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

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
December 18, 2012

SUBJECT: First Amendment to Lease – Law Offices of the Public Defender, Banning

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First 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: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Samuel Wong 11/28/12
 SAMUEL WONG

Robert Field
 Assistant County Executive Officer/EDA

| | | | | |
|-----------------------|-------------------------------|------------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ (3,373) | In Current Year Budget: | Yes |
| | Current F.Y. Net County Cost: | \$ (3,373) | Budget Adjustment: | No |
| | Annual Net County Cost: | \$40,135 | For Fiscal Year: | 2012/13 |

COMPANION ITEM ON BOARD 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 Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
 BY: PATRICIA MUNROE 11/15/12
 Environmental Concurrence DATE

By: Juan Bole
 Brian Bole, Interim Public Defender
 Public Defender, Executive Management

Dept's Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.37 of 12/19/06; 3.23 of 11/20/07 | District: 5/5 | Agenda Number: **3-5**

ATTACHMENTS FILED
 WITH THE CLERK OF THE BOARD

EDA-004a-F11-Departmental Concurrence
 Form Jan. 08, 2013

BACKGROUND:

This First Amendment to Lease represents a request from the Law Offices of the Public Defender to renew their lease agreement at 235 North Murray, Banning, California. This facility continues to meet the requirements of the department.

The Real Estate Division has negotiated a five year lease renewal with a rental rate reduction and a reduction to the annual rent escalator.

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 alternations and no expansion of an existing use will occur.

The Lease terms are summarized below:

- Lessor: Jose L. Perez and Rafaela C. Perez
6158 Balboa Court
Rancho Cucamonga, California 91701
- Premises Location: 235 North Murray Street
Banning, California 92220
- Size: Approximately 1,725 square feet
- Term: Five years, December 1, 2012 through November 30, 2017
- | | | |
|-------|-----------------------|-----------------------|
| Rent: | Current | New |
| | \$ 1.99 per sq. ft | \$ 1.72 per sq. ft. |
| | \$ 3,430.61 per month | \$ 2,967.00 per month |
| | \$41,167.32 per year | \$35,604.00 per year |
- Rental Adjustments: Reduced from four percent to three percent. Three percent annual increase commences on December 1, 2013
- Utilities: County pays telephone, electric, internet and alarm monitoring. Lessor shall provide and pay for all other utility services
- Custodial Services: Lessor provides custodial services
- Maintenance: Lessor provides maintenance services and including pest control
- Improvements: None
- RCIT Costs: None
- Parking: Sufficient to meet County requirements
- Market Data: 3055 W. Ramsey \$1.71 psf

(Continued)

BACKGROUND: (Continued)

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

FINANCIAL DATA:

All associated cost for this First Amendment to Lease will be fully funded through the Law Offices of the Public Defender's budget. Law Offices of the Public Defender has budgeted these costs in FY 2012/13. While EDA will front the costs for the First Amendment to Lease with the property owners, the Law Offices of the Public Defender will reimburse EDA for all associated costs.

Attachments:

Exhibit A

Exhibit B

Exhibit A

Public Defender's Lease Cost Analysis FY 2012/13 235 North Murray Street, Banning, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

| | | |
|---|------------|---------------------|
| Current office: | 1,725 SQFT | |
| Total Expected Lease Cost for FY 2012/13 | | \$ 41,167.32 |

ACTUAL AMOUNTS

| | |
|------------------|------------|
| Current Office: | 1,725 SQFT |
| Proposed Office: | 1,725 SQFT |

| | | |
|--|----|------|
| Approximate Cost per SQFT (July - Nov) | \$ | 1.99 |
| Approximate Cost per SQFT (Dec - June) | \$ | 1.72 |

| | | |
|-----------------------------------|----|-----------------|
| Lease Cost per Month (July - Nov) | \$ | 3,430.61 |
| Lease Cost per Month (Dec - June) | \$ | <u>2,967.00</u> |

| | | |
|---|----|----------------------|
| Total Lease Cost (July - Nov) | \$ | 17,153.05 |
| Total Lease Cost (Dec - June) | \$ | <u>20,769.00</u> |
| Total Actual Lease Cost for FY 2012/13 | | \$ 37,922.05 |
| Total Lease Cost Variance for FY 2012/13 | | \$ (3,245.27) |

Estimated Additional Costs:

EXPECTED AMOUNTS

| | | |
|---|----|--------|
| Utility Cost per Square Foot | \$ | 0.12 |
| Estimated Utility Costs per Month (July - June) | \$ | 207.00 |

| | | |
|---|----|----------|
| Total Estimated Utility Cost for FY 2012/13 | \$ | 2,484.00 |
|---|----|----------|

| | | |
|------|----|---|
| RCIT | \$ | - |
|------|----|---|

| | | |
|--|----|---|
| | \$ | - |
|--|----|---|

| | | |
|---|----|--------------------|
| EDA Lease Management Fee (Based @ 3.93%) | \$ | <u>1,617.88</u> |
| Total Estimated Expected Cost for FY 2012/13 | | \$ 4,101.88 |

ACTUAL AMOUNTS

| | | |
|------------------------------|----|---------------|
| Utility Cost per Square Foot | \$ | 0.12 |
| Costs per Month (July - Nov) | \$ | 207.00 |
| Costs per Month (Dec - June) | \$ | <u>207.00</u> |

| | | |
|--|----|----------|
| Total Estimated Actual Utility Cost for FY 2012/13 | \$ | 2,484.00 |
|--|----|----------|

| | | |
|---|----|--------------------|
| EDA Lease Management Fee (Based @ 3.93%) | \$ | <u>1,490.34</u> |
| Total Estimated Actual Cost for FY 2012/13 | | \$ 3,974.34 |

| | | |
|---|--|--------------------|
| Total Estimated Cost Variance for FY 2012/13 | | \$ (127.54) |
|---|--|--------------------|

| | | |
|--|--|----------------------|
| TOTAL ESTIMATED COST FOR FY 2012/13 | | \$ (3,372.81) |
|--|--|----------------------|

| | | |
|--------------------------------|--|----------------------|
| TOTAL COUNTY COST: 100% | | \$ (3,372.81) |
|--------------------------------|--|----------------------|

Exhibit B

Public Defender's Lease Cost Analysis FY 2013/14 235 North Murray Street, Banning, California

Current Square Feet Occupied:

| | | | |
|---|-------|-----------|------------------|
| Current Office: | 1,725 | SQFT | |
| Approximate Cost per SQFT (July - Nov) | \$ | 1.72 | |
| Approximate Cost per SQFT (Dec - June) | \$ | 1.77 | |
| Lease Cost per Month (July - Nov) | | \$ | 2,967.00 |
| Lease Cost per Month (Dec - June) | | \$ | 3,056.01 |
| Total Lease Cost (July - Nov) | | \$ | 14,835.00 |
| Total Lease Cost (Dec - June) | | \$ | 21,392.07 |
| Total Expected Lease Cost for FY 2013/14 | | \$ | 36,227.07 |

Estimated Additional Costs:

| | | | |
|---|----|-----------|-------------------------|
| Utility Cost per Square Foot | \$ | 0.12 | |
| Estimated Utility Costs per Month (July - June) | | \$ | <u>207.00</u> |
| Total Estimated Utility Cost for FY 2013/14 | | \$ | 2,484.00 |
| EDA Lease Management Fee (Based @ 3.93%) | | \$ | <u>1,423.72</u> |
| TOTAL ESTIMATED COST FOR FY 2013/14 | | \$ | <u>40,134.79</u> |
| TOTAL COUNTY COST: 100% | | \$ | 40,134.79 |

1 **FIRST AMENDMENT TO LEASE**

2 THIS **FIRST AMENDMENT TO LEASE** ("First Amendment") dated as of
3 _____, is entered by and between **JOSE L. PEREZ AND RAFAELA C.**
4 **PEREZ** ("Lessor"), and **COUNTY OF RIVERSIDE**, a political subdivision of the State of
5 California ("County"). Lessor and County are hereinafter collectively referred to as the
6 "Parties."

7 **RECITALS**

8 A. Lessor and County have entered into a lease, dated November 20, 2007, (the
9 "Lease") pursuant to which Lessor has agreed to lease to County and County has
10 agreed to lease from Lessor that certain building located at 235 North Murray, Banning,
11 California 92220, as more particularly described in Exhibit A of the Lease.

12 B. The Parties now desire to amend the Lease to extend the term and reduce the
13 rental rate amount, among other things.

14 NOW THEREFORE, for good and valuable consideration the receipt and
15 adequacy of which is hereby acknowledged, the Parties agree as follows:

16 1. **TERM.** Section 3(a) of the Lease is deleted and replaced with the following
17 language: The term of this Lease shall be extended for five (5) years commencing on
18 December 1, 2012 and terminating on November 30, 2017.

19 2. **RENT.** Section 5, Rent, is hereby deleted and amended as follows:

| <u>Amount</u> | <u>Year</u> |
|---------------|-------------|
| \$2,967.00 | 2012 |
| \$3,056.01 | 2013 |
| \$3,147.68 | 2014 |
| \$3,242.12 | 2015 |
| \$3,339.39 | 2016 |

26 There shall be no annual rent increase until December 1, 2013. Rent shall be
27 payable, in advance, on the first day of the month or as soon thereafter as a warrant
28 can be issued in the normal course of County's business.

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3. FIRST AMENDMENT TO PREVAIL. The provisions of this First Amendment shall prevail over any inconsistency or conflicting provisions of the Lease.

4. MISCELLANEOUS. Except as amended or modified herein, all the terms of the Original Lease shall remain in full force and effect and shall apply with the same force and effect. If any provisions of this Amendment or the Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease and all such other provisions shall remain in full force and effect.

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1 5. EFFECTIVE DATE. This First Amendment to Lease shall not be binding or
2 consummated until its approval by the Riverside County Board of Supervisors and fully
3 executed by the Parties.


4 IN WITNESS WHEREOF, the parties have executed this First Amendment as of the
5 date first written above.

6
7 Dated: _____

8 **LESSOR:**

9 **JOSE L. PEREZ AND RAFAELA C. PEREZ,**

10 **LESSORS**

11 By:  _____

12 Name: Jose L. Perez

13 By:  _____

14 Name: Rafaela C. Perez

15
16 **ATTEST:**

17 Kecia Harper-Ihem

18 Clerk of the Board

19 By: _____

20 Deputy

21 **LESSEE:**

22 **COUNTY OF RIVERSIDE**

23 By: _____

24 John J. Benoit, Chairperson
25 Board of Supervisors

26
27 **APPROVED AS TO FORM:**

28 Pamela J. Walls

County Counsel

By:  _____

Patricia Munroe

Deputy County Counsel

CC:ra/102912/BA029/15.361 S:\Real Property\TYPING\Docs-15.000 to 15.499\15.361.doc