

FORM APPROVED COUNTY COUNSEL
 BY: Synthia M. Gunzel 4-16-10
 SYNTHIA M. GUNZEL DATE

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

633



SUBMITTAL DATE:
 April 22, 2010

Departmental Concurrence

FROM: Economic Development Agency
SUBJECT: Sixth Amendment to Lease – Department of Public Social Services
RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Sixth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Authorize The Auditor-Controller to adjust the Economic Development Agency's FY 09/2010 budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY: Samuel Wong 4/14/10
 SAMUEL WONG

Robert Field
 Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	(\$19,085)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	(\$ 1,069)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 20,198	For Fiscal Year:	09/10

SOURCE OF FUNDS: 59.1% Federal, 35.3% State, 5.6% County	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature Jennifer L. Sargent
 BY: Jennifer L. Sargent
 Jennifer L. Sargent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: May 4, 2010
xc: EDA, DPSS, Auditor, EO

Kecia Harper-Ihem
 Clerk of the Board
 By: Jill Pardo
 Deputy

Prev. Agn. Ref.: 3.39 of 5/26/92; 3.21 of 11/10/92; 3.10 of 3/22/94; 3.21 of 8/26/03; 3.16 of 5/25/04; 3.15 of 2/6/07	District: 5	Agenda Number:
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By: Susan Loew
 Susan Loew, Director
 Department of Public Social Services

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

BACKGROUND:

The County has a leasehold interest, as Lessee, under a lease between the County and Juhns Rialto Investment, LLC, for the facility located at 2055 North Perris Boulevard, Suites B1 - C5, Perris California. The Department of Public Social Services has utilized this office for its Temporary Assistance MediCal Division. This facility continues to meet the needs and requirements of the Department and a lease extension has been negotiated by the Economic Development Agency's Real Estate Division reflecting a 11% decrease in the rent.

Lessor: Juhns Rialto Investment, LLC
9030 E. Blair Street
Rosemead, California 91770.

Premises Location: 2055 N. Perris Blvd., Suites B1 – C5, Perris, California

Term: Two years commencing January 1, 2010

Size: 16,250 square feet

Rent:	<u>Old</u>	<u>New</u>
	\$1.84 per sq. ft.	\$1.65 per month
	\$29,877.16 per month	\$26,812.50 per month
	\$358,525.92 per year	\$321,750.00 per year

<u>Savings</u>	
Per Sq. Ft.	\$.19
Per Month	\$ 3,064.66
Per Year	\$36,775.92

Rental Adjustment: 2%

Utilities: County pays electric and telephone, Landlord pays all others.

Maintenance: Provided by Landlord.

Custodial: Provided by Landlord

Improvements: N/A

RCIT Costs: N/A

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

Economic Development Agency
Sixth Amendment to Lease – Department of Public Social Services
April 22, 2010
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FINANCIAL DATA:

The associated costs for this Second Amendment will be fully funded through the Department of Public Social Services' budget. The Department of Public Social Services has budgeted these costs in FY 2009/10. While EDA will front the costs for the Second Amendment to Lease with the property owners, the Department of Public Social Services will reimburse EDA for all associated costs. (Exhibits A & B)

Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$18,388)
10000-7200400000-572500 – Intra Leases	\$18,388

Exhibit A

DPSS Lease Cost Analysis FY 2009/10 2055 N. Perris Boulevard, B1 - C5, Perris, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		16,250	SQFT	
Cost Per Sq. Ft:	\$		1.84	
Lease Cost per Month			\$ 29,877.16	
Total Lease Cost included in Budget for FY 2009/10			\$ 358,525.92	

ACTUAL AMOUNTS

Current office:		16,250	SQFT	
Approximate Cost per SQFT (July - Dec)	\$		1.84	
Approximate Cost per SQFT (Jan - June)	\$		1.65	
Lease Cost per Month (July - Dec)	\$		29,877.16	
Lease Cost per Month (Jan - June)	\$		26,812.50	
Total Lease Cost (July - Dec)			\$ 179,262.96	
Total Lease Cost (Jan - June)			\$ 160,875.00	
Total Lease Cost for FY 2009/10			\$ 340,137.96	
TOTAL LEASE COST SAVINGS FOR FY 2009/10			\$ (18,387.96)	

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$		0.12	
Estimated Utility Costs per Month			\$ 1,950.00	
Total Estimated Utility Cost for FY 2009/10			\$ 23,400.00	
Tenant Improvement Costs			N/A	
RCIT Costs			N/A	
EDA Lease Management Fee (Based @ 3.79%)			\$ 13,588.13	
Total Estimated Additional Costs Included in Budget for FY 2009/10			\$ 36,988.13	

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$		0.12	
Estimated Utility Costs per Month			\$ 1,950.00	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)			\$ 23,400.00	
Tenant Improvement Costs			N/A	
RCIT Costs			N/A	
EDA Lease Management Fee (Based @ 3.79%)			\$ 12,891.23	
Total Estimated Additional Costs for FY 2009/10			\$ 36,291.23	
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10			\$ (696.90)	
TOTAL SAVINGS FOR LEASE COST FY 2009/10			\$ (19,084.86)	
TOTAL COUNTY COST 5.6%			\$ (1,068.75)	

Exhibit B

DPSS Lease Cost Analysis FY 2010/11 2055 N. Perris Boulevard, B1 - C5, Perris, California

Current Square Feet Occupied:

Office:	16,250	SQFT		
Cost per Square Foot:	\$	1.65		
Lease Cost per Month (July 1, 2010 -December 31, 2010)		<u>\$ 26,812.50</u>	\$	160,875.00
Cost per Square Foot:	\$	1.69		
Lease Cost per Month (January 1, 2011 -June 30, 2011)		<u>\$ 27,348.75</u>	\$	164,092.50
Total Estimated Lease Cost for FY 2010/11			<u>\$</u>	<u>324,967.50</u>

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July 1, 2010 -June 30, 2011)		<u>\$ 1,950.00</u>		
Total Estimated Utility Cost for FY 2010/11			\$	23,400.00
EDA Lease Management Fee (Based @ 3.79%)			<u>\$</u>	<u>12,316.27</u>
Total Estimated Lease Cost FY 2010/11:			\$	360,683.77
TOTAL COUNTY COST 5.6%			\$	20,198.29

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**SIXTH AMENDMENT TO LEASE
2055 N. Perris Blvd., Perris, California**

This **SIXTH AMENDMENT TO LEASE** ("Sixth Amendment") is made as of May 4, 2010 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **JUHNS RIALTO INVESTMENTS, LLC**, ("Lessor") as successor in interest to **WINSTON PERRIS, a California Limited Partnership**.

1. Recitals.

a. County and Winston Perris, a California Limited Partnership., entered into that certain lease dated May 26, 1992, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 2055 N. Perris Blvd., Perris, California (the "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated November 10, 1992 by and between Winston Perris, a California Limited Partnership and County (the "First Amendment").

ii. That certain Second Amendment to Lease dated March 22, 1994, by and between Winston Perris, a California Limited Partnership, and County (the "Second Amendment").

iii. That certain Third Amendment to Lease dated August 26, 2003, by and between 2055 N. Perris Blvd. Trust. as successor in interest to Winston Perris, a California Limited Partnership and County (the "Third Amendment").

iv. That certain Fourth Amendment to Lease dated May 25, 2004, by and between Missouri Plaza, LLC, a Missouri Limited Liability Company, as successor in interest to 2055 N. Perris Blvd. Trust, and County (the "Fourth Amendment").

v. That certain Fifth Amendment to Lease dated February 6, 2007 by and between Missouri Plaza, LLC, a Missouri Limited Liability Company and County (the "Fifth Amendment".)

c. The Original Lease, as heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease".

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

2. Capitalized Terms: Sixth Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this Sixth Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains in full force and effect

 ORIGINAL

1 except to the extent amended by this Sixth Amendment.

2 **3. Lease Term.** Section 1 of the Fifth Amendment to Lease shall be amended as
3 follows: The term of this Lease shall be extended twenty four (24) months commencing on
4 January 1, 2010, and terminating on December 31, 2011.

4 **4. Rent.** Section 2 of the Fifth Amendment to Lease shall be amended as
5 follows: Monthly rent shall be paid as follows through the extended term:

6 January 1, 2010 through December 31, 2010 \$26,812.50
7 January 1, 2011 through December 31, 2011 \$27,348.75

7 **5. Options to Terminate.** Section 12 of the Lease shall be amended by adding
8 subsection (c): (c) The parties hereto recognize and understand that the rental consideration
9 hereunder originates from County/State and/or federal sources and therefore, if such funding
10 is reduced or otherwise becomes unavailable, based on the County's annual fiscal budget,
11 County shall have the right to terminate this lease by giving Lessor sixty (60) days notice
12 thereof in writing.

11 **6. Notices.** Section 13 of the Lease shall be amended as follows. Any notices
12 required or desired to be served by either party upon the other shall be addressed to the
13 respective parties as set forth below:

<u>COUNTY</u>	<u>LESSOR</u>
Economic Development Agency	Juhns Rialto Investment, LLC
County of Riverside	Juhn Hyunyoung
3403 Tenth Street, Suite 500	9030 E. Blair Street
Riverside, California 92501	Rosemead, California 91770

16 **7.** Except as modified or supplemented by this Sixth Amendment to Lease, all
17 provisions of this Lease shall remain in full force and effect.

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