

743



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

**FROM:** Economic Development Agency / Facilities Management

**SUBMITTAL DATE:**  
March 3, 2011

**SUBJECT:** Fifth Amendment to Lease – Economic Development Agency, Hemet

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify the attached Fifth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the county; and
2. Approve and direct the Auditor-Controller to make the budget adjustment as shown on Schedule A, attached.

**BACKGROUND:** (Commences on Page 2)

Robert Field  
Assistant County Executive Officer/EDA

**FINANCIAL DATA**

Current F.Y. Total Cost:	\$ 120,746	In Current Year Budget:	No
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

**SOURCE OF FUNDS:** 100% Federal Funds

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**

FISCAL PROCEDURES APPROVED  
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
 BY: SAMUEL WONG  
 Departmental Concurrence  
 FORM APPROVED COUNTY COUNSEL  
 BY: CYNTHIA M. GUNZEL  
 1-13-11

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

Prev. Agn. Ref.: 3.9 of 5/18/99; 3.8 of 7/18/00; 3.24 of 8/26/03;  
3.13 of 3/1/05; 3.26 of 6/08/10; 3.47 of 9/28/10

District: 3

Agenda Number:

3.28

**BACKGROUND:**

The County of Riverside's lease at these locations, 1025 and 1075 N. State Street in Hemet, expired January 31, 2011. The Fifth Amendment to Lease extends the term through June 2011, to await the completion of tenant improvements and subsequent relocation to the new Hemet Service Center in a county-owned facility on Florida Avenue in Hemet.

Location(s): 1025 and 1075 N. State Street  
Hemet, CA 92543

Lessor: State Street Buildings 1 and 11  
5055 Canyon Crest Drive  
Riverside, CA 92507

Size: 14,582 square feet

Term: Extended commencing February 1, 2011, through June 30, 2011.

Rent:	<u>Current</u>	<u>New</u>
	14,582 square feet	14,582 square feet
	\$ 1.34 per sq.ft.	\$ 1.48 per sq.ft.
	\$ 19,539.88 per month	\$ 21,581.36 per month
	\$234,478.56 per year	\$258,976.32 per year

Utilities: County reimburses Lessor 52% of the monthly cost for electric service.

Custodial: Provided by Lessor

Interior/Exterior  
Maintenance: Provided by Lessor

**FINANCIAL DATA:**

All associated costs for this lease will be fully funded through the Economic Development Agency's (EDA) Workforce Development Center (WDC) budget. WDC has budgeted for these costs in FY 2010/11; however, the EDA requires a budget adjustment to the Real Estate Division's FY 2010/11 budget to cover related transactional costs with the property owner. While EDA will front the costs for this lease with the property owner, WDC will reimburse the Real Estate Division for all associated lease costs.

**ATTACHMENTS:**

Schedule A  
Exhibit A  
Fifth Amendment to Lease

## Schedule A

**Increase Estimated Revenues:**

10000-7200600000-778350 – Intra-Utilities \$ 8,749

**Increase Appropriations:**

10000-7200600000-529540 – Utilities \$ 8,749

**Increase Estimated Revenues:**

47220-7200400000-777330 – Leasing Services \$107,907

**Increase Appropriations:**

47220-7200400000-526700 – Rent/Lease Buildings \$107,907

# Exhibit A

## Economic Development Agency Lease Cost Analysis for FY 2010/11 1025 and 1075 State Street, Hemet, California

### Square Footage:

#### **BUDGETED AMOUNTS**

Current office:		14,582	SQFT		
Cost Per Sq. Ft:	\$	1.34			
Lease Cost per Month				\$	19,539.88
<b>Total Lease Cost included in Budget for FY 2010/11 (July-Jan)</b>				\$	136,779.16

#### **ACTUAL AMOUNTS**

Current office:		14,582	SQFT		
Approximate Cost per SQFT (July - Jan)	\$	1.34			
Approximate Cost per SQFT (Feb - June)	\$	1.48			
Lease Cost per Month (July - Jan)	\$	19,539.88			
Lease Cost per Month (Feb - June)	\$	21,581.36			
Total Lease Cost (July - Jan)				\$	136,779.16
Total Lease Cost (Feb - June)				\$	107,906.80
<b>Total Lease Cost for FY 2010/11</b>				\$	244,685.96
<b>TOTAL ADDITIONAL LEASE COST FOR FY 2010/11</b>				\$	107,906.80

### Estimated Additional Costs:

#### **BUDGETED AMOUNTS**

Utility Cost per Square Foot	\$	0.12			
Estimated Utility Costs per Month July-Jan			\$	1,749.84	
<b>Total Budgeted Utility Cost for FY 2010/11</b>				\$	12,248.88

#### **ACTUAL AMOUNTS**

Utility Cost per Square Foot	\$	0.12			
Costs per Month (July - June)			\$	1,749.84	
<b>Total Estimated Actual Utility Cost for FY 2010/11</b>				\$	20,998.08
<b>Total Additional Estimated Utility Cost for FY 2010/11</b>				\$	8,749.20
<b>Additional EDA Lease Management Fee (Based @ 3.79%)</b>				\$	4,089.67
<b>Total Estimated Additional Costs for FY 2010/11</b>				\$	120,745.67

1 **FIFTH AMENDMENT TO LEASE**

2 (Economic Development Agency

3 1025 and 1075 State Street, Hemet, California)

4  
5 This FIFTH AMENDMENT to State Street Buildings 1 and 11("Fifth Amendment") is  
6 made as of \_\_\_\_\_, by and between the **COUNTY OF RIVERSIDE**, a political  
7 subdivision of the State of California ("County"), and **STATE STREET BUILDINGS 1 AND 11**,  
8 a joint venture ("Lessor").

9 **1. Recitals.**

10 **a. STATE STREET BUILDINGS 1 AND 11, a joint venture, Lessor, and**  
11 **COUNTY OF RIVERSIDE**, County, hereby agree to amend that certain lease dated May 18,  
12 1999, (the "original lease") pertaining to the premises located within that certain building  
13 located at 1025 and 1075 State Street, Hemet, California, as more particularly shown on  
14 Exhibit "A", attached to the Lease as follows:

15 **b. The Original Lease has been amended by:**

16 **i. That certain First Amendment to Lease dated July 18, 2000, by**  
17 **and between County of Riverside and State Street Buildings 1 and 11 (the "First Amendment").**

18 **ii. That certain Second Amendment to Lease dated August 26,**  
19 **2003, by and between County of Riverside and State Street Buildings 1 And 11 (the "Second**  
20 **Amendment").**

21 **iii. That certain Third Amendment to Lease dated March 1, 2005, by**  
22 **and between County of Riverside and State Street Buildings 1 and 11 (the "Third**  
23 **Amendment").**

24 **iv. That certain Fourth Amendment to Lease dated June 8, 2010, by**  
25 **and between County of Riverside and State Street Buildings 1 And 11 (the "Fourth**  
26 **Amendment").**

27 **c. The Original Lease, as heretofore, currently, or hereafter amended, shall**  
28 **hereafter be referred to as the "Lease".**

1           d.     The term of the Lease, as heretofore amended, expired January 31,  
2 2011. County and Lessor desire to further amend the Lease to extend the term of the Lease.

3           **2. Capitalized Terms: Fifth Amendment to Prevail.** Unless defined herein or  
4 the context requires otherwise, all capitalized terms herein shall have the meaning defined in  
5 the Lease, as heretofore amended. The provisions of this Fifth Amendment shall prevail over  
6 any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall  
7 supplement the remaining provisions thereof. The Lease remains in full force and effect except  
8 to the extent amended by this Fifth Amendment.

9           **3. Extension of Term.** The Term of this Lease is hereby extended through June  
10 30, 2011 ("Extended Term").

11           **4. Rent During Extended Term.** County shall pay to Lessor the monthly sum of  
12 \$21,581.36 for the Leased premises during the extended term of this Lease.

13           **5. Holding Over.** Any holding over by County after the expiration of the term of  
14 this Fifth Amendment to lease shall be deemed a month to month tenancy upon the same  
15 terms and conditions of this Lease.

16           **6. Holdover Rent.** Should County remain in the premises after the expiration of  
17 term of this Fifth Amendment to Lease, rent shall be increased to \$22,164.64 per month until  
18 County vacates.

19           **7.** All other provisions of the Lease remain the same.

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