

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

317



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

**SUBMITTAL DATE:**

October 3, 2012

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

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

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

**BACKGROUND:** (Commences on Page 2)

FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY: Samuel Wong 10/2/12  
SAMUEL WONG

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 114	For Fiscal Year:	2012/13

**COMPANION ITEM ON BOARD AGENDA:** No

**SOURCE OF FUNDS:** Federal 51.20%; State 0.68%; County 0.05%  
Realignment 14.06%; Realignment 2011 34.01%

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**

- Dept't Recomm.:  Consent
- Per Exec. Ofc.:  Consent
- Policy:  Policy
- Policy:  Policy

**Prev. Agn. Ref.:** 3.14 of 3/02/99; 3.21 of 3/09/04; 3.17 of 3/15/05; 3.12 of 8/15/06 3.23 of 6/30/09

**District:** 3/3

**Agenda Number:**

3.20

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL  
BY: Patricia Munimental Concurrence 9/5/12  
DATE  
  
Susan Loew, Director  
Department of Public Social Services

**BACKGROUND:**

The County of Riverside has been under lease at 27464 Commerce Center Drive, Temecula, since 1999. The facility, occupied by the Department of Public Social Services (DPSS), continues to meet the needs of the Children's Services Division. The attached Third Amendment to Lease extends the lease five years. The current lease rate remains in effect for the duration of the extended term and includes paint and replacement of all flooring within the office.

Pursuant to the California Environmental 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: 27464 Commerce Center Drive  
Temecula, CA 92591

Lessor: Temecula Legacy Properties, LLC  
c/o Land Trek Property Management  
901 Hacienda Drive  
Vista, CA 92083

Size: 10,311 square feet.

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

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.65 per sq. ft.	\$ 1.65 per sq. ft.
	\$ 17,013.15 per month	\$ 17,013.15 per month
	\$204,157.80 per year	\$204,157.80 per year

Rent Adjustment: None

Option to Terminate: For reduced funding with ninety-days notice.

Utilities: County pays electric. Lessor pays all others.

Custodial: Included in rent.

Interior/Exterior Maintenance: Included in rent.

Improvements: Paint and flooring replacement.

The attached Third 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 Third Amendment to Lease will be fully funded through the DPSS budget. DPSS and the Economic Development Agency (EDA) anticipated the lease extension and budgeted these costs in FY 2012/13. While the EDA will front the costs for the Lease Amendment with the Lessor, DPSS will reimburse the EDA for all associated lease costs.

Attachments:

Exhibit A

Exhibit B

Third Amendment to Lease

# Exhibit A

## DPSS Lease Cost Analysis FY 2012/13 27464 Commerce Center Drive, Temecula, California

**Total Square Footage to be Leased:**

**EXPECTED AMOUNTS**

Current office:	10,311 SQFT	
<b>Total Expected Lease Cost for FY 2012/13</b>		<b>\$ 204,157.80</b>

**ACTUAL AMOUNTS**

Proposed Office:	10,311 SQFT	
Approximate Cost per SQFT (July -June)	\$ 1.65	
Lease Cost per Month (July - June)	<u>\$ 17,013.15</u>	
Total Lease Cost (July- June)	\$ 204,157.80	
<b>Total Actual Lease Cost for FY 2012/13</b>		<b>\$ 204,157.80</b>
<b>Total Lease Cost Variance for FY 2012/13</b>		<b>\$ -</b>

**Estimated Additional Costs:**

**EXPECTED AMOUNTS**

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 1,237.32	
Total Estimated Utility Cost for FY 2012/13	\$ 14,847.84	
EDA Lease Management Fee (Based @ 3.93%)	<u>\$ 8,023.40</u>	
<b>Total Estimated Expected Cost for FY 2012/13</b>		<b>\$ 22,871.24</b>

**ACTUAL AMOUNTS**

Utility Cost per Square Foot	\$ 0.12	
Costs per Month (July - June)	<u>\$ 1,237.32</u>	
Total Estimated Actual Utility Cost for FY 2012/13	\$ 14,847.84	
EDA Lease Management Fee (Based @ 3.93%)	<u>\$ 8,023.40</u>	
<b>Total Estimated Actual Cost for FY 2012/13</b>		<b>\$ 22,871.24</b>

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

**TOTAL ESTIMATED COST FOR FY 2012/13** **\$ -**

**TOTAL COUNTY COST: 0.05%** **\$ -**

# Exhibit B

## DPSS Lease Cost Analysis FY 2013/14 27464 Commerce Center Drive, Temecula, California

### Current Square Feet Occupied:

Current Office:	10,311	SQFT	
Approximate Cost per SQFT (July - June)	\$	1.65	
Lease Cost per Month (July - June)		\$	17,013.15
Total Lease Cost (July - June)			<u>\$ 204,157.80</u>
<b>Total Expected Lease Cost for FY 2013/14</b>			<b><u>\$ 204,157.80</u></b>

### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		<u>\$</u>	<u>1,237.32</u>
Total Estimated Utility Cost for FY 2013/14		\$	14,847.84
EDA Lease Management Fee (Based @ 3.93%)		\$	<u>8,023.40</u>
<b>TOTAL ESTIMATED COST FOR FY 2013/14</b>			<b><u><u>\$ 227,029.04</u></u></b>
<b>TOTAL COUNTY COST: 0.05%</b>		\$	<b>113.51</b>

1                                   **THIRD AMENDMENT TO LEASE**  
2                                   **27464 Commerce Center Drive**  
3                                   **Temecula, California**

4  
5           This **THIRD AMENDMENT TO LEASE** (“Third Amendment”) is made as of  
6 \_\_\_\_\_, 2012 by and between the **COUNTY OF RIVERSIDE**, a  
7 political subdivision of the State of California (“County”), as Lessee, and **TEMECULA**  
8 **LEGACY PROPERTIES, LLC** (“Lessor”) and, sometimes collectively referred to as the  
9 Parties.

10           **RECITALS.**

11                   **A.** Kenneth Oda, Harry S. Brown and Michelle E. Brown, predecessor-in-  
12 interest to Temecula Legacy Properties, LLC, as Lessor, and County entered into that  
13 certain Lease dated March 2, 1999, (“Original Lease”) whereby Lessor has agreed to  
14 lease to County and County has agreed to lease from Lessor that certain building  
15 located at 27464 Commerce Center Drive, Temecula, California (“the Building”), as  
16 more particularly described in the Lease (“the Original Premises”).

17                   **B.** The Original Lease has been amended by:

18                               **1.** That certain First Amendment to Lease dated August 15,  
19 2006, by and between Kenneth Oda, Harry S. Brown and Michelle E. Brown and the  
20 County of Riverside (“the First Amendment,”) whereby the Parties amended the Lease  
21 to extend the term and modify the rent.

22                               **2.** That certain Second Amendment to Lease dated June 30,  
23 2009, by and between Temecula Legacy Properties, LLC, and the County of Riverside  
24 (“Second Amendment”), whereby the Parties amended the Lease to extend the term  
25 and modify the premises.

26                   **C.** The Original Lease, together with the First and Second  
27 Amendments, are collectively referred to hereinafter as the “Lease.”  
28

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

3           **1. Term.** Section 3(a) of the Lease is amended as follows: The term of this  
4 Lease shall be extended for a period of five years commencing July 1, 2012, and  
5 expiring June 30, 2017 (the "Extension Term".)

6           **2. Rent.** Section 5(a) of the Lease shall be amended as follows: County  
7 shall pay the sum of \$17,013.15 per month to Lessor as rent for the Leased Premises,  
8 payable in advance, on the first day of the month or as soon thereafter as a warrant  
9 can be issued in the normal course of County's business. Said amount shall be paid  
10 July 1, 2012, through June 30, 2017.

11           **3. Annual Increase.** Section 5(b) of the Lease shall be deleted in its  
12 entirety.

13           **4. Notice.** Section 13 of the Lease shall be amended as follows:

<b>County's Notification Address:</b>	<b>Lessor's Notification Address:</b>
County of Riverside	Temecula Legacy Properties, LLC
Economic Development Agency	c/o Land Trek Property Management
3403 Tenth Street, Suite 500	901 Hacienda Drive
Riverside, CA 92501	Vista, CA 92081
Attn: Deputy Director of Real Estate	Attn: Tommy Reilly
Telephone: (951) 955-4876	Telephone: (760) 639-1019

14           **5. Tenant Improvements/Repairs.** Upon full execution of the Third  
15 Amendment to Lease, Lessor shall, at Lessor's sole expense, replace all flooring  
16 throughout the premises and repaint the interior walls. Carpet shall be replaced with  
17 carpet squares and new top set base. Existing vinyl, VCT, and base shall be replaced  
18 with like kind and further defined in the attached Exhibit "E." Lessor's responsibility  
19 shall include lifting of workstations, removal of existing flooring and installation. Carpet  
20 and paint colors to be selected by County. All work to be performed after hours and/or  
21 on weekends on or before December 31, 2012.  
22  
23  
24  
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1           **6. Capitalized Terms.** Third Amendment to Prevail. Unless defined herein  
2 or the context requires otherwise, all capitalized terms herein shall have the meaning  
3 defined in the Lease, as heretofore amended. The provisions of this Third Amendment  
4 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore  
5 amended, and shall supplement the remaining provisions thereof.

6           **7. Miscellaneous.** Except as amended or modified herein, all the terms of  
7 the Original Lease shall remain in full force and effect and shall apply with the same  
8 force and effect. If any provisions of this Amendment or the Lease shall be determined  
9 to be illegal or unenforceable, such determination shall not affect any other provision of  
10 the Lease and all such other provisions shall remain in full force and effect. The  
11 language in all parts of the Lease shall be construed according to its normal and usual  
12 meaning and not strictly for or against either Lessor or Lessee. Neither this  
13 Amendment, nor the Original Lease, nor any notice nor memorandum regarding the  
14 terms hereof, shall be recorded by Lessee.

15           **8. Effective Date.** This Third Amendment to Lease shall not be binding or  
16 consummated until its approval by the Riverside County Board of Supervisors and fully  
17 executed by the Parties.

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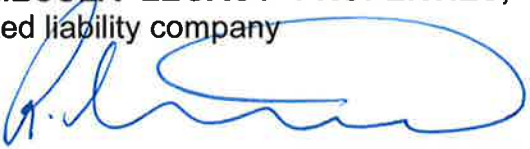


1                   **IN WITNESS WHEREOF**, the Parties have executed this Amendment as  
2 of the date first written above.

3 Dated: 9-20-12

**LESSOR:**

4 **TEMECULA LEGACY PROPERTIES**, a California  
5 limited liability company

6   
7 By: \_\_\_\_\_  
8 Richard Blumenthal, Managing Member

**LESSEE:**

**COUNTY OF RIVERSIDE**

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

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

14 By: \_\_\_\_\_  
15 Deputy

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

19 By:   
20 Patricia Munroe  
21 Deputy County Counsel

Landmark Property Management  
901 Hacienda Dr  
PMSA BA 92081

CARPETS BY DUANE, INC.  
2095 Chicago Ave.  
RIVERSIDE, CA 92507  
951-784-2630 • Fax: 951-784-2645  
CA Lic# 890740

Order 718R

760-639-1019 760-788-7875 ATT Thomas Reilly III  
27464 Commerce Center Dr Tempecula AZ Suite E DPSS

Scope of Work:

- 1 Demolition of existing glue down carpet & padding 1044.00 2048.00
- 2 Supply & Install Shaw Contract Dry Lay Carpet LIFE Collection 1044.00 3486.00
- 3 Supply & Install Vinyl for Public Restrooms Armstrong Commercial Grand Slabs 85.00 1,780.00
- 4 Install 6" Vinyl Set Core in Restrooms 1021.00 408.00
- 5 Demolition of existing tracks in restrooms & prep 200.00 200.00
- 6 Removal of Toilets opening & repl 200.00 200.00
- 7 VCT - Break rooms tile - Armstrong Imperial Textures Shadow Grand 1600 800.00
- 8 VCT - Demolition of Floor Prep 900.00 900.00
- 9 VCT - Moisture Absorber - In VCT Areas 800.00 800.00
- 10 VCT - Base Supply & Install 1162.00 2068.00
- 11 Move Fans, into AS roomed & lift systems 1100.00 1100.00

SALES TAX Assessment 45.447  
TOTAL 45,447.00  
LABOR 1100.00  
MATERIALS 2068.00  
CAL. Cpn. Stewardship Assessment 45.447

DEPOSIT  
BALANCE DUE

PAYMENT IN FULL TO BE MADE UPON COMPLETION OF INSTALLATION. UNLESS OTHERWISE NOTED.  
CALIFORNIA NOTICE TO BUYER PRINTED ON REVERSE SIDE.

Thank You!

FLOORING

7910  
 ADDRESS: LAWTRUCK PROPERTY MANAGEMENT  
901 HAZELDA DR  
 CITY: WESTLAKE CA 91391  
 HOME PHONE: 760-639-1009 JOB PHONE: 760-788-7675  
 CALIFORNIA LICENSE: 87764 COMPANY: Carpet & Upholstery

**CARPETS BY DUANE, INC.**  
 2095 Chicago Ave.  
 RIVERSIDE, CA 92507  
 951-784-2630 • Fax: 951-784-2645  
 CA Lic# 880749  
 AT Home Retailer  
 DRS

**JOB# 007538**  
**INVOICE**  
 DATE OF ORDER: 5/7/12  
 SCHEDULED INSTALLATION DATE: 5/7/12

ROOM	SQ. FT.	WALL	FLOOR	CEILING	TRIM	STAIRS	LABOR	TOTAL
1	32	14x12	11x15	20				2098
2	24	14x13	11x15	20				3486
3	2	10x10	11x15	20				1985
4	10	10x10	11x15	20				408
5	10	10x10	11x15	20				800
6	31	10x10	11x15	20				800
7	13	10x10	11x15	20				800
8	10	10x10	11x15	20				800
9	48	10x10	11x15	20				100
10	12	10x10	11x15	20				100

**PAVING**  
 BRAND TYPE: 10x19  
 CARPET TILE SQUARES  
 BRAND: Shaw Monmouth (N)  
 COLOR: Dark  
 CA. Cpt. Sewerability Assessment: 45447  
 TOTAL: 45447

**DISCLAIMER:** THE BUYER(S) ACCEPT THE ABOVE AND BACK PRINTED TERMS AND CONDITIONS.  
 CUSTOMER: Lawtruck Property Management  
 ADDRESS: 901 Hazelda Dr  
 CITY: Westlake CA 91391  
 HOME PHONE: 760-639-1009 JOB PHONE: 760-788-7675  
 CALIFORNIA LICENSE: 87764 COMPANY: Carpet & Upholstery  
 DATE COMPLETED AND PAID IN FULL: 5/7/12  
**Thank You!**