

706



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

FROM: Economic Development Agency

SUBMITTAL DATE:

July 29, 2010

SUBJECT: Third Amendment to Lease – Public Defender, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Third 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 amend Economic Development Agency FY 2010/11 Real Property budget as set out in Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY Samuel Wong 8/5/10
 SAMUEL WONG

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$(15,013)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$(15,013)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$148,687	For Fiscal Year:	10/11

SOURCE OF FUNDS: 100% County General Fund

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

FORM APPROVED COUNTY CLERK
 BY: Synthia M. Gunzel 6-14-10
 SYNTHIA M. GUNZEL
 DATE

By: Gary Windom
 Gary Windom

Dep't Recomm.: Policy Consent

Per Exec. Ofc.: Policy Consent

Prev. Agn. Ref.: 3.42 of 7/31/07; 3.25 of 3/11/08

District: 1

Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.29

BACKGROUND:

This facility continues to meet the requirements of the department. To assist the department and County with its overall objective of reducing lease costs, the Economic Development Agency (EDA), Real Estate Division has negotiated a two (2) year lease term at a reduced rate. The reduced rate provides the department with a rental reduction of 16% resulting in a yearly approximate savings of \$20,603.00 per year. Also negotiated is an option to terminate within 18 months with sixty (60) day written notice. The termination option provides the department with valuable time to relocate and merge with existing department staff into a County owned facility, thus providing additional savings.

Lessor: Frank C. Freitas and Eleanor Freitas
5315 Cascades Street
Chowchilla, California 93610

Premises Location: 4275 Lemon Street, Suites 100, 101 and 251A

Size: Approximately 7,033 square feet

Term: Two years, December 1, 2009 to December 31, 2011

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.84 per sq. ft.	\$ 1.60 per sq. ft.
	\$ 12,969.68 per month	\$ 11,252.80 per month
	\$155,636.16 per year	\$135,033.60 per year

Rental Adjustments: 3% annual

Utilities: County pays for telephone and Lessor provides all other utilities.

Custodial Services: Lessor

Maintenance: Lessor

Improvements: None

RCIT Costs: None

Option to Terminate: Within 18 months with 60 days written notice to Lessor.

Parking: Sufficient to meet County requirements

Economic Development Agency
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BACKGROUND: (Continued)

Market Data:	3880 Lemon Street	\$2.34 per sq. ft.
	3833 Tenth Street	\$2.31 per sq. ft.

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

FINANCIAL DATA:

All associated costs for this Lease Amendment will be fully reimbursed by Public Defender through County General Fund. Public Defender has budgeted for these costs in FY 2010/11.

SCHEDULE A

Decrease Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings	\$14,465
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Decrease Estimated Revenue:

47220-7200400000-777330 – Leasing Services	\$14,465
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Exhibit A

Public Defender Lease Cost Analysis FY 2010/11 4275 Lemon Street, Riverside, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		7,033 SQFT	
Cost Per Sq. Ft:	\$	1.84	
Lease Cost per Month		\$ 12,969.68	
Total Lease Cost included in Budget for FY 2010/11		\$ 155,636.16	

ACTUAL AMOUNTS

Current office:		7,033 SQFT	
Approximate Cost per SQFT (July - Dec)	\$	1.65	
Approximate Cost per SQFT (Jan - June)	\$	1.70	
Lease Cost per Month (July - Dec)	\$	11,590.39	
Lease Cost per Month (Jan - June)	\$	11,938.11	
Total Lease Cost (July - Dec)		\$ 69,542.34	
Total Lease Cost (Jan - June)		\$ 71,628.66	
Total Lease Cost for FY 2010/11		\$ 141,171.00	
TOTAL LEASE COST SAVINGS FOR FY 2010/11		\$ (14,465.16)	

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ -	
Total Estimated Utility Cost for FY 2010/11		\$ -	
Tenant Improvement Costs		N/A	
RCIT Costs		N/A	
EDA Lease Management Fee (Based @ 3.79%)		\$ 5,898.61	
Total Estimated Additional Costs included in Budget for FY 2010/11		\$ 5,898.61	

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	-	
Estimated Utility Costs per Month		\$ -	
Total Additional Estimated Utility Cost for FY 2010/11		\$ -	
Tenant Improvement Costs		N/A	
RCIT Costs		N/A	
EDA Lease Management Fee (Based @ 3.79%)		\$ 5,350.38	
Total Estimated Additional Costs for FY 2010/11		\$ 5,350.38	
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11		\$ (548.23)	
TOTAL SAVINGS FOR LEASE COST FY 2010/11		\$ (15,013.39)	

Exhibit B

Public Defender Lease Cost Analysis FY 2011/12 4275 Lemon Street, Riverside, California

Current Square Feet Occupied:

Office:		7,033 SQFT	
Cost per Square Foot:	\$	1.70	
Lease Cost per Month (July 1, 2011 - June 30, 2012)		<u>\$ 11,938.11</u>	\$ 143,257.32

Total Estimated Lease Cost for FY 2011/12			<u><u>\$ 143,257.32</u></u>
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Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July 1, 2011 - June 30, 2012)		<u>\$ -</u>	
Total Estimated Utility Cost for FY 2011/12			\$ -
EDA Lease Management Fee (Based @ 3.79%)			<u><u>\$ 5,429.45</u></u>
Total Estimated Lease Cost FY 2011/12:			<u><u>\$ 148,686.77</u></u>