

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

801



FROM: Economic Development Agency /Facilities Management

SUBMITTAL DATE:

May 25, 2011

SUBJECT: First Amendment to Lease – Human Resources Department, Cathedral City

RECOMMENDED MOTION: That the Board of Supervisors ratify the attached First Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND: The County and Terry William Ireland dba T W Investments, desire to extend the lease agreement for the facility located at 68-625 Perez Road, Suite 10A, Cathedral City, California. The Human Resources Department (HR) has utilized this office since June 1999, for its Employee Assistance Services (EAS) program. This facility continues to meet the needs and requirements of the Department and a lease extension has been negotiated by the Economic Development Agency's (EDA) Real Estate Division.

(Continued)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Samuel Wong 5/14/11
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 94	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Employment Assistance Services Fund	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
County Executive Office Signature Jennifer L. Sargent

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel DATE: 5-11-11
Departmental Concurrence
Barbara Olivier, Assistant CEO
Human Resources Department

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

BACKGROUND: (Continued)

Lessor: T W Investments
 76322 Via Chianti
 Indian Wells, California 92210

Premises Location: 68-625 Perez Road, Suite 10A, Cathedral City, California

Term: Three years commencing retro actively to June 1, 2010

Size: 1,200 square feet

Rent: New rent commences effective April 1, 2011, as the department sought relocation feasibility to no avail. During period of June 1, 2010 – March 31, 2011, provisions of Holding Over and rental increase rate of 3.5% apply under previous lease terms and conditions.

<u>Old</u>	<u>New</u>
\$ 1.37 per sq. ft.	\$ 1.40 per sq. ft.
\$ 1,649.69 per month	\$ 1,680.00 per month
\$19,796.28 per year	\$20,160.00 per year

<u>Increase</u>	
Per Sq. Ft.	\$.03
Per Month	\$ 30.31
Per Year	\$ 363.72

Rental Adjustment: 2% annually

Utilities: County pays electric and telephone, Landlord pays all others.

Maintenance: Provided by Landlord

Custodial: Provided by Landlord

Improvements: N/A

RCIT Costs: N/A

Market Data: 68-615 Perez Road, Cathedral City \$1.47
 34-251 Date Palm Drive, Cathedral City \$2.50
 68-625 Perez Road, Cathedral City \$1.48

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

FINANCIAL DATA: (Commences on Page 3)

FINANCIAL DATA:

The associated costs for this First Amendment will be fully funded through the HR budget. HR has budgeted these costs in FY 2010/11. While EDA will front the costs for the First Amendment to Lease with the property owners, HR will reimburse EDA for all associated costs. (Exhibit A)

Attachments:

Exhibit A
First Amendment to Lease

Exhibit A

HR - EAS Lease Cost Analysis FY 2010/11 68-625 Perez road, Suite 10A, Cathedral City, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		1,200	SQFT		
Cost Per Sq. Ft:	\$		1.37		
Lease Cost per Month			\$	1,649.69	
Total Lease Cost included in Budget for FY 2010/11				\$	19,796.28

ACTUAL AMOUNTS

Current office:		1,200	SQFT		
Approximate Cost per SQFT (July - Mar)	\$		1.37		
Approximate Cost per SQFT (Apr - June)	\$		1.40		
Lease Cost per Month (July - Mar)	\$		1,649.69		
Lease Cost per Month (Apr - June)	\$		1,680.00		
Total Lease Cost (July - Mar)			\$	14,847.21	
Total Lease Cost (Apr - June)			\$	5,040.00	
Total Lease Cost for FY 2010/11				\$	19,887.21
TOTAL LEASE COST FOR FY 2010/11				\$	90.93

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$		0.12		
Estimated Utility Costs per Month			\$	144.00	
Total Estimated Utility Cost for FY 2010/11				\$	1,728.00

Tenant Improvement Costs

N/A

RCIT Costs

N/A

EDA Lease Management Fee (Based @ 3.79%)			\$	750.28	
Total Estimated Additional Costs included in Budget for FY 2010/11			\$	2,478.28	

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$		0.12		
Estimated Utility Costs per Month			\$	144.00	
Total Additional Estimated Utility Cost for FY 2010/11 (July - June)				\$	1,728.00

Tenant Improvement Costs

N/A

RCIT Costs

N/A

EDA Lease Management Fee (Based @ 3.79%)			\$	753.73	
Total Estimated Additional Costs for FY 2010/11			\$	2,481.73	

TOTAL ESTIMATED ADDITIONAL COST FOR FY 2010/11			\$	3.45	
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TOTAL FOR LEASE COST FY 2010/11			\$	94.38	
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1 **FIRST AMENDMENT TO LEASE**
2 **(Human Resources Department)**

3 **68-625 Perez Road, Suite 10A, Cathedral City, California**
4

5 This **FIRST AMENDMENT TO LEASE** ("First Amendment") is made as of
6 _____, 2011 by and between the **COUNTY OF RIVERSIDE**, a
7 political subdivision of the State of California ("County"), and **TERRY WILLIAM**
8 **IRELAND**, as individual, **DBA, TW INVESTMENTS** ("Lessor").

9 **RECITALS.**

10 A. County and TW Investments, entered into that certain lease dated May
11 30, 2007, (the "Original Lease") pursuant to which County leased a portion of that
12 certain building located at 68-625 Perez Road, Suite 10A, Cathedral City, California
13 (the "Building"), as more particularly shown on Exhibit "A," attached hereto and made a
14 part hereof.

15 B. The Original Lease, as heretofore, currently, or hereafter amended, shall
16 hereafter be referred to as the "Lease."

17 **NOW THEREFORE**, for good and valuable consideration the receipt and
18 adequacy of which is hereby acknowledged, the parties agree as follows:

19 **CAPITALIZED TERMS:** First Amendment to Prevail. Unless defined herein or
20 the context requires otherwise, all capitalized terms herein shall have the meaning
21 **DEFINED IN THE** Lease as heretofore amended. The provisions of this First
22 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease
23 as heretofore amended and shall supplement the remaining provisions thereof. The
24 Lease remains in full force and effect except to the extent amended by this First
25 Amendment.

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27 ///

28 ///

1 **1. Lease Term.** Section 3 of the Lease shall be amended as follows:
2 Notwithstanding any other provisions contained herein, the term of this Lease shall be
3 extended thirty six (36) months commencing on June 1, 2010, and terminating on May
4 31, 2013.

5 **2. Rent.** Section 4 of the Lease shall be deleted in its entirety and replaced
6 as follows:

7 **4. Rent.**

8 (a) County shall pay the sum of \$1,680.00 per month to Lessor
9 as rent for the leased premises, payable, in advance, on the first day of the month or as
10 soon thereafter as a warrant can be issued in the normal course of County's business.
11 Rent to commence effective April 1, 2011.

12 (b) Notwithstanding the provisions of Paragraph 4(a) herein,
13 the monthly rent shall be increased on each anniversary of this Lease by an amount
14 equal to two (2%) percent of such month rental.

15 **3. Notices.** Section 12 of the Lease shall be deleted in its entirety and
16 replaced as follows. Any notices required or desired to be served by either party upon
17 the other shall be addressed to the respective parties as set forth below:

18
19 COUNTY:

20 Economic Development Agency
21 Real Estate Division
22 County of Riverside
23 3403 Tenth Street, Suite 500
24 Riverside, CA 92501

18
19 LESSOR:

20 TW Investments
21 c/o T.W. Ireland
22 76322 Via Chianti
23 Indian Wells, CA 92210

24
25
26 **4.** Except as modified or supplemented by this First Amendment to Lease,
27 all provisions of this Lease shall remain in full force and effect.

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1 5. This First Amendment to Lease shall not be binding or consummated until
2 its approval by the Board of Supervisors of County of Riverside.

3
4 Dated: 4/26/2011

5 **TW INVESTMENTS**

6
7
8 By: 
Terry William Ireland, Owner

9 **COUNTY OF RIVERSIDE**

10
11
12 By: _____
Bob Buster, Chairman
Board of Supervisors

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

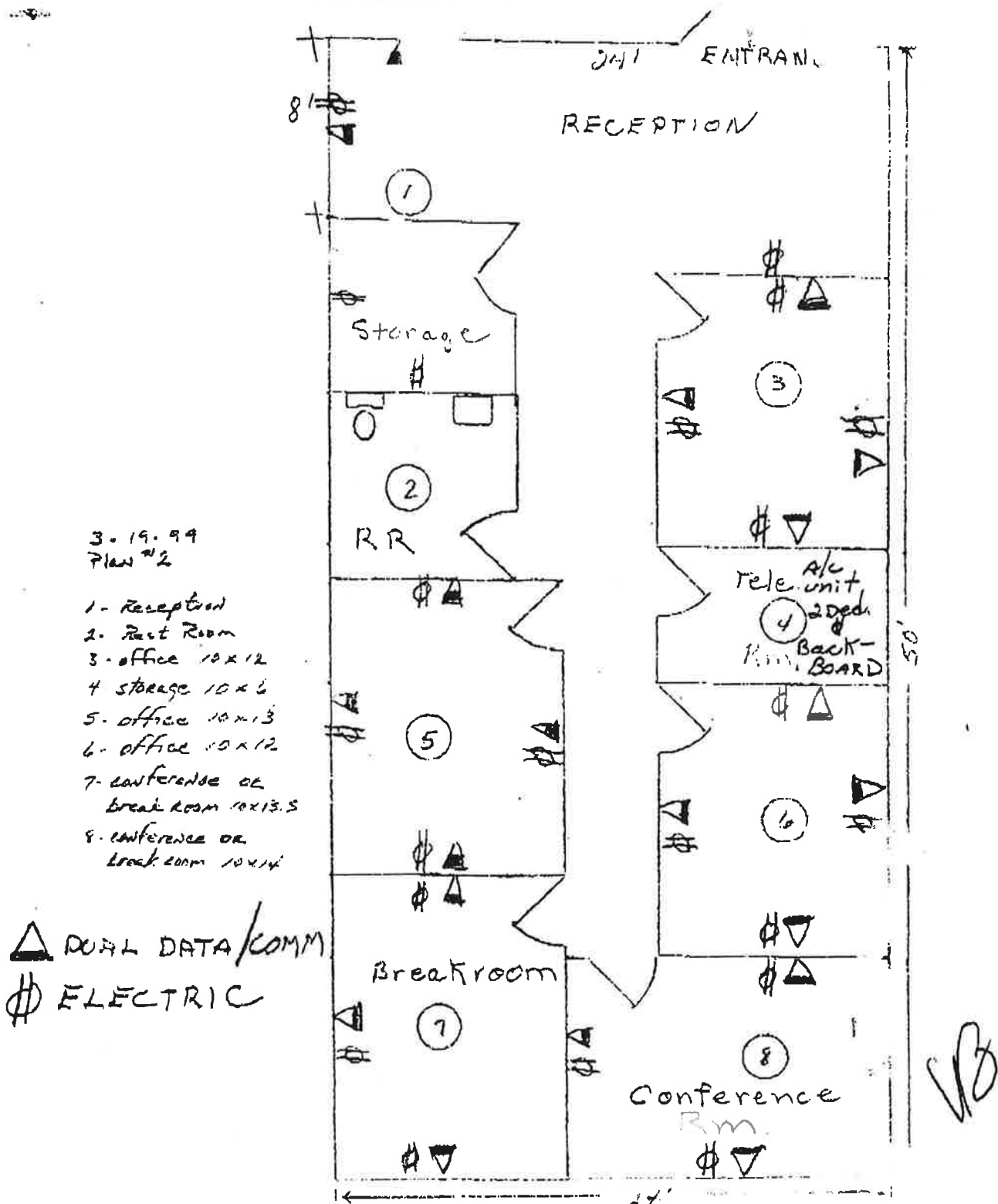
16
17 By: _____
Deputy

18
19
20
21
22 **APPROVED AS TO FORM:**
23 PAMELA J. WALLS, County Counsel

24
25 By: 
26 Deputy

27 **SYNTHIA M. GUNZEL**

EXHIBIT "A"



3-19-99
Plan # 2

- 1- Reception
- 2- Rest Room
- 3- office 10x12
- 4 storage 10x6
- 5- office 10x13
- 6- office 10x12
- 7- conference or
break room 10x13.5
- 8- conference or
break room 10x14

△ DUAL DATA/COMM
⊕ ELECTRIC

County of Riverside
Human Resources
Plan # 2
3-19-99

PALMDALE BUSINESS PARK
66225 PEREZ RD #10
CANTON, CA

1/4" = 1'

EXHIBIT "A"