**

FISCAL PROCEDURES APPROVED  
 ROBERT E. BYRD, AUDITOR-CONTROLLER  
 BY: SAMUEL WONG 6/23/10

FORM APPROVED COUNTY COUNSEL  
 BY: CYNTHIA M. GUNZEL 6-27-10  
 DATE

By: Etaferahu Takele 6-11-10  
 Etaferahu Takele, Agricultural Economist

**BACKGROUND:**

The County of Riverside entered into a lease agreement on April 8, 2008 for Cooperative Extension for the facility located at 81077 Indio Blvd., Suites H, I & J, 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 Cooperative Extension, effective June 1, 2010.

Lessor: Spectra Novae, Ltd.  
7628 SW 32<sup>nd</sup> Avenue  
Portland, Oregon 92719

Premises Location: 81077 Indio Blvd., Suites H, I and J  
Indio, California

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

Size: 5,760 square feet

Rent:	Current Rent	New Rate
	\$1.80 per sq. ft.	\$1.44 per sq. ft.
	\$10,381.98 per month	\$8,294.40 per month
	\$124,583.76 per year	\$99,532.80 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 Cooperative Extension's budget. Cooperative Extension has budgeted these costs in FY 2009/10. While EDA will front the costs for the First Amendment to Lease with the property owners, Cooperative Extension will reimburse EDA for all associated lease costs.

## Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$2,088)
10000-7200400000-572500 – Intra Leases	\$2,088

# Exhibit A

## Cooperative Extension Lease Cost Analysis FY 2009/10 81077 Indio Blvd., Suites H, I & J, Indio, California

**Total Square Footage to be Leased:**

**BUDGETED AMOUNTS**

Current office:	5,760	SQFT		
Cost Per Sq. Ft:	\$	1.80		
Lease Cost per Month		\$	10,381.98	
<b>Total Lease Cost included in Budget for FY 2009/10</b>				<b>\$ 124,583.76</b>

**ACTUAL AMOUNTS**

Current office:	5,760	SQFT		
Approximate Cost per SQFT (July - May)	\$	1.80		
Approximate Cost per SQFT (June)	\$	1.44		
Lease Cost per Month (July - May)	\$	10,381.98		
Lease Cost per Month (June)	\$	8,294.40		
Total Lease Cost (July - May)		\$	114,201.78	
Total Lease Cost (June)		\$	8,294.40	
<b>Total Lease Cost for FY 2009/10</b>				<b>\$ 122,496.18</b>
<b>TOTAL LEASE COST SAVINGS FOR FY 2009/10</b>				<b>\$ (2,087.58)</b>

**Estimated Utility Costs:**

**BUDGETED AMOUNTS**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 691.20	
<b>Total Estimated Utility Cost for FY 2009/10</b>				<b>\$ 8,294.40</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>				<b>\$ 4,721.72</b>
<b>Total Estimated Additional Costs included in Budget for FY 2009/10</b>				<b>\$ 13,016.12</b>

**ACTUAL AMOUNTS**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 691.20	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)				\$ 8,294.40
<b>EDA Lease Management Fee (Based @ 3.79%)</b>				<b>\$ 4,642.61</b>
<b>Total Estimated Additional Costs for FY 2009/10</b>				<b>\$ 12,937.01</b>
<b>TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10</b>				<b>\$ (79.12)</b>
<b>TOTAL SAVINGS FOR LEASE COST FY 2009/10</b>				<b>\$ (2,166.70)</b>

# Exhibit B

## Cooperative Extension Lease Cost Analysis FY 2010/11 81077 Indio Blvd., Suites H, I & J, Indio, California

### Current Square Feet Occupied:

Office:	5,760 SQFT		
Cost per Square Foot:	\$	1.44	
Lease Cost per Month (July 1, 2010 - November 30, 2010)		<u>\$ 8,294.40</u>	
Cost per Square Foot:	\$	1.48	\$ 41,472.00
Lease Cost per Month (December 1, 2010 - June 30, 2011)		<u>\$ 8,543.23</u>	
<b>Total Estimated Lease Cost for FY 2010/11</b>			<u>\$ 59,802.61</u>
			<u>\$ 101,274.61</u>

### Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July 1, 2010 - June 30, 2011)		<u>\$ 691.20</u>	
<b>Total Estimated Utility Cost for FY 2010/11</b>			\$ 8,294.40
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			<u>\$ 3,838.31</u>
<b>Total Estimated Lease Cost FY 2010/11:</b>			<u>\$ 113,407.32</u>

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**FIRST AMENDMENT TO LEASE  
81077 Indio Blvd., Suites H, I & J  
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 H, I & J, 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	\$8,294.40
June 1, 2011 through May 31, 2012	\$8,543.23
June 1, 2012 through May 31, 2013	\$8,799.52
June 1, 2013 through November 30, 2013	\$9,063.50

**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 32<sup>nd</sup> Avenue  
Portland, Oregon 92719



