

707



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

FROM: Economic Development Agency

SUBMITTAL DATE:
July 29, 2010

SUBJECT: Second Amendment to Lease – Community Health Agency/Department of Environmental Health, Murrieta

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Second 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 FY 2010/11 budget as outlined on Schedule A.

BACKGROUND: (Commences on Page 2)

Robert Field

Robert Field
Assistant County Executive Officer/EDA
By Lisa Brandl, Assistant Director

FINANCIAL DATA	Current F.Y. Total Cost:	(\$16,390)	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: 100% Permit and Services 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*
Jennifer L Sargent

County Executive Office Signature

Dep't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.11 of 6/27/00, 3.13 of 12/11/07 | District: 3 | Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.30

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: *Samuel Wong* 7/22/10
SAMUEL WONG

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 7-7-10
SYNTHIA M. GUNZEL DATE

By: *Steve Van Stockum*
Steve Van Stockum, Director
Department of Environmental Health

BACKGROUND:

This Second Amendment to Lease represents a request from the Community Health Agency for the Department of Environmental Health (DEH), to extend the lease for its office located at 38740 Sky Canyon Drive, Suite 8, Murrieta, California, commencing on October 1, 2010, through September 30, 2015. This facility continues to meet the requirements of the Department. The Economic Development Agency (EDA), Real Estate Division, has negotiated a 5 year lease renewal with a 24% rental rate reduction.

Lessor: Raymond A. Bennett and Jeen M. Bennett
29201 Ynez Road
Temecula, California 92592

Premises Location: 38740 Sky Canyon Drive, Suite 8, Murrieta, California

Size: 4,300 sq. ft.

Term: Five (5) years, October 1, 2010 through September 30, 2015

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.71 per sq. ft.	\$ 1.30 per sq. ft.
	\$ 7,344.61 per month	\$ 5,590.00 per month
	\$88,135.32 per year	\$ 67,080.00 per year

<u>Savings</u>	
Per Sq. Ft.	\$.41
Per Month	\$ 1,754.61
Per Year	\$21,055.32

Rental Adjustments: 3% on years 3-5

Utilities: County pays for electricity and telephone, Landlord pays for all others services.

Custodial Services: Landlord

Maintenance: Landlord

Improvements: None

RCIT Costs: None

BACKGROUND: (Continued)

Market Data:	24910 Las Brisas, Murrieta	\$1.65
	38625 Calistoga Drive, Murrieta	\$1.50

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

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully funded through DEH's budget. DEH has budgeted these costs in FY 2010/11. While EDA will front the costs for the Second Amendment to Lease with the property owners, DEH will reimburse EDA for all associated lease costs.

Schedule A

Decrease Estimated Revenue:

47220-7200400000-777330 – Leasing Services	\$15,791
--	----------

Decrease Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings	(\$15,791)
--	------------

Exhibit A

Community Health Agency, Murrieta Lease Cost Analysis FY 2010/11 38740 Sky Canyon, Suite 8, Murrieta, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		4,300	SQFT	
Cost Per Sq. Ft:	\$	1.71		
Lease Cost per Month		\$	7,344.61	
Total Lease Cost included in Budget for FY 2010/11				\$ 88,135.32

ACTUAL AMOUNTS

Current office:		4,300	SQFT	
Approximate Cost per SQFT (July- Sept)	\$	1.71		
Approximate Cost per SQFT (Oct - June)	\$	1.30		
Lease Cost per Month (July -Sept)	\$	7,344.61		
Lease Cost per Month (Oct- June)	\$	5,590.00		
Total Lease Cost (July - Sept)		\$	22,033.83	
Total Lease Cost (Oct- June)		\$	50,310.00	
Total Lease Cost for FY 2010/11				\$ 72,343.83
TOTAL LEASE COST SAVINGS FOR FY 2010/11				\$ (15,791.49)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	516.00	
Total Estimated Utility Cost for FY 2010/11				\$ 6,192.00
Tenant Improvement Costs				N/A
RCIT Costs				N/A
EDA Lease Management Fee (Based @ 3.79%)				\$ 3,340.33
Total Estimated Additional Costs included in Budget for FY 2010/11				\$ 9,532.33

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	516.00	
Total Additional Estimated Utility Cost for FY 2010/11				\$ 6,192.00
Tenant Improvement Costs				N/A
RCIT Costs				N/A
EDA Lease Management Fee (Based @ 3.79%)		\$	2,741.83	
Total Estimated Additional Costs for FY 2010/11				\$ 8,933.83
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11				\$ (598.50)
TOTAL SAVINGS FOR LEASE COST FY 2010/11				\$ (16,389.99)

SECOND AMENDMENT TO LEASE
38740 Sky Canyon, Suite 8, Murrieta, California

This **SECOND AMENDMENT TO LEASE** ("Second Amendment") is made as of _____, 2010 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **RAYMOND A. BENNETT AND JEEN M. BENNETT, TRUSTEES OF THE BENNETT FAMILY TRUST DATED FEBRUARY 18, 1986**, ("Lessor").

1. Recitals.

a. Lessor (as the successor-in-interest to Temecula Valley Developers, LLC) and County entered into that certain lease dated June 27, 2000, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 38740 Sky Canyon, Suite 8, Murrieta, California (the "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated December 11, 2007, (the "First Amendment").

c. 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: Second 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 Second 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 Second Amendment.

3. Lease Term. Section 1 of the First Amendment to Lease shall be amended as follows: The term of this Lease shall be extended sixty (60) months commencing on October 1, 2010 and terminating on September 30, 2015.

4. Rent. Section 3 of the Second Amendment to Lease shall be amended as follows: Monthly rent shall be paid as follows through the extended term:

<u>Monthly Amount</u>	<u>Year</u>
\$5,590.00	October 1, 2010 to September 30, 2011
\$5,590.00	October 1, 2011 to September 30, 2012
\$5,757.70	October 1, 2012 to September 30, 2013
\$5,930.43	October 1, 2013 to September 30, 2014
\$6,108.34	October 1, 2014 to September 30, 2015

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

5. Notices. Section 13 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:	LESSOR:
County of Riverside	Raymond A. Bennett and Jeen M. Bennett
Economic Development Agency	29201 Ynez Road
3403 Tenth Street, Suite 500	Temecula, California 92592
Riverside, California, 92501	

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

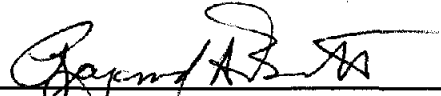
///
///
///

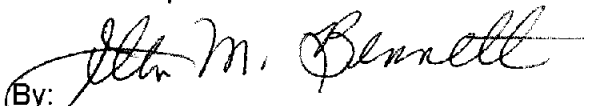
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

Dated: _____

RAYMOND A. BENNETT AND JEEN M. BENNETT, TRUSTEES OF THE BENNETT FAMILY TRUST DATED FEBRUARY 18, 1986

By: 
Raymond A. Bennett

By: 
Jeen M. Bennett

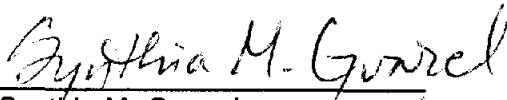
COUNTY OF RIVERSIDE

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
Deputy County Counsel

MH:jw
06/14/10
MU003
13.429