

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

822



SUBMITTAL DATE:

February 15, 2012

FROM: Economic Development Agency / Facilities Management

SUBJECT: Fourth Amendment to Lease, Public Defender, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Fourth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Existing Facilities.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Samuel Wong 2/8/12
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (10,878)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ (10,878)	Budget Adjustment:	No
	Annual Net County Cost:	\$ 70,760	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 100% County 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
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL DATE
 BY: Synthia M. Gunzel 1-5-12
 DEPARTMENTAL CONCURRENCE
 BY: Synthia M. Gunzel
 Gary Windom, Executive Management
 Public Defender
 By: Gary Windom
 Dept't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

3.36

Prev. Agn. Ref.: 3.42 of 7/31/07; 3.25 of 3/11/08; 3.29 of District: 2/2

Agenda Number:

BACKGROUND:

This facility continues to meet the requirements of the department. To assist the department and county with its overall objective of reducing lease costs, the Economic Development Agency Real Estate Division has negotiated a one year lease term at a reduced rate. The reduced rate provided the department with a rental reduction of \$.20 cents per square foot, and a cost savings of \$16,663.20 per year. The one year lease renewal also provides the department adequate time to merge into a county owned facility, thus providing additional savings.

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 and no expansion of an existing use will occur.

Lessor: Frank and Eleanor Freitas Family Trust
5315 Cascades Street
Chowchilla, California 93610

Premises Location: 4275 Lemon Street, Suites 100, 101 and 251A

Size: Approximately 7,033 square feet

Term: One year, January 1, 2012 to December 31, 2012

Rent:	Current:	New:
	\$ 1.70 per sq. ft.	\$ 1.50 per sq. ft.
	\$ 11,938.10 per month	\$ 10,549.50 per month
	\$143,257.20 per year	\$126,594.00 per year

Rental Adjustment: None

Utilities: County pays for telephone and Lessor provides all other utilities.

Custodial Services: Lessor

Maintenance: Lessor

Option to terminate: Sixty days written notice, due to loss of funding.

Option to extend: None

Improvements: None

RCIT Costs: None

Market Data: 3880 Lemon Street \$2.53
4275 Lemon Street \$1.50 Suite 251

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

Economic Development Agency / Facilities Management
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FINANCIAL DATA:

All associated costs for this Lease Amendment will be fully reimbursed by the Public Defender through county general fund. The Public Defender has budgeted for these costs in FY 2011/12. While the Economic Development Agency (EDA/FM) will front the costs for the Fourth Amendment with the property owners, the Public Defender will reimburse EDA/FM for all associated costs.

Attachments:
Fourth Amendment to Lease
Exhibit A
Exhibit B

Exhibit A

Public Defender Lease Cost Analysis for FY 2011/12 4275 Lemon Street, Suites 100, 101 and 251A

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:	7,033 SQFT	
Total Budgeted Lease Cost for FY 2011/12		\$ 145,406.06

ACTUAL AMOUNTS

Current Office:	7,033 SQFT	
Proposed Office:	7,033 SQFT	

Approximate Cost per SQFT (July - December)	\$ 1.70	
Approximate Cost per SQFT (January - June)	\$ 1.50	

Lease Cost per Month (July - December)	\$ 11,938.10	
Lease Cost per Month (January - June)	<u>\$ 10,549.50</u>	

Total Lease Cost (July - December)	\$ 71,628.60	
Total Lease Cost (January - June)	<u>\$ 63,297.00</u>	
Total Actual Lease Cost for FY 2011/12		\$ 134,925.60
Total Lease Cost Variance for FY 2011/12		\$ (10,480.46)

Expected Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month	<u>\$ 843.96</u>	
Total Budgeted Additional Cost for FY 2011/12		\$ 10,127.52

RCIT	\$ -	
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	\$ -	
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EDA Lease Management Fee (Based @ 3.79%)	<u>\$ 5,510.89</u>	
Total Estimated Additional Cost Included in Budget for FY 2011/12		\$ 15,638.41

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Costs per Month (July - December)	\$ 843.96	
Costs per Month (January - June)	<u>\$ 843.96</u>	
Total Estimated Actual Utility Cost for FY 2011/12		\$ 10,127.52

RCIT	\$ -	
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Tenant Improvements	\$ -	
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EDA Lease Management Fee (Based @ 3.79%)	<u>\$ 5,113.68</u>	
Total Estimated Additional Actual Cost for FY 2011/12		\$ 15,241.20

Total Estimated Additional Cost Variance for FY 2011/12		\$ (397.21)
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TOTAL ESTIMATED COST FOR FY 2011/12		<u>\$ (10,877.67)</u>
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Exhibit B

Public Defender Lease Cost Analysis for FY 2012/13 4275 Lemon Street, Suites 100, 101 and 251A

Current Square Feet Occupied:

Office:	7,033 SQFT		
Cost per Square Foot: (Jul. 1, 2012 - Dec. 31, 2012) \$	1.50		
Lease Cost per Month (Jul 1, 2012 - Dec. 31, 2012)	\$	10,549.50	
Lease Cost (Jul - Dec.)		\$	63,297.00
		\$	-
Total Estimated Lease Cost for FY 2012/13		\$	63,297.00

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July 1, 2012 - Dec 31, 2012)		\$	<u>843.96</u>
Total Estimated Additional Cost for FY 2012/13		\$	5,063.76
EDA Lease Management Fee (Based @ 3.79%)		\$	<u>2,398.95</u>
TOTAL ESTIMATED COST FOR FY 2012/13		\$	<u>70,759.71</u>

1 **FOURTH AMENDMENT TO LEASE**

2 Public Defender

3 4275 Lemon Street, Suites 100, 101 and 251A, Riverside, California 92501

4
5 This FOURTH AMENDMENT TO LEASE, "Fourth Amendment" is made as of
6 _____, by and between **FRANK AND ELEANOR FREITAS FAMILY TRUST**
7 as "Lessor" and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California,
8 as "County".

9 **1. Recitals.**

10 a. Lessor's and County have entered into that certain Lease, dated as of
11 December 19, 2006, "Original Lease", pursuant to which Lessor have agreed to lease to
12 County and County has agreed to lease from Lessor's that certain building, more commonly
13 known as 4275 Lemon Street, Suites 100, 101 and 251A, Riverside, California, as shown on
14 Exhibit "A", attached thereto.

15 b. The Original Lease has been amended by:

16 i. That certain First Amendment to Lease dated July 31, 2007, by and
17 between County of Riverside and Frank C. Freitas and Eleanor Freitas, the "First Amendment".

18 ii. That certain Second Amendment to Lease dated March 11, 2008, by and
19 between County of Riverside and Frank C. Freitas and Eleanor Freitas, the "Second
20 Amendment".

21 iii. That certain Third Amendment to Lease dated August 10, 2010 by and
22 between County of Riverside and Frank C. Freitas and Eleanor Freitas, the "Third
23 Amendment".

24 c. County and Lessor's further desire to amend the Lease by extending the term of
25 the Lease, among other things, as heretofore amended by this "Fourth Amendment".

26 d. The Original Lease, as heretofore, currently, or hereafter amended, shall
27 hereafter be referred to as the "Lease".

28

1 NOW THEREFORE, for good and valuable consideration the receipt and Adequacy of
2 which is hereby acknowledged, the parties agree as follows:
3

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

10 **3. Term:** Section 3 of the Third Amendment shall be amended as follows:

11 The term of this Lease is hereby extended for one year. The extended term will
12 commence on January 1, 2012, and will expire on December 31, 2012 "Extended Term".
13 December 31, 2012, shall hereafter be the "Expiration Date".

14 **4. Rent During Extended Term:** Section 5 of the Third Amendment to Lease
15 shall be amended as follows: County shall pay to Lessor the reduced monthly sums as rent for
16 the Leased premises during the term of this Lease as indicated below:

<u>Amount</u>	<u>Year</u>
\$10,549.50	01/01/12 – 12/31/12

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20 **5.** Except as modified or supplemented by this Fourth Amendment to Lease all
21 terms and conditions shall remain in full force and effect.

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1 6. This Fourth Amendment to Lease shall not be binding or consummated until its
2 approval by the County's Board of Supervisors.

3 Dated: _____

4 **FRANK AND ELEANOR FREITAS FAMILY TRUST**

5 By: *Eleanor M. Freitas*
6 Eleanor M. Freitas



7 **COUNTY OF RIVERSIDE**

8
9 By: _____
10 John Tavaglione, Chairman
 Board of Supervisors

11 **ATTEST:**
12 Kecia Harper-Ihem
13 Clerk to the Board

14 By: _____
15 Deputy

16 **APPROVED AS TO FORM:**
17 Pamela J. Walls
18 County Counsel

19 By: *Synthia M. Gunzel*
20 Synthia M. Gunzel
 Deputy County Counsel

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4275 LEMON ST RIVERSIDE, CALIFORNIA

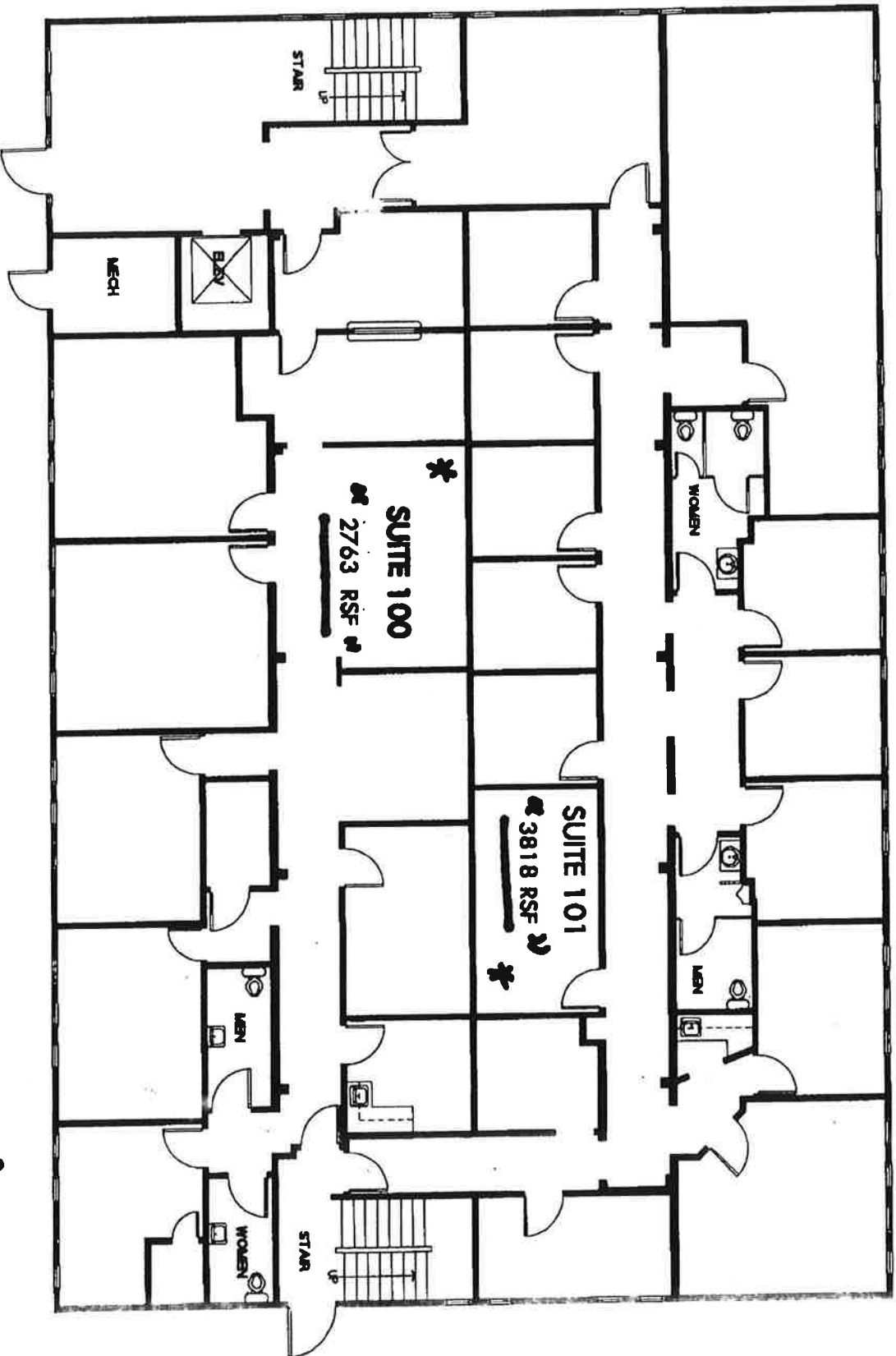


EXHIBIT "A"

FIRST FLOOR



Q DESIGN
INTERIOR PLANNING
& DESIGN
TEL: (949) 757-6596

MAY 26, 2009

**4275 LEMON ST
RIVERSIDE, CALIFORNIA**

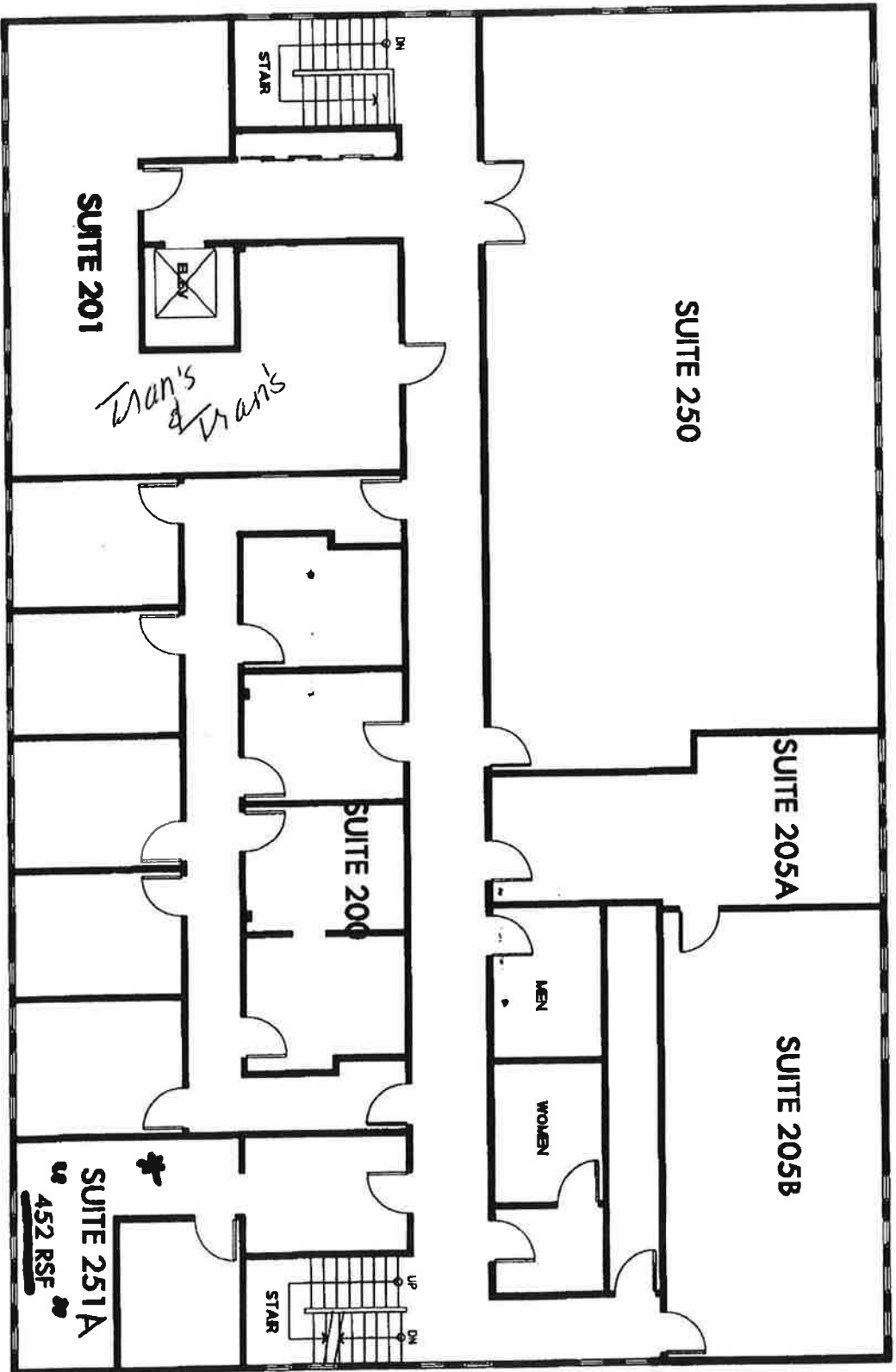


EXHIBIT "A"

FEBRUARY 23, 2010

SECOND FLOOR

DESIGN
INTERIOR PLANNING
& DESIGN
TEL: (949) 757-6986