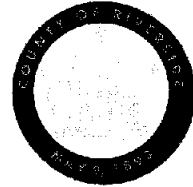


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

255



SUBMITTAL DATE:
November 17, 2010

FROM: Economic Development Agency

SUBJECT: Second Amendment to Lease – Department of Public Social Services

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Second 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 2010/11 budget as set forth on Schedule A.

BACKGROUND: (Commences of Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER

BY: Samuel Wong 11/17/10
SAMUEL WONG

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (47,703)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ (13,042)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 45,578	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Federal 49.0%, State 23.66%, County 27.34%	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
- Per Exec. Ofc.: Consent
- Policy
- Policy

Prev. Agn. Ref.: 3.42 of 5/3/05; 3.22 of 9/27/05

District: 5

Agenda Number:

3.27

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
 BY: Synthia M. Gunzel 11-17-10
 SYNTHIA M. GUNZEL
 DATE
 Susan Loew, Director
 Department of Public Social Services
 Departmental Controller

BACKGROUND:

On May 3, 2005 (Agenda Item #3.42), the County entered into a lease agreement with Canyon Springs Investment Trust to provide office space for the Department of Public Social Services In-Home Supportive Services (DPSS/IHSS) Public Authority Program for the facility located at 12125 Day Street, Suite S101, Moreno Valley, California.

This facility continues to meet the needs and requirements of IHSS and the Real Estate Division of the Economic Development Agency has negotiated a 36 month extension. In addition, a reduction in the rental rate from \$2.13 per square foot to \$1.50 per square foot has been negotiated which represents a 29% decrease in rent for FY 2010/11 with an annual savings of \$61,561.08.

Lessor: Canyon Springs Investment Trust
26371 Avery Parkway, Suite B
Mission Viejo, California 92692

Premises Location: 12125 Day Street, Suite S101
Moreno Valley, California 92557

Size: 8,143 square feet

Term: Three (3) years commencing October 1, 2010

Rent:

Current	New
\$2.13 per square foot.	\$1.50 per square foot
\$17,321.27 per month	\$12,214.50 per month
\$207,855.24 per year	\$146,574.00 per year
Savings per square foot	29% decrease
Savings per month	\$ 5,106.77 per month
Savings per year	\$61,281.24 per year

Rental Adjustment: Two and one half percent (2.5%).

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 the Department of Public Social Services In-Home Supportive Services. DPSS/IHSS has budgeted these costs in FY 2010/11. While EDA will front the costs for the second amendment to lease with the property owners, DPSS/IHSS will reimburse EDA for all associated lease costs.

Schedule A

Decrease Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings	\$45,961.00
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Decrease Estimated Revenue:

47220-7200400000-777330 – Leasing Services	\$45,961.00
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Exhibit A and Exhibit B attached.

Exhibit A

DPSS Lease Cost Analysis FY 2010/11 12125 Day Street, #S101, Moreno Valley, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		8,143 SQFT	
Cost Per Sq. Ft:	\$	2.13	
Lease Cost per Month		\$ 17,321.27	
Total Lease Cost included in Budget for FY 2010/11		\$ 207,855.24	

ACTUAL AMOUNTS

Current office:		8,143 SQFT	
Approximate Cost per SQFT (July - Sept)	\$	2.13	
Approximate Cost per SQFT (Oct - June)	\$	1.50	
Lease Cost per Month (July - Sept)	\$	17,321.27	
Lease Cost per Month (Oct - June)	\$	12,214.50	
Total Lease Cost (July - Sept)		\$ 51,963.81	
Total Lease Cost (Oct - June)		\$ 109,930.50	
Total Lease Cost for FY 2010/11		\$ 161,894.31	
TOTAL LEASE COST SAVINGS FOR FY 2010/11		\$ (45,960.93)	

Estimated Utility Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 977.16	
Total Estimated Utility Cost for FY 2010/11		\$ 11,725.92	
EDA Lease Management Fee (Based @ 3.79%)		\$ 7,877.71	
Total Estimated Additional Costs included in Budget for FY 2010/11		\$ 19,603.63	

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 977.16	
Total Additional Estimated Utility Cost for FY 2010/11 (July - June)		\$ 11,725.92	
EDA Lease Management Fee (Based @ 3.79%)		\$ 6,135.79	
Total Estimated Additional Costs for FY 2010/11		\$ 17,861.71	
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11		\$ (1,741.92)	
TOTAL SAVING FOR LEASE COST FY 2010/11		\$ (47,702.85)	
TOTAL COUNTY SAVINGS FOR LEASE COST FY 2010/11 AT 27.34%		\$ (13,041.96)	

Exhibit B

DPSS Lease Cost Analysis FY 2011/12 12125 Day Street, #S101, Moreno Valley, California

Current Square Feet Occupied:

Office:	8,143 SQFT		
Cost Per Square Foot (July 1, 2011 - Sept 30, 2011):	\$	1.50	
Cost Per Square Foot (Oct 1, 2011 - June 30, 2012):	\$	1.54	
Lease Cost per Month (July 1, 2011 - Sept 30, 2011)		<u>\$</u>	<u>12,214.50</u>
Lease Cost per Month (Oct 1, 2011 - June 30, 2012)		<u>\$</u>	<u>12,519.86</u>
Total Estimated Cost July - Sept:		\$	36,643.50
Total Estimated Cost Oct - June:		\$	112,678.74
TOTAL ESTIMATED LEASE COST FOR FY 2011/12		\$	149,322.24

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		<u>\$</u>	<u>977.16</u>
Total Estimated Utility Cost for FY 2011/12		\$	11,725.92
EDA Lease Management Fee (Based @ 3.79%)		\$	5,659.31
Total Estimated Additional Costs included in Budget for FY 2011/12		\$	17,385.23
Total Estimated Lease Cost FY 2011/12:		\$	166,707.47
TOTAL COUNTY COST FY 2010/11 AT 27.34%		\$	45,577.82

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**SECOND AMENDMENT TO LEASE
(12125 Day Street, Suite S101
Moreno Valley, 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 **CANYON SPRINGS INVESTMENT TRUST** ("Lessor").

1. Recitals.

a. County and Canyon Springs Investment Trust. ("Landlord") entered into that certain lease dated May 3, 2005, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 12125 Day Street, Suite S101, Moreno Valley, 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 September 27, 2005, by and between Canyon Springs Investment Trust and County (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. Term. Section 4 of the Lease Agreement shall be deleted in its entirety and amended as follows: The term of this lease shall be extended thirty six (36) months commencing on October 1, 2010 and expiring on September 30, 2013.

4. Rent. Section 5 of the Lease Agreement shall be amended as follows:

5.1 Rent. Monthly rent shall be reduced by \$5,106.77 from \$17,321.27 to \$12,214.50 effective October 1, 2010. Rental rate shall be reviewed for possible adjustment in the thirteenth (13th) month of the lease term.

5.2 Annual Increases. Notwithstanding the provisions of Section 5.1 herein, the monthly rent shall be increased on each anniversary of this Lease by an amount equal to two and one half percent (2.5%) of such monthly rent.

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5. **Notices.** Section 19.18 of the Lease Agreement shall be amended as follows:

COUNTY
County of Riverside
Real Estate Division/EDA
3403 Tenth Street, Suite 500
Riverside, California 92501

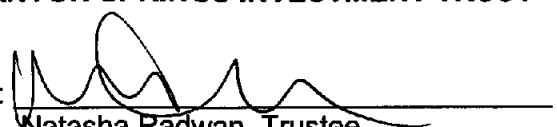
LESSOR
Canyon Springs Investment Trust
26371 Avery Parkway, Suite B
Mission Viejo, California 92692

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

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

Dated: _____

CANYON SPRINGS INVESTMENT TRUST

By: 
Natasha Radwan, Trustee

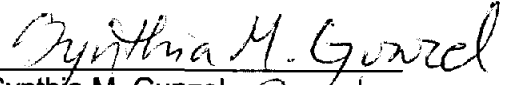
COUNTY OF RIVERSIDE

By: _____
Marion Ashley, Chairman
Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

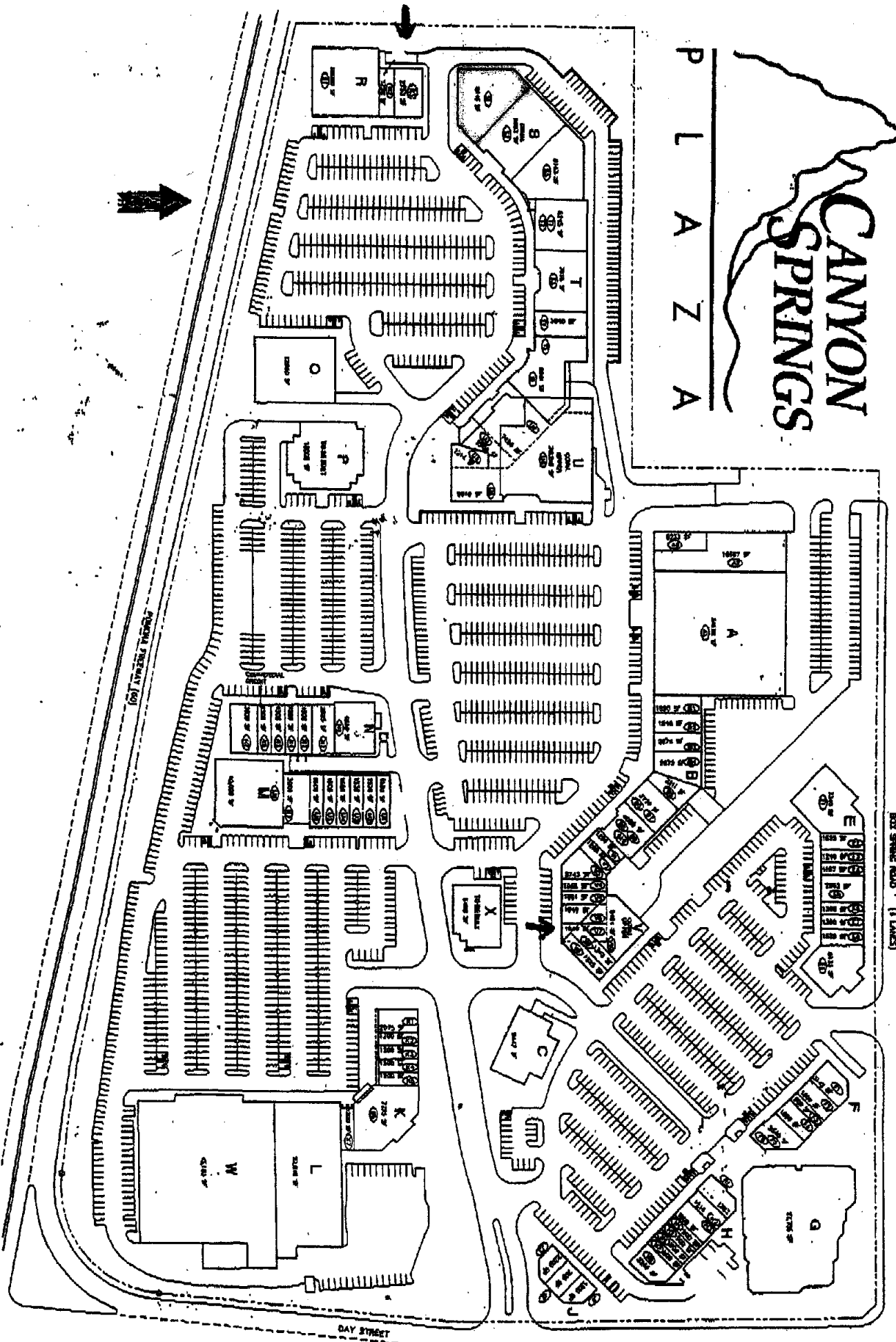
APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: 
Cynthia M. Gunzel, Deputy
County Counsel

TW:ra
101410
MV050
13.708

CANYON SPRINGS

P L A Z Z A



BOX SPRING ROAD - (1.1 LAKES)

EXHIBIT A