

FORM APPROVED COUNTY COUNSEL
 BY: PATRICIA MUNROE 4/29/13
Patricia Munroe, Fiscal Concurrence DATE

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

231



SUBMITTAL DATE:
 July 3, 2013

FROM: Economic Development Agency / Facilities Management

SUBJECT: Third Amendment to Lease – Agricultural Commissioner

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify that attached Third 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 the CEQA Guideline Section 15301, Existing Facilities.

BACKGROUND: (Continued on page 2)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Samuel Wong 7/2/13
 SAMUEL WONG

[Signature of Robert Field]

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$42,857	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$6,429	Budget Adjustment:	No
	Annual Net County Cost:	\$ 6,558	For Fiscal Year:	2013/14

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: State Contracts/Local Fees 85%, General Fund 15%	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

Dep't Recomm.: Consent Policy Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.6 of 3/30/99; 3.12 of 3/23/04; 3.16 of 5/24/05; 3.21 of 5/20/08

District: 3/3

Agenda Number:

3-22

ATTACHMENTS FILED
 WITH THE CLERK OF THE BOARD

BACKGROUND:

The County of Riverside entered into a Lease Agreement on March 30, 1999 on behalf of the Agricultural Commissioner for the facility located at 950 N. Ramona Blvd., Suites 14 & 15 in San Jacinto. This Third Amendment to Lease represents a three year extension effective June 1, 2013. This facility continues to meet the Agricultural Commissioner's space requirement.

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: La Avalon Apartments, LLC
P. O. Box 18037
Beverly Hills, California

Premises: 950 N. Ramona Blvd., Suite 14 & 15
San Jacinto, California

Size: 2,250 square feet

Rent:	<u>Current</u>	<u>New</u>
	\$1.63 per sq. ft.	\$1.40 per sq. ft.
	\$3,671.97 per month	\$3,172.50 per month
	\$44,063.64 per year	\$38,070.00 per year

Term: Thirty six months commencing June 1, 2013 and terminating May 31, 2016

Rent Adjustment: Two percent annual increase

Utilities: County pays telephone, electric and gas, Lessor pays all others

Custodial: Lessor

Maintenance: Lessor

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

FINANCIAL DATA:

All associated costs for this Third Amendment will be fully funded through the Agricultural Commissioner's budget. While the Economic Development Agency (EDA) will front the costs for the Third Amendment to Lease with the property owners, the Agricultural Commissioner will reimburse EDA for all associated lease costs. The Agricultural Commissioner and EDA anticipated the Lease extension and budgeted these costs in FY 2013/14.

Attachments: Exhibit B, Third Amendment to Lease

Exhibit B

Agricultural Commissioner Lease Cost Analysis FY 2013/14 950 N. Ramona Blvd., Suites 14&15, San Jacinto

Current Square Feet Occupied:

Current Office:	2,250	SQFT	
Approximate Cost per SQFT (July - May)	\$	1.40	
Approximate Cost per SQFT (June)	\$	1.44	
Lease Cost per Month (July - May)		\$	3,172.50
Lease Cost per Month (June)		\$	3,235.95
Total Lease Cost (July - May)		\$	34,897.50
Total Lease Cost (June)		\$	3,235.95
Total Expected Lease Cost for FY 2013/14		\$	38,133.45

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>270.00</u>
Total Estimated Utility Cost for FY 2013/14		\$	3,240.00
EDA Lease Management Fee (Based @ 3.89%)		\$	<u>1,483.39</u>
TOTAL ESTIMATED COST FOR FY 2013/14		\$	<u>42,856.84</u>
TOTAL COUNTY COST: 15%		\$	6,428.53

1 **THIRD AMENDMENT TO LEASE**

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3 **THIS THIRD AMENDMENT TO LEASE** ("Third Amendment"), dated as of
4 _____, 2013, is entered into by and between the **COUNTY OF**
5 **RIVERSIDE**, a political subdivision of the State of California, as Lessor, and **LA**
6 **AVALON APARTMENTS, LLC**, a California limited liability corporation, as Lessee.

7 **RECITALS**

8 a. Lessor and Lessee have entered into that certain Lease dated March 30,
9 1999, the ("Lease") pursuant to which Lessor has agreed to lease to Lessee and
10 Lessee has agreed to lease from Lessor that certain building located at 950 N.
11 Ramona Blvd., Suites 14 & 15, San Jacinto (the "Building"), as more particularly
12 described in the Lease (the "Original Premises").

13 b. The amendments of the Lease are summarized as follows:

14 1. The First Amendment to Lease dated May 24, 2005 by and
15 between County of Riverside, and Alfred Fiske.

16 2. The Second Amendment to Lease dated May 20, 2008 by and
17 between County of Riverside, and La Avalon Apartments, LLC, as successor in interest
18 to Alfred Fiske.

19 c. The Parties now desire to amend the Lease to extend the term.

20 1. NOW THEREFORE, for good and valuable consideration the
21 receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

22 2. TERM. Section 3 (a) of the Lease is hereby amended by adding
23 the following:

24 The term of this lease shall be extended thirty six (36) months
25 commencing on June 1, 2013 and shall expire on May 31, 2016.

26 3. RENT. Section 5 of the Lease is hereby amended by adding the
27 following: Commencing June 1, 2013 rent shall be \$3,172.50 per month. The monthly
28 rental shall be adjusted on each anniversary of this lease by two (2%) percent.

1 4. OPTION TO EXTEND Section 4 of the Lease is amended by
2 adding the following: Lessor grants to Lessee two (2) options to extend the Lease for
3 two separate one year periods commencing June 1, 2016. County shall give Lessor
4 notice of its election thereof, in writing, no later than sixty (60) days prior to the
5 expiration of the term of the Lease.

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

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

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

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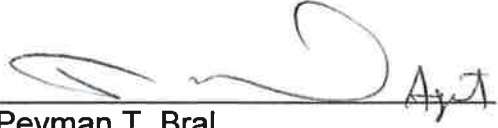
1 WITNESS WHEREOF, the parties have executed this Third Amendment
2 as of the date first written above.

3 LESSEE:
4 COUNTY OF RIVERSIDE

LESSOR:
LA AVALON APARTMENTS, LLC,
a California limited liability corporation

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

By:  _____
Ramin Bral

8
9 By:  _____
Peyman T. Bral

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

13 By: _____
14 Deputy

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

17 By:  _____
18 Patricia Munroe
19 Deputy County Counsel