

809



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

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

November 3, 2011

SUBJECT: Third Amendment to Lease – Cooperative Extension

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY Samuel Wong 11/2/11
 SAMUEL WONG

Robert Field
 Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$4,203.50	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$4,203.50	Budget Adjustment:	No
	Annual Net County Cost:	\$ 118,165.	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 100% General 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: Michelle C. Williams
 DATE: 10-3-11
 Department of Finance
 Etaferahu Takele 10-6-11
 Etaferahu Takele, Director
 Cooperative Extension
 By: Policy Policy
 Consent Consent
 Dept't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref.: 3.9 of 4/8/08; 3.29 of 7/13/10; 3.24 of 6/14/11 | **District:** 4 | **Agenda Number** 3.7

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

BACKGROUND:

On June 14, 2011, Agenda item #3.24, the Board approved a Second Amendment to Lease reducing the custodial service from five days a week to two days a week with a reduction in rent of \$450.00 per month. Service two days per week does not meet the needs and requirements of the department. This Third Amendment to Lease represents an increase in custodial service from two days per week to five days per week with an increase in rent of \$450.00 per month, which Cooperative Extension requested commencing October 1, 2011. The decrease in rent is based on the budgeted amount being higher than the actual amount of rent paid.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Lease, is the letting of property involving existing facilities with minor tenant improvement alterations. No expansion of an existing use will occur.

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

Lessor: Spectra Novae, Ltd.
7828 SW 32nd Avenue
Portland, Oregon 92716

Size: 5,760 square feet

Term: Five years

Rent:

Current	New
\$ 1.41 per sq. ft.	\$ 1.48 per sq. ft.
\$ 8,093.23 per month	\$ 8,543.23 per month
\$97,118.76 per year	\$102,518.76 per year

Annual Adjustment: Three (3%) percent

This Third Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

All associated costs for this lease will be fully funded through Cooperative Extensions budget. Cooperative Extension has budgeted for these lease costs in FY 2011/12. 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
Third Amendment to Lease

Exhibit A

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

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office: 5,760 SQFT
Total Budgeted Lease Cost for FY 2011/12 \$ 102,775.00

ACTUAL AMOUNTS

Current Office: 5,760 SQFT

Approximate Cost per SQFT (July - Sept) \$ 1.41
Approximate Cost per SQFT (Oct - May) \$ 1.48
Approximate Cost per SQFT (June) \$ 1.52

Lease Cost per Month (July - Sept) \$ 8,093.23
Lease Cost per Month (Oct - May) \$ 8,543.23
Lease Cost per Month (June) 3% Increase \$ 8,799.52

Total Lease Cost (July - Sept) \$ 24,279.69
Total Lease Cost (Oct - June) \$ 68,345.84
Total Lease Cost (June) \$ 8,799.52

Total Actual Lease Cost for FY 2011/12 \$ 101,425.05
Total Lease Cost Variance for FY 2011/12 \$ (1,349.95)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs per Month \$ 691.20
Total Budgeted Additional Utility Cost for FY 2011/12 \$8,294.40
EDA Lease Management Fee (3.79%) \$3,895.17
Total Budgeted Additional Cost for FY 2011/12 \$12,189.57

ACTUAL AMOUNTS

Utility Cost per Square Foot \$ 0.12
Costs per Month (July - June) \$691.20
Total Estimated Actual Utility Cost for FY 2011/12 \$8,294.40

EDA Lease Management Fee (Based @ 3.79%) \$ 3,844.01
Total Actual Amount \$12,138.41
Total Estimated Cost Variance for 2011/12 \$ (51.16)

Total Estimated Additional Cost Variance for FY 2011/12 \$ (1,401.11)

Exhibit B

Cooperative Extension FY 2012/13 81-077 Indio Blvd. Suites H, I, J

Current Square Feet Occupied:

Office:	5,760	SQFT		
Cost per Square Foot: (July 1, 2012 - May 30, 2013):	\$	1.52		
Cost per Square Foot: (June 2013)	\$	1.57		
Lease Cost per Month (July 1, 2012 - May 30, 2013)	\$		8,799.52	
Lease Cost per Month 3% increase (June 2013)	\$		9,063.50	
Lease Cost (July - May)			\$	96,794.72
Lease Cost (June)			\$	9,063.50
Total Estimated Lease Cost for FY 2012/13			\$	105,858.22

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July 1, 2012 - June 30, 2013)			<u>\$</u>	<u>691.20</u>
Total Estimated Additional Cost for FY 2012/13			\$	8,294.40
EDA Lease Management Fee (Based @ 3.79%)			\$	4,012.02
TOTAL ESTIMATED COST FOR FY 2012/13			\$	118,164.64