

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

942



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

June 2, 2011

SUBJECT: Second Amendment to Lease – Cooperative Extension

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Second Amendment to Lease and authorize the chairman of the Board to execute the same on behalf of the county.

BACKGROUND: As a cost saving measure Cooperative Extension has requested that custodial services be reduced from five days per week to two days per week. Due to the use of the facility and number of staff that occupy the premises, Cooperative Extension feels this reduction in the cleaning schedule will be sufficient to meet their needs. The landlord has agreed and this Second Amendment to Lease represents a reduction in the rent from \$8,294.40 per month to \$8,093.23 per month, in addition to reducing the custodial service to two days per week commencing June 1, 2011.

(Continued)

FISCAL PROCEDURES APPROVED

PAUL ANGULO, CPA, AUDITOR-CONTROLLER:

BY: Samuel Wong 6/1/11
SAMUEL WONG

Robert Field

Robert Field
Assistant County Executive Officer/EDA

**FINANCIAL
DATA**

Current F.Y. Total Cost: \$ (209)
Current F.Y. Net County Cost: \$ (209)
Annual Net County Cost: \$ 109,346

In Current Year Budget: Yes
Budget Adjustment: No
For Fiscal Year: 2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 100% General Fund

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY:

County Executive Office Signature

Jennifer V. Sargent
Jennifer V. Sargent

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

Prev. Agn. Ref.: 3.10 of 4/8/08; 3.29 of 7/13/10

District: 4

Agenda Number:

3.24

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel
DATE: 5-25-11
Departmental Concurrence

By: Etaterahu Takele 5-25-11
Etaterahu Takele, Director
Cooperative Extension

BACKGROUND: (Continued)

Location: 81-077 Indio Blvd.
Suites H, I, J
Indio, CA 92201

Lessor: Spectra Novae, Ltd.
7828 SW 32nd Avenue
Portland, OR 92719

Size: 5,760 square feet

Term: Five (5) years commencing December 1, 2008

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.44 per sq. ft.	\$ 1.41 per sq. ft.
	\$ 8,294.40 per month	\$ 8,093.23 per month
	\$99,532.80 per year	\$97,118.76 per year

Annual Adjustment: 3%

FINANCIAL DATA:

All associated costs for this lease will be fully funded through Cooperative Extension budget. Cooperative Extension has budgeted for these costs in FY 2010/11. While EDA will front the costs for this lease with the property owner, Cooperative Extension will reimburse EDA for all associated lease costs.

Attachments:

Exhibit A
Exhibit B
Second Amendment to Lease, 81-077 Indio Blvd.

Exhibit A

Cooperative Extension FY 2010/11 81-077 Indio Blvd. Suites H, I, J

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	5,760	SQFT	
Cost Per Sq. Ft:	\$	1.44	
Lease Cost per Month:			8,294.40
Total Lease Cost included in Budget for FY 2010/11			\$ 99,532.80

ACTUAL AMOUNTS

Current office:	5,760	SQFT	
Approximate Cost per SQFT (July - May)	\$	1.44	
Approximate Cost per SQFT (June)	\$	1.41	
Lease Cost per Month (July - May)		\$	8,294.40
Lease Cost per Month (June)		\$	8,093.23
Total Lease Cost (July - May)		\$	91,238.40
Total Lease Cost (June)		\$	8,093.23
Total Lease Cost for FY 2010/11			\$ 99,331.63
TOTAL LEASE COST SAVINGS FOR FY 2010/11			\$ (201.17)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	691.20
Total Budgeted Utility Cost for FY 2010/11			\$ 8,294.40

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Costs per Month (July - June)		\$	691.20
Total Estimated Actual Utility Cost for FY 2010/11			\$ 8,294.40
Total Additional Estimated Utility Cost for FY 2010/11			-

EDA Lease Management Fee (Based @ 3.79%)			\$ (7.62)
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11			\$ (208.79)

Exhibit B

Cooperative Extension FY 2011/12 81-077 Indio Blvd., Suites H, I, J, Indio, CA

Current Square Feet Occupied:

Office: 5,760 SQFT

Cost Per Sq. Ft: \$ 1.41

Cost Per Sq. Ft: \$ 1.45

Lease Cost per Month (July 1, 2011 - May 31, 2012) \$ 8,093.23

Lease Cost per Month 3% Increase (June 1, 2012 - June 30, 2012) \$ 8,336.03

Lease Cost (July - May) \$ 89,025.53

Total Lease Cost (June) \$ 8,336.03

Total Estimated Lease Cost for FY 2011/12 \$ 97,361.56

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month (July 1, 2011 - June 2012) \$ 691.20

Total Estimated Utility Cost for FY 2011/12 \$ 8,294.40

EDA Lease Management Fee (Based @ 3.79%) \$ 3,690.00

Total Estimated Lease Cost FY 2011/12: \$ 109,345.96

SECOND AMENDMENT TO LEASE
(81-077 Indio Blvd., Suites H, I, J
Indio, California)

This **SECOND AMENDMENT TO LEASE** ("Second Amendment") is made as of _____, 2011 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **SPECTRA NOVAE, LTD.**, ("Lessor").

1. Recitals.

a. County and Spectra Novae, LTD., ("Landlord") entered into that certain lease dated April 8, 2008, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 81-077 Indio Blvd., Suites H, I, J, Indio, 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 July 13, 2010, by and between Spectra Novae, Ltd., 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.

1 **3. Rent.** Section 5 of the Lease Agreement shall be amended as follows:

2 5.1 Rent. Monthly rent shall be reduced from \$8,543.23 per month to
3 \$8,093.23 per month effective June 1, 2011.

4 **4. Custodial Services.** Section 8.1 of the Lease Agreement shall be
5 amended as follows: The first sentence shall be deleted in its entirety and replaced
6 with the following: Effective June 1, 2011 Lessor shall provide, or cause to be
7 provided, and pay for all custodial services in connection with the Leased Premises
8 and such services shall be provided as set forth in the attached Exhibit "I". Custodial
9 services shall be reduced from five days per week to two days per week.

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

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

Dated: _____

SPECTRA NOVAE, LTD.

By: Edward Lilly
Edward Lilly, Manager

COUNTY OF RIVERSIDE

By: _____
Bob Buster, 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
SYNTHIA M. GUNZEL

**COUNTY OF RIVERSIDE
Economic Development Agency
Real Estate Division**

**CUSTODIAL SERVICES REQUIREMENTS
FOR LEASED FACILITIES**

1. Background checks shall be performed, in a manner specified by County, of all qualified permanent and temporary employees.
2. Provide all required services and supplies.
3. Perform services five days a week during the hours of 5:00 pm to 1:00 am only.
4. Provide and replace all fluorescent light tubes and incandescent light bulbs using only those types of tubes and bulbs that are energy efficient as indicated by manufacturer. Fixture reflectors shall be wiped clean with each relamping.
5. Lessor and custodial staff shall be responsible for key control. Issuing keys to workers, collecting said keys at shift end and retrieving keys at the end of custodian's employment. If keys are lost, stolen or misplaced, rekeying costs are landlord's responsibility.
6. **SPECIFIC SERVICES – Frequency and coverage:**

A. Two Times Per Week:

1. Rest Rooms:

Empty all trash containers, refill dispensers, damp mop floors, clean, sanitize and polish all plumbing fixtures, chrome fittings, flush rings, drain and overflow outlets, clean and polish mirrors, clean wall adjacent to hand basins/urinals, dust metal partitions, remove finger prints from walls, switches, etc.

2. Lobby Area – Main Corridors – Stairways:

Remove trash, vacuum, vacuum/damp mop tile, clean lobby and entrance doors, clean and sanitize drinking fountains.

3. Employee Break Rooms/Kitchen:

Remove trash from building and deposit in dumpster, vacuum rugs and carpet, wipe spills, mop tile floor, remove fingerprints from doors, light switches, etc., and refill dispensers.

4. General and Private Areas:

Remove trash, vacuum carpets, mop tile floors, spot clean interior partition glass, clean counter tops and blackboards, dust desks,