

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

4.23



SUBMITTAL DATE:
January 24, 2013

FROM: Economic Development Agency / Facilities Management

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

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached lease and authorize the Chairman of the Board to execute the same on behalf of the County of Riverside; 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: Lisette Rose 1/23/13

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 46,277	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$(1,388)	Budget Adjustment:	No
	Annual Net County Cost:	\$30,601	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Federal 51%; State 27%; County 3%; Realignment 5%;
Realignment 2011 14%

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 Munroe 1/27/13
DATE

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

Consent
 Policy
 Consent
 Policy

Prev. Agn. Ref.: 3.23 of 7/17/07; 3.41 of 7/01/08

District: 5/5

Agenda Number:

3-32

BACKGROUND:

The County has been under lease at 901 Ramsey Street since 2007, and the building is occupied by the Department of Public Social Services (DPSS) Children's Services Division. The location continues to meet the requirements of DPSS, and this Second Amendment to Lease submitted for approval represents a 5-year renewal.

The Lease was reviewed and determined to be categorically exempt from CEQA Guidelines Section 15301, Class 1 – Existing Facilities. The proposed project, the Lease, 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:	901 Ramsey Street Banning, CA 92220	
Lessor:	Gary and Wendy Carlton Trust 4113 Calle Juno San Clemente, CA 92673	
Size:	38,286 square feet.	
Term:	Seven years commencing November 1, 2012, and expiring October 31, 2019.	
Rent:	<u>Current</u>	<u>New</u>
	\$ 2.27 per sq. ft.	\$ 2.00 per sq. ft.
	\$ 87,044.29 per month	\$ 76,572.00 per month
	\$1,044,531.48 per year	\$918,864.00 per year
	Savings per month:	\$ 10,472.29
	Savings per year:	\$125,667.48
Rent Adjustments:	2.5% Annually.	
Utilities:	County pays electric. Lessor pays all others.	
Custodial:	Provided by Lessor.	
Interior/Exterior Maintenance:	Provided by Lessor.	
Improvements:	None.	
RCIT:	None.	

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 Lease will be fully funded through the DPSS budget. While the Economic Development Agency (EDA) will front the costs for the Lease with the Lessor, DPSS will reimburse the EDA for all associated lease costs. The amount of the cost decrease is not material; therefore, DPSS and EDA are not requesting a budget adjustment at this time.

Attachments:

Exhibit A
Exhibit B
Lease

Exhibit A

DPSS Lease Cost Analysis FY 2012/13 901 Ramsey Street, Banning, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:	38,286 SQFT	
Total Expected Lease Cost for FY 2012/13		\$ 1,044,531.48

ACTUAL AMOUNTS

Proposed Office:	38,286 SQFT	
Approximate Cost per SQFT (July - Oct)	\$ 2.27	
Approximate Cost per SQFT (Nov - Jan)	\$ 2.34	
Approximate Cost per SQFT (Feb - June)	\$ 2.00	
Lease Cost per Month (July - Oct)	\$ 87,044.29	
Lease Cost per Month (Nov - Jan)	\$ 89,655.62	
Lease Cost per Month (Feb - June)	<u>\$ 76,572.00</u>	
Total Lease Cost (July - Oct)	\$ 348,177.16	
Total Lease Cost (Nov - Jan)	\$ 268,966.86	
Total Lease Cost (Feb - June)	<u>\$ 382,860.00</u>	
Total Actual Lease Cost for FY 2012/13		<u>\$ 1,000,004.02</u>
Total Lease Cost Variance for FY 2012/13		\$ (44,527.46)

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 4,594.32	
Total Estimated Utility Cost for FY 2012/13	\$ 55,131.84	
RCIT	\$ -	
Tenant Improvements	\$ -	
EDA Lease Management Fee (Based @ 3.93%)	<u>\$ 41,050.09</u>	
Total Estimated Expected Cost for FY 2012/13		\$ 96,181.93

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Costs per Month (July - June)	<u>\$ 4,594.32</u>	
Total Estimated Actual Utility Cost for FY 2012/13	\$ 55,131.84	
RCIT		
Tenant Improvements		
EDA Lease Management Fee (Based @ 3.93%)	<u>\$ 39,300.16</u>	
Total Estimated Actual Cost for FY 2012/13		<u>\$ 94,432.00</u>
Total Estimated Cost Variance for FY 2012/13		<u>\$ (1,749.93)</u>
TOTAL ESTIMATED COST FOR FY 2012/13		<u>\$ (46,277.39)</u>
TOTAL COUNTY COST: 3%		\$ (1,388.32)

Exhibit B

DPSS Lease Cost Analysis FY 2013/14 901 Ramsey, Banning, California

Current Square Feet Occupied:

Current Office:	38,286	SQFT	
Approximate Cost per SQFT (July - Jan)	\$	2.00	
Approximate Cost per SQFT (Feb -June)	\$	2.05	
Lease Cost per Month (July - Jan)		\$	76,572.00
Lease Cost per Month (Feb - June)		\$	78,486.30
Total Lease Cost (July - Jan)		\$	536,004.00
Total Lease Cost (Feb - June)		\$	392,431.50
Total Expected Lease Cost for FY 2013/14		\$	928,435.50

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	4,594.32
Total Estimated Utility Cost for FY 2013/14		\$	55,131.84
Tenant Improvement		\$	36,487.52
EDA Lease Management Fee (Based @ 3.93%)		\$	36,487.52
TOTAL ESTIMATED COST FOR FY 2013/14		\$	1,020,054.86
TOTAL COUNTY COST: 3%		\$	30,601.65

1 **2. Rent.**

2 a. Section 5(a) of the Lease shall be amended as follows: Commencing
3 November 1, 2012 through January 31, 2013, County shall pay the sum of \$89,655.62
4 per month to Lessor as rent for the Leased Premises. Commencing February 1, 2013,
5 County shall pay the sum of \$76,572.00 per month to Lessor payable in advance, on
6 the first day of the month or as soon thereafter as a warrant can be issued in the
7 normal course of County's business.

8 b. Section 5(b) of the Lease shall be deleted in its entirety.

9 c. Section 5(c) of the Lease shall be amended as follows:
10 Notwithstanding the provisions of Paragraph 5(a) herein, the monthly rent shall be
11 increased on February 1st of each year of this Lease by an amount equal to two and
12 one half percent (2.5%) of such monthly rent as was paid in the month immediately
13 prior to the February 1st anniversary date.

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

15 **County's Notification Address:** **Lessor's Notification Address:**

16 County of Riverside Gary and Wendy Carlton Trust

17 Economic Development Agency 4113 Calle Juno

18 3403 Tenth Street, Suite 500 San Clemente, CA 92673

19 Riverside, CA 92501 Attn: Gary and Wendy Carlton

20 Attn: Deputy Director of Real Estate Telephone: (760) 578-4620

21 Telephone: (951) 955-4876

22 **4. Capitalized Terms.** Second Amendment to Prevail. Unless defined
23 herein or the context requires otherwise, all capitalized terms herein shall have the
24 meaning defined in the Lease, as heretofore amended. The provisions of this Second
25 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
26 as heretofore amended, and shall supplement the remaining provisions thereof.

27 **5. Miscellaneous.** Except as amended or modified herein, all the terms of
28 the Original Lease shall remain in full force and effect and shall apply with the same

1 force and effect. If any provisions of this Amendment or the Lease shall be determined
2 to be illegal or unenforceable, such determination shall not affect any other provision of
3 the Lease and all such other provisions shall remain in full force and effect. The
4 language in all parts of the Lease shall be construed according to its normal and usual
5 meaning and not strictly for or against either Lessor or Lessee. Neither this
6 Amendment, nor the Original Lease, nor any notice nor memorandum regarding the
7 terms hereof, shall be recorded by Lessee.

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

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

13 Dated: _____

GARY AND WENDY CARLTON TRUST

14 By: 
15 Gary Carlton

16 By: 
17 Wendy Carlton

COUNTY OF RIVERSIDE

18 **ATTEST:**

19
20 Kecia Harper-Ihem
21 Clerk of the Board

22 By: _____
23 Deputy

24 By: _____
25 John J. Benoit, Chairman
26 Board of Supervisors

APPROVED AS TO FORM:

27 Pamela J. Walls
28 County Counsel

By: 
Patricia Munroe
Deputy County Counsel

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