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

**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
May 26, 2010

**SUBJECT:** Third Amendment to Lease – Riverside County and Norco Branch Library, Norco

**RECOMMENDED MOTION:** That the Board of Supervisors ratify the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and

**BACKGROUND:** On April 7, 1993, the City of Riverside entered into a Lease for approximately 7,865 square feet of space for a library in the Norco area. The City of Riverside's interest in the Lease was assigned to the County of Riverside on August 21, 1996. The leased facility at 3954 Old Hamner Road, Norco, continues to meet the needs and requirements of the library and this Third Amendment to Lease extends the term an additional five (5) years commencing retroactively as July 1, 2009 and expiring on June 30, 2014.

(Continued)

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$ 0	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	\$ 0	<b>Budget Adjustment:</b>	No
	<b>Annual Net County Cost:</b>	\$44,964	<b>For Fiscal Year:</b>	09/10

<b>SOURCE OF FUNDS:</b> 21200-1102200000-537000 (County Free Library Fund)	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY:

County Executive Office Signature

Policy

Consent

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

**Ayes:** Buster, Tavaglione, Stone and Ashley

**Nays:** None

**Absent:** Benoit

**Date:** June 8, 2010

**xc:** EDA, Auditor

Kecia Harper-Ihem

Clerk of the Board

By:   
Deputy

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

**Prev. Agn. Ref.:** 3.12 of 12/3/96, 3.20 of 10/21/03, 3.16 of 10/24/06

**District:** 2

**Agenda Number:**

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.28

FISCAL PROCEDURES APPROVED  
ROBERT E. BYRD, AUDITOR-CONTROLLER  
BY: 5/17/10  
SAMUEL WONG

FOR: Cynthia M. Gunzel 5-10-10  
DATE  
BY: SYNTHIA M. GUNZEL

**BACKGROUND:** (Continued)

Lessor: City of Norco  
2870 Clark Avenue  
Norco, California 92860

Premises Location: 3954 Old Hamner Road  
Norco, California 91760

Size: 7,865 square feet

Term: Five (5) year lease extension effective as of  
July 1, 2009

Rent:	<u>Current Rent</u>	<u>New Rent</u>
	\$ .34 per square foot	\$ .34 per square foot
	\$2,700.80 per month	\$2,700.80 per month
	\$32,409.60 per year	\$32,409.60 per year

Rental Adjustments: Rent to be increased two (2%) percent annually commencing year  
three (3).

Utilities: County pays all Utilities

Market Data:	1860 Lampton Street, Norco, CA	\$1.00 psf
	2191 5 <sup>th</sup> Street, Suite 211, Norco, CA	\$1.00 psf
	Beacon Hill Office Plaza, Norco, CA	\$1.15 psf

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

**FINANCIAL DATA:**

All associated costs for this Third Amendment to Lease Agreement will be fully funded through  
the County Free Library Fund. The County Free Library Fund has budgeted these costs in FY  
2009/2010. While EDA will front the costs for the Third Amendment to Lease with the property  
owners, County Free Library Funds will reimburse EDA for all associated lease costs.

# Exhibit A

## Library Lease Cost Analysis FY 2009/10 3954 Old Hamner Road, Norco, California

**Total Square Footage to be Leased:**

***BUDGETED AMOUNTS***

Current office:	7,865	SQFT		
Cost Per Sq. Ft:	\$	0.34		
Lease Cost per Month		\$	2,700.80	
<b>Total Lease Cost included in Budget for FY 2009/10</b>			<b>\$</b>	<b>32,409.60</b>

***ACTUAL AMOUNTS***

Current office:	7,865	SQFT		
Approximate Cost per SQFT (July - June)	\$	0.34		
Lease Cost per Month (July - June)	\$	2,700.80		
Total Lease Cost (July - June)		\$	32,409.60	
<b>Total Lease Cost for FY 2009/10</b>			<b>\$</b>	<b>32,409.60</b>
<b>TOTAL LEASE COST SAVINGS FOR FY 2009/10</b>				<b>N/A</b>

**Estimated Additional Costs:**

***BUDGETED AMOUNTS***

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	943.80	
<b>Total Estimated Utility Cost for FY 2009/10</b>			<b>\$</b>	<b>11,325.60</b>
<b>Tenant Improvement Costs</b>				<b>N/A</b>
<b>RCIT Costs</b>				<b>N/A</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			<b>\$</b>	<b>1,228.32</b>
<b>Total Estimated Additional Costs included in Budget for FY 2009/10</b>			<b>\$</b>	<b>12,553.92</b>

***ACTUAL AMOUNTS***

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	943.80	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)			\$	11,325.60
<b>Tenant Improvement Costs</b>				<b>N/A</b>
<b>RCIT Costs</b>				<b>N/A</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>		\$	1,228.32	
<b>Total Estimated Additional Costs for FY 2009/10</b>			<b>\$</b>	<b>12,553.92</b>
<b>TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10</b>			<b>\$</b>	<b>-</b>
<b>TOTAL SAVINGS FOR LEASE COST FY 2009/10</b>			<b>\$</b>	<b>-</b>

## Exhibit B

### Library Lease Cost Analysis FY 2010/11 3954 Old Hamner Road, Norco, California

#### Current Square Feet Occupied:

Office: 7,865 SQFT

Cost per Square Foot: \$ 0.34

Lease Cost per Month (July 1, 2010 -June 30, 2011)

\$ 2,700.80

**Total Estimated Lease Cost for FY 2010/11**

**\$**

**32,409.60**

#### Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2010 -June 30, 2011)

\$ 11,325.60

**Total Estimated Utility Cost for FY 2010/11**

**\$**

**11,325.60**

**EDA Lease Management Fee (Based @ 3.79%)**

**\$**

**1,228.32**

**Total Estimated Lease Cost FY 2010/11:**

**\$**

**44,963.52**

1 **THIRD AMENDMENT TO LEASE**

2 City of Norco  
3954 Old Hamner Road, Norco, California

3 This THIRD AMENDMENT to Lease ("Third Amendment") is made as of  
4 June 3, 2010, by and between the **COUNTY OF RIVERSIDE**, a political  
5 subdivision of the State of California, herein called ("County"), and **CITY OF NORCO**, herein  
6 called ("Lessor").

6 **WITNESSETH**

7 **WHEREAS**, Lessor and County entered into that certain Lease dated April 7, 1993 (the  
8 "Original Lease"), pursuant to which County leased the premises located at 3954 Old Hamner  
9 Road, Norco, California ("Leased Premises"), as more particularly described on Exhibit "A,"  
10 attached hereto and made a part hereof.

11 **WHEREAS**, the Original Lease has been amended by that certain Assignment and  
12 Assumption Agreement of the City of Norco dated December 3, 1996, by and between Lessor  
13 and County ("Assignment and Assumption Agreement").

14 **WHEREAS**, the Original Lease has been amended by that certain First Amendment of  
15 Lease dated October 21, 2003, by and between Lessor and County (the "First Amendment").

16 **WHEREAS**, the Original Lease has been amended by that certain Second Amendment  
17 of Lease dated October 24, 2006, by and between Lessor and County (the "Second  
18 Amendment").

19 **WHEREAS**, the term of the Lease, as heretofore amended, will expire on June 30,  
20 2009. County and Lessor desire to further amend the Lease to extend the term of the Lease,  
21 to modify the monthly rental payments and to otherwise modify the terms and conditions of the  
22 Lease as set forth in this Third Amendment.

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

25 **1. Capitalized Terms; Third 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 Third 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 the same and in full force  
and effect except to the extent amended by this Third Amendment.

**2. Extension of Term.** The Term of this Lease is hereby extended five (5) years  
("Extended Term"). The Extended Term will commence retroactively as July 1, 2009 and will  
expire on June 30, 2014 ("Expiration Date").

**3. Rent During Extended Term.**

a. Section 5 of the Original Lease, Section 2 of the First Amendment and

 ORIGINAL

1 Section 2 of the Second Amendment to Lease are hereby amended by the following: County  
2 shall pay to the Lessor the monthly sums as rent for the Leased Premises during the Extended  
Term of this Lease as indicated below:

<u>Amount</u>	<u>Year</u>
\$2,700.80	7/1/2009-6/30/2010
\$2,700.80	7/1/2010-6/30/2011
\$2,754.82	7/1/2011-6/30/2012
\$2,809.92	7/1/2012-6/30/2013
\$2,866.11	7/1/2013-6/30/2014

6  
7 **b.** As set forth in Section 3(a) herein, Section 5 of the Original Lease,  
8 Section 2 of the First Amendment and Section 2 of the Second Amendment to Lease is hereby  
9 amended as follows: The monthly rental shall be increased on the anniversary of this Lease by  
10 an amount equal to two percent (2%) commencing during year three (3), and each year  
11 thereafter.

12 **4. Notices.** Section 6 of the Original Lease and Section 11 of the  
13 Assignment and Assumption Agreement shall be amended as follows:

14 Except as expressly provided elsewhere in this Third Amendment to Lease, all  
15 notices and other communication required under this Lease shall be in writing and delivered  
16 by: (a) Certified Mail, postage prepaid, return receipt requested in the United States mail; or  
17 (b) via an overnight courier that provides written evidence of delivery and addressed to the  
18 Party hereto to whom the same is directed at the addresses as set forth in Section 4 herein.  
19 Either Party hereto may from time to time change its mailing address by written notice to the  
20 other Party.

<u>COUNTY</u>	<u>LESSOR</u>
County of Riverside Economic Development Agency Real Estate Division 3403 10 <sup>th</sup> Street, Suite 500 Riverside, California 92501	City of Norco 2870 Clark Avenue Norco, California 92860

21 **5. Option to Terminate.** Section 14 of the Original Lease is hereby  
22 amended by granting the County the right to terminate this Third Amendment by giving Lessor  
23 sixty (60) days advance written notice.

24 **6.** All other provisions of the Lease shall remain the same.

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7. This Third Amendment to Lease shall not be binding or consummated until its approval by the Assistant County Executive Officer.

Dated: 1-4-2010

**CITY OF NORCO**

By: *Beth Groves*  
Beth Groves, City Manager

**COUNTY OF RIVERSIDE**

By: *Marion Ashley*  
~~MARION ASHLEY~~, Chairman  
Board of Supervisors

**ATTEST:**  
Kecia Harper-Ihem  
Clerk of the Board

By: *Kecia Harper-Ihem*  
Deputy

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

By: *Synthia M. Gunzel*  
Synthia M. Gunzel  
Deputy County Counsel

MT:jw  
12/15/09  
NR002  
13.091