

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

756



SUBMITTAL DATE:
November 17, 2010

FROM: Economic Development Agency

SUBJECT: Sixth Amendment to Lease – Department of Public Social Services, Perris

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Sixth Amendment to Lease; and
2. Authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND:

The Department of Public Social Services' GAIN (Greater Avenues for Independence) has occupied the facility located at 351-D Wilkerson Avenue, Perris, California since February 1998. The office continues to meet the needs and requirements of the department and a lease extension has been negotiated by the Real Estate Division.

(Continued)
FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: Samuel Wong 11/17/10
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 185,673	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 11,326	Budget Adjustment:	No
	Annual Net County Cost:	\$ 11,541	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Federal 84.6%, State 9.3%, County 6.1%	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
DATE: 11-17-10
BY: Synthia M. Gunzel
SYNTHIA M. GUNZEL

By: Susan Loew
Susan Loew, Director
Department of Public Social Services

Dept't Recomm.: Consent
 Per Exec. Ofc.: Consent
 Policy
 Policy

Prev. Agn. Ref.: 3.2 of 9/24/98; 3.15 of 8/18/98; 3.2 of 6/26/01; 3.9 of 4/15/03; 3.23 of 5/20/02; 3.15 of 1/10/06

District: 5

Agenda Number:

3.28

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND: (Continued)

The sixth amendment to lease extends the term for two years commencing January 1, 2010.

Lessor: Ringmaster's Square LLC
301 Buck Avenue
Vacaville, California 95688

Premises Location: 351-D Wilkerson
Perris, California 92570

Term: Two (2) years commencing January 1, 2010

Size: 11,050 square feet

Rent: \$ 1.22 per sq. ft.
\$ 13,485.31 per month
\$161,823.72 per year

Rental Adjustment: Two percent (2%)

Utilities: County pays electricity and telephone, all others provided by Landlord.

Maintenance: Provided by Landlord.

Custodial: Provided by Landlord.

Improvements: N/A

RCIT Costs: N/A

The attached sixth amendment to lease has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

All associated costs for this sixth amendment will be fully funded through the Department of Public Social Services' (DPSS) budget. DPSS has budgeted these costs in FY 2010/2011. While the Economic Development Agency (EDA) will front the costs for the sixth amendment to lease with the property owners, DPSS will reimburse EDA for all associated lease costs.

Exhibits A, B and C are attached.

Exhibit A

DPSS Lease Cost Analysis FY 2009/10 351-D Wilkerson Avenue, Perris, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		11,050	SQFT
Cost Per Sq. Ft:	\$		1.22
Lease Cost per Month		\$	13,485.31
Total Lease Cost included in Budget for FY 2009/10		\$	161,823.72

ACTUAL AMOUNTS

Current office:		11,050	SQFT
Approximate Cost per SQFT (July - June)	\$		1.22
Lease Cost per Month (July - June)		\$	13,485.31
Total ACTUAL Lease Cost FY 2009/10		\$	161,823.72
TOTAL ADDITIONAL LEASE COST FOR FY 2009/10		\$	-

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$		0.12
Estimated Utility Costs per Month		\$	1,326.00
Total Estimated Utility Cost for FY 2009/10		\$	15,912.00
EDA Lease Management Fee (Based @ 3.79%)		\$	6,133.12
Total Estimated Additional Costs included in Budget for FY 2009/10		\$	22,045.12

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$		0.12
Estimated Utility Costs per Month		\$	1,326.00
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)		\$	15,912.00
EDA Lease Management Fee (Based @ 3.79%)		\$	6,133.12
Total Actuals Additional Costs for FY 2009/10		\$	22,045.12
TOTAL ADDITIONAL COST FOR FY 2009/10		\$	-
TOTAL LEASE COST FOR FY 2009/10		\$	-
TOTAL COST FOR COUNTY 6.1%		\$	-

Exhibit B

DPSS Lease Cost Analysis FY 2010/11
351-D Wilkerson Avenue, Perris, California

Current Square Feet Occupied:

Office:	11,050	SQFT		
Cost per Square Foot:	\$	1.22		
Lease Cost per Month (July 1, 2010 - December 31, 2010)		\$	<u>13,485.31</u>	\$ 80,911.86
Cost per Square Foot:	\$	1.25		
Lease Cost per Month (January 1, 2011 - June 30, 2011)		\$	<u>13,775.00</u>	\$ 82,650.00
Total Estimated Lease Cost for FY 2010/11				\$ 163,561.86

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per month (July 1, 2010 - June 30, 2011)		\$	<u>1,326.00</u>	
Total Estimated Utility Cost for FY 2010/11				\$ 15,912.00
EDA Lease Management Fee (Based @ 3.79%)				\$ 6,198.99
Total Estimated Lease Cost FY 2010/11:				\$ 185,672.85
TOTAL COST FOR COUNTY 6.1%				\$ 11,326.04

Exhibit C

DPSS Lease Cost Analysis FY 2011/12 351-D Wilkerson Avenue, Perris, California

Current Square Feet Occupied:

Office:		11,050	SQFT		
Cost per Square Foot:	\$		1.25		
Lease Cost per Month (July 1, 2011 - December 31, 2011)			<u>\$</u>	<u>13,775.00</u>	\$ 82,650.00
Cost per Square Foot:	\$		1.27		
Lease Cost per Month (January 1, 2012 - June 30, 2012)			<u>\$</u>	<u>14,050.50</u>	\$ 84,303.00
Total Estimated Lease Cost for FY 2011/12					\$ 166,953.00

Estimated Utility Costs:

Utility Cost per Square Foot	\$		0.12		
Estimated Utility Costs per month (July 1, 2011 - June 30, 2012)			<u>\$</u>	<u>1,326.00</u>	
Total Estimated Utility Cost for FY 2011/12					\$ 15,912.00
EDA Lease Management Fee (Based @ 3.79%)					\$ 6,327.52
Total Estimated Lease Cost FY 2011/12:					\$ 189,192.52
TOTAL COST FOR COUNTY 6.1%					\$ 11,540.74

Exhibit A, B attached

1 **SIXTH AMENDMENT TO LEASE**
2 **351-D Wilkerson Avenue, Perris, California**

3 This **SIXTH AMENDMENT TO LEASE** ("Sixth Amendment") is made as of
4 _____, 2010 by and between the **COUNTY OF RIVERSIDE**, a political
5 subdivision of the State of California ("County"), and **RINGMASTER'S SQUARE, LLC**, as
6 successor in interest to **PERRIS FREEWAY PLAZA, LLC**, ("Lessor").

7 **1. Recitals.**

8 a. County Cottonwood Partners, Inc., entered into that certain lease dated
9 February 24, 1998, (the "Original Lease") pursuant to which County leased a portion of that
10 certain building located at 351-D Wilkerson, Perris, California (the "Building"), as more
11 particularly shown on Exhibit "A", attached hereto and made a part hereof.

12 b. The Original Lease has been amended by:

13 i. That certain First Amendment to Lease dated August 18, 1998,
14 by and between Cottonwood Partners Inc., and County (the "First Amendment").

15 ii. That certain Second Amendment to Lease dated June 26, 2001,
16 by and between Cottonwood Partners, Inc., and County (the "Second Amendment").

17 iii. That certain Third Amendment to Lease dated May 20, 2003, by
18 and between Perris Freeway Plaza, Inc., and County (the "Third Amendment").

19 iv. That certain Fourth Amendment to Lease dated January 10,
20 2006, by and between Cottonwood Partners, Inc., dba Freeway Plaza, successor in interest to
21 Perris Freeway Plaza, LLC, and County (the "Fourth Amendment").

22 v. That certain Fifth Amendment to Lease dated April 17, 2007, by
23 and between Perris Freeway Plaza, LLC, and County (the "Fifth Amendment").

24 c. The Original Lease, as heretofore, currently, or hereafter amended,
25 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:** Sixth 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 Sixth 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 Sixth Amendment.

3. **Lease Term.** Section 2 of the Fifth Amendment to Lease shall be amended as
follows: The term of this Lease shall be extended twenty four (24) months commencing on

1 January 1, 2010 and terminating on December 31, 2011.

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

4 January 1, 2010 to December 31, 2010 - \$13,485.31
5 January 1, 2011 to December 31, 2011 - \$13,775.00

6 **5. Options to Terminate.** Section 12 of the original lease shall be amended by
7 adding subsection (d) to the Lease as follows: (d) Following the execution and delivery of this
8 Sixth Amendment, County shall have the right to terminate this Lease by giving Lessor sixty
9 (60) days notice thereof in writing.

10 **6. Notices.** Section 13 of the Lease shall be amended as follows. Any notices
11 required or desired to be served by either party upon the other shall be addressed to the
12 respective parties as set forth below:

COUNTY:	LESSOR:
Economic Development Agency	Ringmaster's Square, LLC
County of Riverside	Ken Mattson
3403 Tenth Street, Suite 500	301 Buck Avenue
Riverside, California 92501	Vacaville, California 95688

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

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2 8. This Sixth Amendment to Lease shall not be binding or consummated until its
3 approval by the Board of Supervisors of Riverside County.

4 Dated: _____

5 **RINGMASTER'S SQUARE, LLC**

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7 By: 
8 Ken Mattson, Managing Partner

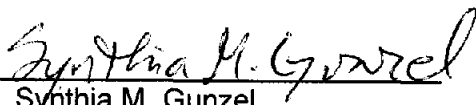
9 **COUNTY OF RIVERSIDE**

10
11 By: _____
12 Marion Ashley, Chairman
13 Board of Supervisors

14 **ATTEST:**
15 Kecia Harper-Ihem
16 Clerk of the Board

17 By: _____
18 Deputy

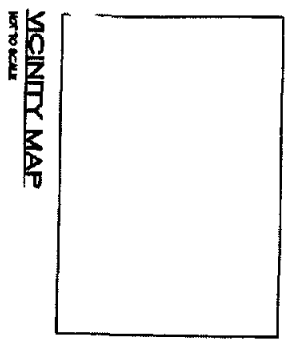
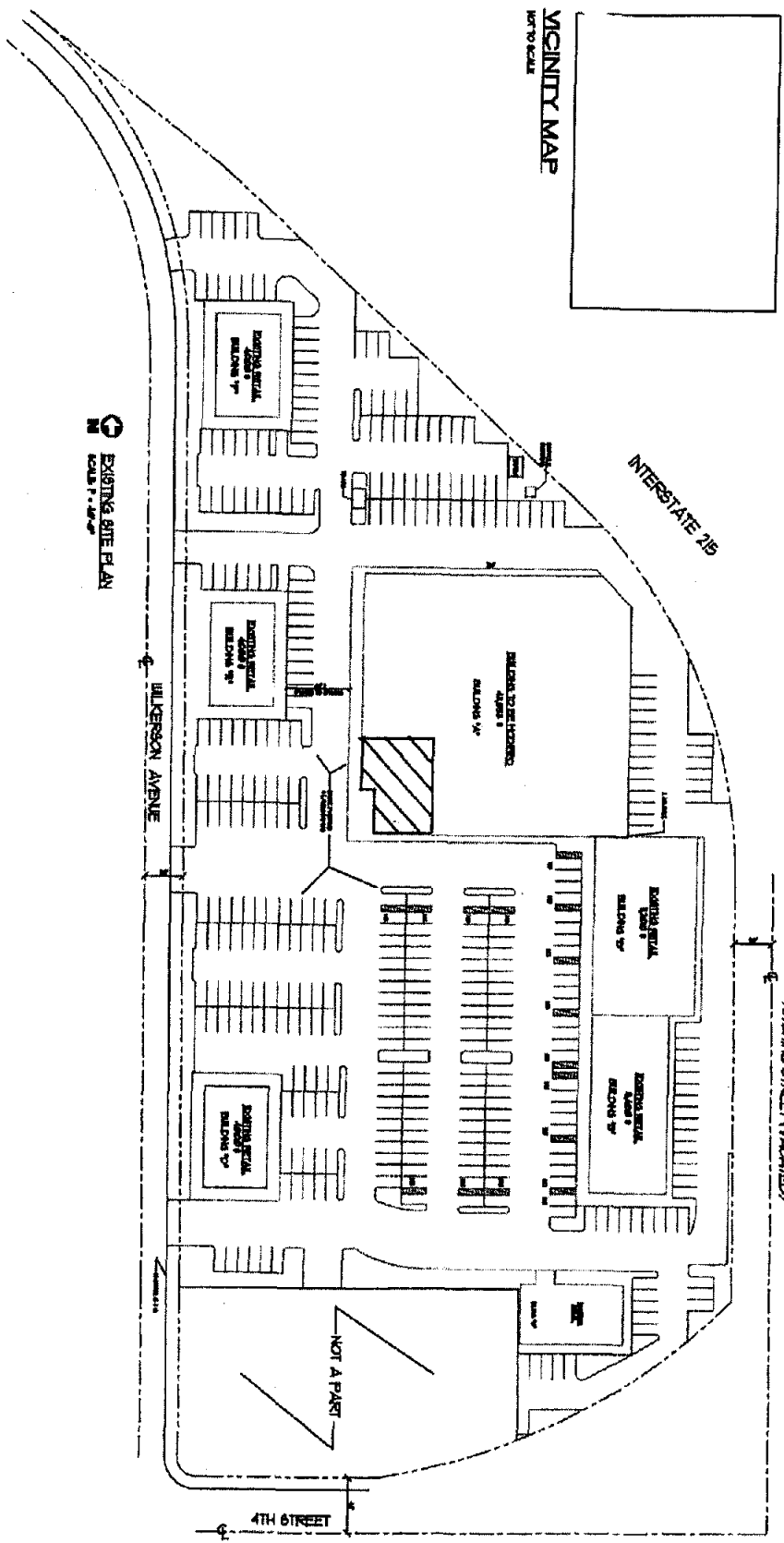
19 **APPROVED AS TO FORM:**
20 Pamela J. Walls
21 County Counsel

22 By: 
23 Synthia M. Gunzel
24 Deputy County Counsel

25
TW:jw
2/4/10
PR019
13.131

Public Social Services
 351-D Wilkerson Avenue
 Perris, Ca

9,650 Square Feet
 58 Vehicular Parking
 Spaces



90-147 A-1	SITE PLAN	PERRIS Discount Plaza		PERMITS DATE: 8-21-81 DRAWN: J. BROWN REVISIONS:		 ACS ARCHITECT Douglas A. Schultz Architect 184 West Caroline Street, Suite 10 San Bernardino, CA 92408 (714) 370-3344 Fax (714) 370-3344
		LOCATION: 351 Wilkerson Ave. Perris, CA 92370	OWNER/DEVELOPER: Capital Public Capital Corporation 24643 Del Prado, Suite 300 Dana Point, CA 92629 (714) 883-8171			

EXHIBIT "A"