

FISCAL PROCEDURES APPROVAL
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY: Tanya S. Harris 7/11/10

FORM APPROVED COUNTY COUNSEL
 BY: Synthia M. Guinzel 6/18/10
 DATE

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

607



SUBMITTAL DATE:
 June 30, 2010

FROM: Economic Development Agency

SUBJECT: Second Amendment to Lease – Department of Public Social Services, Banning

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Second Amendment to Lease and authorize the Chairman to execute the same on behalf of the County.

BACKGROUND: The Department of Public Social Services (DPSS) has occupied this office located at 63 South Fourth Street, in Banning since 1999. The location and facility continues to meet the needs of the department for their Self Sufficiency Program. The Economic Development Agency (EDA), Real Estate Division, has negotiated a three-year lease renewal commencing at the existing rent.

(Continued)

Robert Field
 Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$377,677	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$14,352	Budget Adjustment:	No
	Annual Net County Cost:	\$14,352	For Fiscal Year:	2010/11

SOURCE OF FUNDS: Federal 61.4%; State 34.8%; County 3.8%	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
 County Executive Office Signature

Reviewed by Susan Loew
 CIP TEAM
 Policy By: Susan Loew
 Policy Policy
 Consent Consent
 Dept's Recomm.:
 Per Exec. Ofc.:

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Stone, Benoit and Ashley
 Nays: None
 Absent: Tavaglione
 Date: July 27, 2010
 xc: EDA, Auditor, CIP, DPSS

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

Prev. Agn. Ref.: 3.8 of 05/11/99; 3.6 of 11/09/99	District: 5	Agenda Number:
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BACKGROUND: (Continued)

Location: 63 S. Fourth Street
Banning, California

Lessor: Banning #169, LP
c/o B.A.G. Investments, Inc.
8665 South Wilshire, Suite 302
Beverly Hills, CA 90211

Size: Approximately 19,695 square feet.

Term: Three (3) years commencing July 1, 2010.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.42 per sq. ft.	\$ 1.42 per sq. ft.
	\$ 28,046.75 per month	\$ 28,046.75 per month
	\$336,561.00 per year	\$ 336,561.00 per year

Rent Increases: Increased 3% at the beginning of years 2 and 3 of the extended term.

Utilities: County pays all utilities.

Custodial: Included in Rent.

Maintenance: Included in Rent.

Improvements: None

RCIT: None

Market Data:	1360 E 6 th St., Beaumont	\$2.00
	118 Beaumont Avenue, Beaumont	\$2.00

The attached lease amendment has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully funded through the DPSS budget.

EXHIBIT A

DPSS Lease Cost Analysis for FY 2010/11 63 S. Fourth Street, Banning, California

Proposed Square Footage:

Office:		19,695 SQFT	
Cost per Square Foot:	\$	1.42	
Lease Cost per Month (July 1, 2010 - June 30, 2011)			\$28,046.75
Total Estimated Lease Cost for FY 2010/11:			\$336,561.00

Estimated Additional Costs:

Utility Cost per Square Foot		\$0.12	
Estimated Utility Cost per month (July 1, 2010 - June 30, 2011)			\$2,363.40
Total Estimated Utility Cost for FY 2010/11			\$28,360.80
EDA Lease Management Fee (Based @ 3.79%)			<u>\$12,755.66</u>
Total Estimated Lease Cost FY 2010/11:			\$377,677.46
Total Annual Net County Cost of 3.8%			\$14,351.74

SECOND AMENDMENT TO LEASE
(Department of Public Social Services,
63 S. Fourth Street, Banning, California)

This SECOND AMENDMENT to Lease ("Second Amendment") is made as of April 10, 2010, by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **BANNING #169, LP**, a California limited partnership, successor in interest to BANNING #169, LLC, a California limited liability company ("Lessor").

1. Recitals.

a. BANNING #169, LP, a California limited partnership, Lessor, and COUNTY OF RIVERSIDE, County, hereby agree to amend that certain Lease dated May 11, 1999 (the "Original Lease") pertaining to the premises located at 63 S. Fourth Street, Banning, California, as more particularly shown on Exhibit "A", attached to the Lease as follows:

b. The Original Lease has been amended by:

i. That certain First Amendment of Banning #169, LLC, Lease dated November 9, 1999, by and between County of Riverside and Banning #169, LLC. (the "First Amendment").

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

d. The term of the Lease, as heretofore amended, expires June 30, 2010. County and Lessor desire to further amend the Lease to extend the term of 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: Second 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 Second 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 except to the extent amended by this Second Amendment.

3. Extension of Term. The Term of this Lease is hereby extended three (3) years. The extended term will commence on July 1, 2010 and will expire on June 30, 2013 ("Extended Term"). June 30, 2013 shall hereafter be the "Expiration Date".

4. Rent During Extended Term. County shall pay to Lessor the monthly sum as rent for the Leased premises during the term of this Lease as indicated below:

<u>Amount</u>	<u>Term</u>
\$28,046.75	07/01/10 – 06/30/11
\$28,888.16	07/01/11 – 06/30/12
\$29,754.81	07/01/12 – 06/30/13

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1 5. All other provisions of the Lease remain the same.

2 6. This Second Amendment to Lease shall not be binding or consummated until its
3 approval by the County's Board of Supervisors.

4 Dated: 6/24/10

5 **BANNING #169, LP, a California limited
6 partnership**

7 By: 
8 Alan J. Gudi, President of B.A.G.
9 Investments Inc.
10 General Partner

11 **COUNTY OF RIVERSIDE**

12 By: 
13 Marion Ashley, Chairman
14 Board of Supervisors

15 **ATTEST:**
16 Kecia Harper-Ihem
17 Clerk of the Board

18 By: 
19 Deputy

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

23 By: 
24 Synthia M. Gunzel
25 Deputy County Counsel

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