

FORM APPROVED COUNTY COUNSEL
DATE 6/5/13
BY: PATRICIA MUNOZ

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

133



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
June 20, 2013

SUBJECT: Second Amendment to Lease – Environmental Health, Palm Springs

RECOMMENDED MOTION: That the Board of Supervisors

1. Approve the attached Second Amendment to 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: Samuel Wong 6/19/13
SAMUEL WONG

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (77,401)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2013/14

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: 100% Permit Fees

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

C.E.O. RECOMMENDATION:

APPROVE

BY:

County Executive Office Signature

Jennifer L. Sargent
Jennifer L. Sargent

Dept't Recomm.: ☐ Consent ☒ Policy
Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: 3.15 of 4/22/08, 3.32 of 9/29/09

District: 4/4

Agenda Number:

3-10

BACKGROUND:

On March 24, 2009, the County of Riverside entered into a Lease Agreement on behalf of Environmental Health (EH) for the facility located at 554 Paseo Dorotea in Palm Springs. This Second Amendment to Lease represents a five year extension effective August 1, 2013. This facility continues to meet the needs and requirements of the department.

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:

Lessor: Garmont Enterprises, LLC
875 Westlake Boulevard, Suite 114
Thousand Palms, California 91361

Premises: 554 Paseo Dorotea
Palm Springs, California 92264

Size: 7,038 square feet

Term: Five years commencing August 1, 2013 expiring July 31, 2018

Rent:	Current	New
	\$2.96 per sq. ft.	\$2.00 per sq. ft.
	\$20,849.07 per month	\$14,076.00 per month
	\$250,188.04 per year	\$168,912.00 per year

Rental Adjustment: 2.5% percent

Utilities: County pays for electrical and telephone, Lessor provides all others.

Improvements: Install chair rail in lobby, paint entire suite, install new carpet in the eighth year of the Lease, 2016. All improvements at Lessor's sole cost and expense.

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

FINANCIAL DATA:

EH and the Economic Development Agency (EDA) anticipated the lease extension and budgeted these costs in FY 2013/14. EH will reimburse EDA for all lease costs on a monthly basis.

Attachments:
Second Amendment to Lease
Exhibit A
Exhibit B

Exhibit A

Environmental Health Lease Cost Analysis FY 2013/14 554 Paseo Dorotea, Palm Springs, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office: 7,038 SQFT
Total Expected Lease Cost for FY 2013/14 \$ 250,188.04

ACTUAL AMOUNTS

Current Office: 7,038 SQFT

Approximate Cost per SQFT (July)	\$ 2.96	
Approximate Cost per SQFT (Aug -June)	\$ 2.00	
Lease Cost per Month (July)	\$ 20,849.07	
Lease Cost per Month (Aug - June)	<u>\$ 14,076.00</u>	
Total Lease Cost (July)	\$ 20,849.07	
Total Lease Cost (Aug - June)	<u>\$ 154,836.00</u>	
Total Actual Lease Cost for FY 2013/14		<u>\$ 175,685.07</u>
Total Lease Cost Variance for FY 2013/14		\$ (74,502.97)

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 844.56	
Total Estimated Utility Cost for FY 2013/14		\$ 10,134.72
EDA Lease Management Fee (Based @ 3.89%)	<u>\$ 9,732.31</u>	
Total Estimated Expected Cost for FY 2013/14		\$ 19,867.03

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Costs per Month (July -Jun)	\$ 844.56	
Total Estimated Actual Utility Cost for FY 2013/14		\$ 10,134.72
EDA Lease Management Fee (Based @ 3.89%)	<u>\$ 6,834.15</u>	
Total Estimated Actual Cost for FY 2013/14		<u>\$ 16,968.87</u>
Total Estimated Cost Variance for FY 2013/14		<u>\$ (2,898.17)</u>
TOTAL ESTIMATED COST FOR FY 2013/14		<u><u>\$ (77,401.14)</u></u>

Exhibit B

Environmental Health Lease Cost Analysis FY 2014/15 554 Paseo Dorotea, California

Current Square Feet Occupied:

Current Office:	7,038	SQFT	
Approximate Cost per SQFT (July)	\$	2.00	
Approximate Cost per SQFT (Aug -June)	\$	2.05	
Lease Cost per Month (July)		\$	14,076.00
Lease Cost per Month (Aug - June)		\$	14,427.90
Total Lease Cost (July)			\$ 14,076.00
Total Lease Cost (Aug - June)			\$ 158,706.90
Total Expected Lease Cost for FY 2014/15			\$ 172,782.90

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>844.56</u>
Total Estimated Utility Cost for FY 2014/15			\$ 10,134.72
EDA Lease Management Fee (Based @ 3.89%)			<u>\$ 6,721.25</u>
TOTAL ESTIMATED COST FOR FY 2014/15			<u>\$ 189,638.87</u>

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

7

8
9
0
1

2

3
4

5

6
7

8
9

20
21

23

4
5
6

7

8

1 4. TENANT IMPROVEMENTS. At Lessors sole cost and expense
2 Lessor shall complete the following improvements. Install chair rail in lobby, paint
3 entire suite and install new carpet on the eighth anniversary of the Lease, 2016, which
4 will include costs for moving furniture. Personal property will be removed by County.

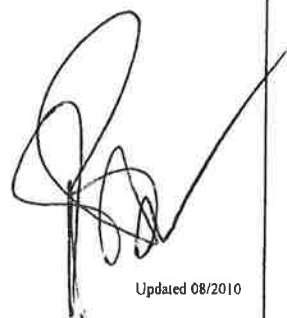
5 5. SECOND AMENDMENT TO PREVAIL. The provisions of this
6 Second Amendment shall prevail over any inconsistency or conflicting provisions of the
7 Lease. Any capitalized terms shall have the meaning defined in the Lease, unless
8 defined herein or context requires otherwise.

9 6. MISCELLANEOUS. Except as amended or modified herein, all
10 terms of the Lease shall remain in full force and effect. If any provisions of this
11 Amendment shall be determined to be illegal or unenforceable, such determination
12 shall not affect any other provision of the Lease. Neither this Amendment nor the
13 Lease shall be recorded by the Lessee.

14 7. EFFECTIVE DATE. This Second Amendment to Lease shall not
15 be binding or consummated until its approval by the Riverside County Board of
16 Supervisors and fully executed by the Parties.

17 ///
18 ///
19 ///
20 ///
21 ///
22 ///
23 ///
24 ///
25 ///
26 ///
27 ///

28



Updated 08/2010

1 WITNESS WHEREOF, the parties have executed this Second Amendment to
2 Lease as of the date first written above.

3 LESSEE:
4 COUNTY OF RIVERSIDE

LESSOR:
GARMONT INDUSTRIES, LLC

5
6 By: _____
7 John J. Benoit, Chairman
8 Board of Supervisors

By: _____
Gary Brown, Managing Member

9 ATTEST:
10 Kecia Harper-Ihem
11 Clerk of the Board

12 By: _____
13 Deputy

14 **APPROVED AS TO FORM:**
15 Pamela J. Walls
16 County Counsel

17 By: _____
18 Patricia Munroe
19 Deputy County Counsel

20
21
22
23
24
25 TW:mr/050813/PG011/15.886

S:\Real Property\TYPING\Docs-15.500 to 15.999\15.886.doc