

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



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
June 30, 2010

**SUBJECT:** First Amendment to Lease – Agricultural Commissioner

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. **Ratify** the attached First 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 2009/10 budget as set out on Schedule A.

**BACKGROUND:** (Commences on Page 2)

*Robert Field*

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	(\$ 1,662)	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	(\$ 415)	<b>Budget Adjustment:</b>	Yes
	<b>Annual Net County Cost:</b>	\$ 21,741	<b>For Fiscal Year:</b>	09/10

**SOURCE OF FUNDS:** State Contracts/Local Fees 75%,  
General Fund 25%

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

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

APPROVE

*Jennife L. Sargent*

County Executive Office Signature

Jennife L. Sargent

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Stone, seconded by Supervisor Buster 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:** July 13, 2010  
**xc:** EDA, Agricultural Comm., EO, Auditor

Kecia Harper-Ihem  
Clerk of the Board

By: *Kecia Harper-Ihem*  
Deputy

**Prev. Agn. Ref.:** 3.9 of 4/8/08

**District:** 4

**Agenda Number:**

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

**3.28**

ROBERT E. BYRD, AUDITOR-CONTROLLER  
BY: *Samuel Wong* 6/23/10  
SAMUEL WONG

FORM APPROVED COUNTY COUNSEL  
BY: *Synthia M. Gunzel* 6-7-10  
SYNTHIA M. GUNZEL DATE

By: *John Snyder*  
John Snyder, Agricultural Commissioner

Dept's Recomm.:  Consent  Policy  
 Per Exec. Ofc.:  Consent  Policy

**BACKGROUND:**

The County of Riverside entered into a lease agreement on April 8, 2008 for the Agricultural Commission for the facility located at 81077 Indio Blvd., Suites K & L in Indio. The Economic Development Agency (EDA), Real Estate Division, has negotiated the rent from \$1.80 per square foot to \$1.44 per square foot, which equates to a 20% savings in rent for the Agricultural Commission, effective June 1, 2010.

Lessor: Spectra Novae, Ltd.  
Edward P. Lilly  
7628 SW 32<sup>nd</sup> Avenue  
Portland, Oregon 92719

Premises Location: 81077 Indio Blvd., Suites K & L  
Indio, California

Term: Forty two (42) months, terminating November 30, 2013

Size: 4,417 square feet

Rent:	Current Rent	New Rate
	\$1.80 per sq. ft.	\$1.44 per sq. ft.
	\$7,961.75 per month	\$6,360.48 per month
	95,541.00 per year	\$76,325.76 per year

Rental Adjustment: Three percent (3%)

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

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

**FINANCIAL DATA:**

All associated costs for this First Amendment to Lease will be fully funded through the Agricultural Commissioner's budget. The Agricultural Commissioner has budgeted these costs in FY 2009/10. While EDA will front the costs for the First Amendment to Lease with the property owners, the Agricultural Commissioner will reimburse EDA for all associated lease costs.

## Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$1,601)
10000-7200400000-572500 – Intra Leases	\$1,601

# Exhibit A

## Agricultural Commissioner Lease Cost Analysis FY 2009/10 81077 Indio Blvd., Suites K & L, Indio, California

**Total Square Footage to be Leased:**

***BUDGETED AMOUNTS***

Current office:	4,417	SQFT		
Cost Per Sq. Ft:	\$	1.80		
Lease Cost per Month		\$	7,961.75	
<b>Total Lease Cost included in Budget for FY 2009/10</b>				<b>\$ 95,541.00</b>

***ACTUAL AMOUNTS***

Current office:	4,417	SQFT		
Approximate Cost per SQFT (July - May)	\$	1.80		
Approximate Cost per SQFT (June)	\$	1.44		
Lease Cost per Month (July - May)	\$	7,961.75		
Lease Cost per Month (June)	\$	6,360.48		
Total Lease Cost (July - May)		\$	87,579.25	
Total Lease Cost (June)		\$	6,360.48	
<b>Total Lease Cost for FY 2009/10</b>				<b>\$ 93,939.73</b>
<b>TOTAL LEASE COST SAVINGS FOR FY 2009/10</b>				<b>\$ (1,601.27)</b>

**Estimated Utility Costs:**

***BUDGETED AMOUNTS***

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 530.04	
<b>Total Estimated Utility Cost for FY 2009/10</b>				<b>\$ 6,360.48</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>				<b>\$ 3,621.00</b>
<b>Total Estimated Additional Costs included in Budget for FY 2009/10</b>				<b>\$ 9,981.48</b>

***ACTUAL AMOUNTS***

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 530.04	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)				\$ 6,360.48
<b>EDA Lease Management Fee (Based @ 3.79%)</b>				<b>\$ 3,560.32</b>
<b>Total Estimated Additional Costs for FY 2009/10</b>				<b>\$ 9,920.80</b>
<b>TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10</b>				<b>\$ (60.69)</b>
<b>TOTAL SAVINGS FOR LEASE COST FY 2009/10</b>				<b>\$ (1,661.96)</b>
<b>TOTAL COUNTY COST AT 25%</b>				<b>(415.49)</b>

# Exhibit B

## Agricultural Commissioner Lease Cost Analysis FY 2010/11 81077 Indio Blvd., Suites K & L, Indio, California

### Current Square Feet Occupied:

Office:	4,417	SQFT		
Cost per Square Foot:	\$	1.44		
Lease Cost per Month (July 1, 2010 -November 30, 2010)		\$	<u>6,360.48</u>	
			\$	31,802.40
Cost per Square Foot:	\$	1.48		
Lease Cost per Month (December 1, 2010 -June 30, 2011)		\$	<u>6,551.29</u>	
			\$	<u>45,859.03</u>
<b>Total Estimated Lease Cost for FY 2010/11</b>			\$	<b><u>77,661.43</u></b>

### Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July 1, 2010 -June 30, 2011)		\$	<u>530.04</u>	
<b>Total Estimated Utility Cost for FY 2010/11</b>			\$	<b>6,360.48</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			\$	<b><u>2,943.37</u></b>
<b>Total Estimated Lease Cost FY 2010/11:</b>			\$	<b>86,965.28</b>
<b>TOTAL COUNTY COST AT 25%</b>			\$	<b>21,741.32</b>

1 **FIRST AMENDMENT TO LEASE**  
2 **81077 Indio Blvd., Suites K & L**  
3 **Indio, California**

4 This **FIRST AMENDMENT TO LEASE** ("First Amendment") is made as of  
5 July 13, 2010 by and between the **COUNTY OF RIVERSIDE**, a political  
6 subdivision of the State of California ("County"), and **SPECTRA NOVAE, LTD.** ("Lessor"), as  
7 successor in interest to **MADISON COMMERCE CENTER, LLC.**

8 **1. Recitals.**

9 a. County and Madison Commerce Center, LLC, entered into that certain  
10 lease dated April 8, 2008, (the "Original Lease") pursuant to which County leased a portion of  
11 that certain building located at 81077 Indio Blvd, Suites K & L, Indio, California (the "Building"),  
12 as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

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

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

17 **2. Capitalized Terms:** First Amendment to Prevail. Unless defined herein or the  
18 context requires otherwise, all capitalized terms herein shall have the meaning defined in the  
19 Lease, as heretofore amended. The provisions of this First Amendment shall prevail over any  
20 inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall  
21 supplement the remaining provisions thereof. The Lease remains in full force and effect  
22 except to the extent amended by this First Amendment.

23 **3. Rent.** Section 5.1 of the Original Lease shall be amended as follows: Monthly  
24 rent shall be paid as follows through the remaining term:

25 June 1, 2010 through May 31, 2011	\$6,360.48
June 1, 2011 through May 31, 2012	\$6,551.29
June 1, 2012 through May 31, 2013	\$6,747.82
June 1, 2013 through November 30, 2013	\$6,950.25

26 **4. Notices.** Section 19.18 of the Lease shall be amended as follows. Any  
27 notices required or desired to be served by either party upon the other shall be addressed to  
28 the respective parties as set forth below:

29 **COUNTY:**

30 Economic Development Agency  
31 County of Riverside  
32 3403 Tenth Street, Suite 500  
33 Riverside, California 92501

34 **LESSOR:**

35 Spectra Novae, Ltd.  
36 Edward P. Lilly  
37 7628 SW 32<sup>nd</sup> Avenue  
38 Portland, Oregon 92719

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

5. Except as modified or supplemented by this First Amendment to Lease, all provisions of this Lease shall remain in full force and effect.

6. This First Amendment to Lease shall not be binding or consummated until its approval by the Board of Supervisors of Riverside County.

Dated: \_\_\_\_\_

**SPECTRA NOVAE, LTD.**

By: Edward Lilly  
Edward Lilly, Manager

**COUNTY OF RIVERSIDE**

By: Marion Ashley  
Marion Ashley, Chairman  
Board of Supervisors

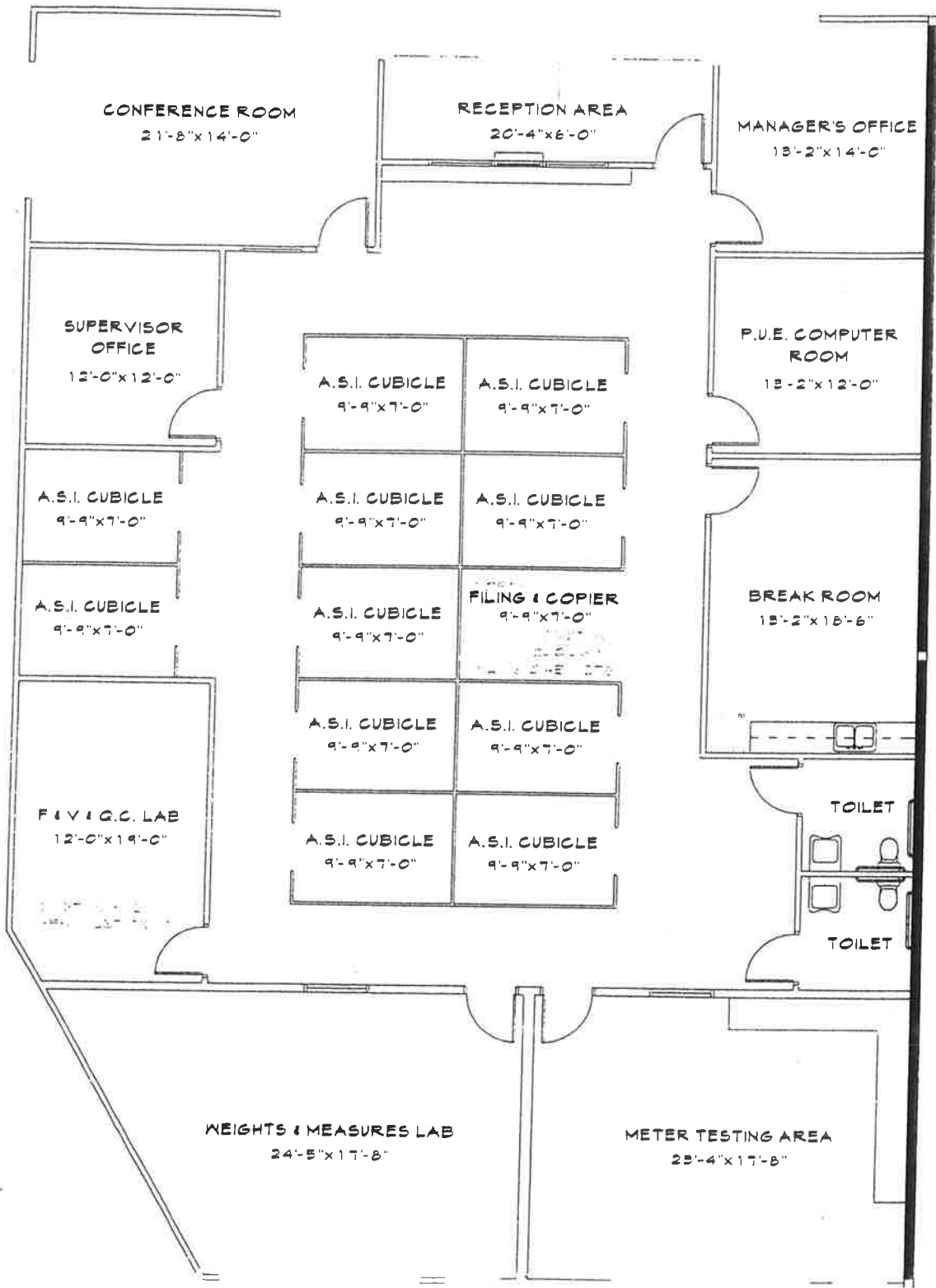
**ATTEST:**  
Kecia Harper-Ihem  
Clerk of the Board

By: [Signature]  
Deputy

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

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

TW:jw  
05/10/10  
IN074  
13.291



VACANT

**FLOOR PLAN**

SCALE 3/16" = 1'-0"

**EXHIBIT A**