

768



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

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

**SUBMITTAL DATE:**

August 16, 2012

**SUBJECT:** Second Amendment to Lease – Department of Public Social Services

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

1. Ratify the attached Second 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 CEQA Guidelines Section 15301, Existing Facilities.

**BACKGROUND:** The County of Riverside has occupied 1225 & 1267 W. Hobson Way, Blythe, under one lease since 2003.

(Continued)

FISCAL PROCEDURES APPROVED

PAUL ANGULO, CPA, AUDITOR-CONTROLLER

BY: Samuel Wong 8/15/12  
SAMUEL WONG

Robert Field

Assistant County Executive Officer/EDA

**FINANCIAL DATA**

Current F.Y. Total Cost:	\$ 2,855
Current F.Y. Net County Cost:	\$ 94
Annual Net County Cost:	\$ 10,200

In Current Year Budget:	Yes
Budget Adjustment:	No
For Fiscal Year:	2012/13

**COMPANION ITEM ON BOARD AGENDA:** No

**SOURCE OF FUNDS:** Federal 55.68%; State 35.51%; County 3.29%;  
Realignment 5.52%

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY: Jennifer Sargent  
Jennifer Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL  
BY: PATRICIA MUNRO 6/29/12  
DATE  
Departmental Concurrence

By: Susan Loew  
Susan Loew, Director  
Department of Public Social Services

Dept't Recomm.:	<input type="checkbox"/>	Consent	<input type="checkbox"/>	Policy	<input checked="" type="checkbox"/>
Per Exec. Ofc.:	<input type="checkbox"/>	Consent	<input type="checkbox"/>	Policy	<input checked="" type="checkbox"/>

**Prev. Agn. Ref.:** 3.10 of 1/10/95; 3.23 of 7/15/03; 3.19 of 1/4/05; 3.12 of 4/7/09; 3.18 of 3/29/11

**District:** 4/4

**Agenda Number:**

3.42

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

**BACKGROUND:** (Continued)

The facility, occupied by the Department of Public Social Services (DPSS), continues to meet the needs of the Department and the attached Second Amendment to Lease extends the lease five years. After commencement of the extended term, there are no rental increases during the extended term.

Pursuant to the California Environmental Quality Act (CEQA), the Lease Amendment was reviewed and determined to be categorically exempt from CEQA Guidelines Section 15301, Class 1 – Existing Facilities. The proposed project, the Lease Amendment, is the letting of property involving existing facilities. No expansion of an existing use will occur. A summary of the lease is as follows:

Location: 1225 & 1267 W. Hobsonway  
Blythe, CA

Lessor: Desert Alliance for Community Empowerment  
53990 Enterprise Way  
Coachella, CA 92236

Size: 16,100 square feet

Term: Five years commencing July 1, 2012 and terminating June 30, 2017.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.41 per sq. ft.	\$ 1.43 per sq. ft.
	\$ 22,771.12 per month	\$ 23,000.00 per month
	\$273,253.44 per year	\$276,000.00 per year

Rent Adjustment: None

Option to Terminate: For reduced funding after 12 months with 60 days' notice.

Utilities: County pays electric.

Custodial: Included in rent.

Interior/Exterior Maintenance: Included in rent.

Improvements: HVAC upgrade at Lessor's expense.

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

**FINANCIAL DATA:** (Commences on Page 3)

**FINANCIAL DATA:**

All associated costs for this Second Amendment to Lease will be fully funded through the DPSS budget. DPSS has budgeted these costs in FY 2012/13. While the Economic Development Agency (EDA) will front the costs for the Lease Amendment with the property owners, DPSS will reimburse the EDA for all associated lease costs. The amount of the cost increase is not material; therefore, DPSS and EDA are not requesting budget adjustments at this time.

**Attachments:**

Exhibit A  
Exhibit B  
Second Amendment to Lease

# Exhibit A

## DPSS Lease Cost Analysis FY 2012/13 1225 & 1226 W. Hobson Way, Blythe, California

### Total Square Footage to be Leased:

#### **EXPECTED AMOUNTS**

Current office: 16,100 SQFT  
**Total Expected Lease Cost for FY 2012/13** \$ 273,253.44

#### **ACTUAL AMOUNTS**

Current Office: 16,100 SQFT

Approximate Cost per SQFT (July - June) \$ 1.43

Lease Cost per Month (July - June) \$ 23,000.00

Total Lease Cost (July - June) \$ 276,000.00

**Total Actual Lease Cost for FY 2012/13** \$ 276,000.00

**Total Lease Cost Variance for FY 2012/13** \$ 2,746.56

### Estimated Additional Costs:

#### **EXPECTED AMOUNTS**

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month (July - June) \$ 1,932.00

Total Estimated Utility Cost for FY 2012/13 \$ 23,184.00

EDA Lease Management Fee (Based @ 3.93%) \$ 10,738.86

**Total Estimated Expected Cost for FY 2012/13** \$ 33,922.86

#### **ACTUAL AMOUNTS**

Utility Cost per Square Foot \$ 0.12

Costs per Month (July - June) \$ 1,932.00

Total Estimated Actual Utility Cost for FY 2012/13 \$ 23,184.00

EDA Lease Management Fee (Based @ 3.93%) \$ 10,846.80

**Total Estimated Actual Cost for FY 2012/13** \$ 34,030.80

**Total Estimated Cost Variance for FY 2012/13** \$ 107.94

**TOTAL ESTIMATED COST FOR FY 2012/13** \$ 2,854.50

**TOTAL COUNTY COST: 3.29%** \$ 93.91

# Exhibit B

## DPSS Lease Cost Analysis FY 2013/14 1225 & 1267 W. Hobsonway, Blythe, California

### Current Square Feet Occupied:

Current Office:	16,100	SQFT	
Approximate Cost per SQFT (July - June)	\$	1.43	
Lease Cost per Month (July - June)		\$	23,000.00
Total Lease Cost (July - June)			<u>\$ 276,000.00</u>
<b>Total Expected Lease Cost for FY 2013/14</b>			<b><u>\$ 276,000.00</u></b>

### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		<u>\$</u>	<u>1,932.00</u>
Total Estimated Utility Cost for FY 2013/14		\$	23,184.00
EDA Lease Management Fee (Based @ 3.93%)		\$	10,846.80
<b>TOTAL ESTIMATED COST FOR FY 2013/14</b>			<b><u><u>\$ 310,030.80</u></u></b>
<b>TOTAL COUNTY COST: 3.29%</b>		\$	<b>10,200.01</b>





1 language in all parts of the Lease shall be construed according to its normal and usual  
2 meaning and not strictly for or against either Lessor or Lessee. Neither this  
3 Amendment, nor the Original Lease, nor any notice nor memorandum regarding the  
4 terms hereof, shall be recorded by Lessee.

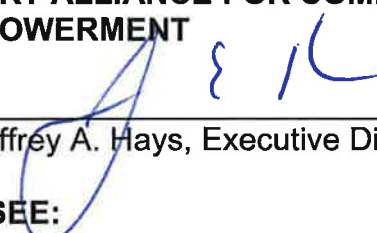
5 **8. Effective Date.** This Second Amendment to Lease shall not be binding  
6 or consummated until its approval by the Riverside County Board of Supervisors and  
7 fully executed by the Parties

8 **IN WITNESS WHEREOF**, the Parties have executed this Amendment as  
9 of the date first written above.

10 Dated: \_\_\_\_\_

**LESSOR:**

**DESERT ALLIANCE FOR COMMUNITY  
EMPOWERMENT**

11  
12  
13 By:  \_\_\_\_\_  
14 Jeffrey A. Hays, Executive Director

**LESSEE:**

**COUNTY OF RIVERSIDE**

15  
16  
17  
18 **ATTEST:**  
19 Kecia Harper-Ihem  
20 Clerk of the Board

By: \_\_\_\_\_  
John Tavaglione, Chairman  
Board of Supervisors

21 By: \_\_\_\_\_  
Deputy

22 **APPROVED AS TO FORM:**  
23 Pamela J. Walls  
24 County Counsel

25 By:  \_\_\_\_\_  
26 Patricia Munroe  
27 Deputy County Counsel

28 HR:ra/052112/BL014/14.940 S:\Real Property\TYPING\Docs-14.500 to 14.999\14.940.doc