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

FROM: Economic Development Agency

SUBMITTAL DATE:
August 10, 2010

SUBJECT: First Amendment to Lease – Community Health Agency/Department of Environmental Health, Corona

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's (EDA) FY 2010/11 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:	(\$36,922)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11
SOURCE OF FUNDS: 50% District Environmental Service Fees, 50% Hazardous Material Fees			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.: 3.17 of 6/28/2005

District: 2

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.28

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: Samuel Wong 7/20/10
SAMUEL WONG

FORM APPROVED COUNTY COUNSEL
DATE: 8-10-10
BY: SYNTHIA M. GUNZEL

By: Steve Van Stockum, Director
Department of Environmental Health

BACKGROUND:

This First Amendment to Lease represents a request from Community Health Agency for the Department of Environmental Health (EH) to extend the Lease for its office located at 2275 South Main Street, Suite 204, Corona, California, commencing on September 1, 2010, and expires at midnight on August 31, 2015. This facility continues to meet the requirements of the Department. The Real Estate Division has negotiated a 5 Year Lease Renewal with a rental rate reduction, saving the Department \$36,922 per year as shown in Exhibit "A". In addition, the tenant improvements are at Landlords sole cost and expense.

Lessor: Pavez Family, LLC, a California Corporation
Premises Location: 2275 S. Main, Suite 204, Corona, 92882
Size: 10,164 sq. ft.
Term: Five (5) years, September 1, 2010 through August 31, 2015

Rent:	<u>Current</u>	<u>New</u>
	\$ 2.20 per sq. ft.	\$ 1.85 per sq. ft.
	\$ 22,360.80 per month	\$ 18,803.40 per month
	\$268,329.60 per year	\$225,640.80 per year

<u>Savings</u>	
Per Sq. Ft.	\$.35
Per Month	\$ 3,557.40
Per Year	\$42,688.80

Rental Adjustments: 3% annual
Utilities: County pays for electricity and phone, Landlord pays for water and refuse.
Custodial Services: Landlord
Maintenance: Landlord
Improvements: Yes, at Landlords sole cost and expense.
RCIT Costs: None

(Continued)

Economic Development Agency
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BACKGROUND: (Continued)

Market Data:	1373 Old Temescal Road	\$2.15
	629 N. Main Street	\$2.01

The attached 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 EH budget. While EDA will front the costs for this Lease with the property owner, EH will reimburse EDA for all associated lease costs.

Schedule A

Decrease Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings \$35,574

Decrease Estimated Revenue:

47220-7200400000-777330 – Leasing Services \$35,574

3.28

Exhibit A

Community Health Agency Lease Cost Analysis for FY 2010/11 2275 S. Main, Suite 204, Corona, California 92882

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		10,164 SQFT		
Cost Per Sq. Ft:	\$	2.20		
Lease Cost per Month			\$ 22,360.80	
Total Lease Cost included in Budget for FY 2010/11			\$	268,329.60

ACTUAL AMOUNTS

Current office:		10,164 SQFT		
Approximate Cost per SQFT (July - Aug)	\$	2.20		
Approximate Cost per SQFT (Sep - June)	\$	1.85		
Lease Cost per Month (July - Aug)	\$	22,360.80		
Lease Cost per Month (Sep - June)	\$	18,803.40		
Total Lease Cost (July - Aug)			\$ 44,721.60	
Total Lease Cost (Sep - June)			\$ 188,034.00	
Total Lease Cost for FY 2010/11			\$	232,755.60
TOTAL LEASE COST SAVINGS FOR FY 2010/11			\$	(35,574.00)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 1,219.68	
Total Estimated Utility Cost for FY 2010/11			\$	14,636.16
Tenant Improvement Costs				N/A
RCIT Costs				N/A
EDA Lease Management Fee (Based @ 3.79%)			\$	10,169.69
Total Estimated Additional Costs included in Budget for FY 2010/11			\$	24,805.85

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 1,219.68	
Total Additional Estimated Utility Cost for FY 2010/11 (July - June)			\$	14,636.16
Tenant Improvement Costs				N/A
RCIT Costs				N/A
EDA Lease Management Fee (Based @ 3.79%)			\$	8,821.44
Total Estimated Additional Costs for FY 2010/11			\$	23,457.60
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11			\$	(1,348.25)
TOTAL SAVINGS FOR LEASE COST FY 2010/11			\$	(36,922.25)

Exhibit B

Community Health Agency Lease Cost Analysis for FY 2011/12 2275 S. Main, Suite 204, Corona, California 92882

Current Square Feet Occupied:

Office:	10,164	SQFT		
Cost per Square Foot:	\$	1.85		
Lease Cost per Month (July 1, 2011 through August 31, 2011)		<u>\$ 18,803.40</u>	\$	37,606.80
Cost per square Foot:	\$	1.91		
Lease Cost per Month (September 1, 2011 - June 30, 2012)		<u>\$ 19,367.50</u>	\$	193,675.00
Total Estimated Lease Cost for FY 2011/12			\$	<u>231,281.80</u>

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs (July 1, 2011 through June 30, 2012)		<u>\$ 14,636.16</u>		
Total Estimated Utility Cost for FY 2011/12			\$	14,636.16
EDA Lease Management Fee (Based @ 3.79%)			\$	<u>8,765.58</u>
Total Estimated Lease Cost FY 2011/12:			\$	254,683.54