

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

714



SUBMITTAL DATE:
August 10, 2010

FROM: Economic Development Agency

SUBJECT: First Amendment to Lease – Community Health Agency/Department of Environmental Health, Corona

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's (EDA) FY 2010/11 budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	(\$36,922)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

SOURCE OF FUNDS: 50% District Environmental Service Fees, 50% Hazardous Material Fees	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

Jennifer L. Sargent
BY: Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, 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: August 10, 2010
xc: EDA, Environmental Health, Auditor, EO

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

Prev. Agn. Ref.: 3.17 of 6/28/2005 | **District:** 2 | **Agenda Number:**

FORM APPROVED COUNTY COUNSEL DATE
 BY: *Synthia M. Gunzel* 8-10
 SYNTHIA M. GUNZEL
 BY: *Steve Van Stockum*
 Steve Van Stockum, Director
 Department of Environmental Health
 BY: *Samuel Wong*
 SAMUEL WONG
 BY: *Robert E. Byrd*
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 COUNTY OF RIVERSIDE

BACKGROUND:

This First Amendment to Lease represents a request from Community Health Agency for the Department of Environmental Health (EH) to extend the Lease for its office located at 2275 South Main Street, Suite 204, Corona, California, commencing on September 1, 2010, and expires at midnight on August 31, 2015. This facility continues to meet the requirements of the Department. The Real Estate Division has negotiated a 5 Year Lease Renewal with a rental rate reduction, saving the Department \$36,922 per year as shown in Exhibit "A". In addition, the tenant improvements are at Landlords sole cost and expense.

Lessor: Pavez Family, LLC, a California Corporation

Premises Location: 2275 S. Main, Suite 204, Corona, 92882

Size: 10,164 sq. ft.

Term: Five (5) years, September 1, 2010 through August 31, 2015

Rent:

	<u>Current</u>	<u>New</u>
	\$ 2.20 per sq. ft.	\$ 1.85 per sq. ft.
	\$ 22,360.80 per month	\$ 18,803.40 per month
	\$268,329.60 per year	\$225,640.80 per year

Savings

Per Sq. Ft.	\$.35
Per Month	\$ 3,557.40
Per Year	\$42,688.80

Rental Adjustments: 3% annual

Utilities: County pays for electricity and phone, Landlord pays for water and refuse.

Custodial Services: Landlord

Maintenance: Landlord

Improvements: Yes, at Landlords sole cost and expense.

RCIT Costs: None

(Continued)

Economic Development Agency
First Amendment to Lease – Community Health Agency/Department of Environmental Health,
Corona
August 10, 2010
Page 3

BACKGROUND: (Continued)

Market Data:	1373 Old Temescal Road	\$2.15
	629 N. Main Street	\$2.01

The attached 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 EH budget. While EDA will front the costs for this Lease with the property owner, EH will reimburse EDA for all associated lease costs.

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Schedule A

Decrease Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings	\$35,574
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Decrease Estimated Revenue:

47220-7200400000-777330 – Leasing Services	\$35,574
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Exhibit A

Community Health Agency Lease Cost Analysis for FY 2010/11 2275 S. Main, Suite 204, Corona, California 92882

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		10,164		SQFT	
Cost Per Sq. Ft:	\$		2.20		
Lease Cost per Month			\$	22,360.80	
Total Lease Cost included in Budget for FY 2010/11					\$ 268,329.60

ACTUAL AMOUNTS

Current office:		10,164		SQFT	
Approximate Cost per SQFT (July - Aug)	\$		2.20		
Approximate Cost per SQFT (Sep - June)	\$		1.85		
Lease Cost per Month (July - Aug)	\$	22,360.80			
Lease Cost per Month (Sep - June)	\$	18,803.40			
Total Lease Cost (July - Aug)			\$	44,721.60	
Total Lease Cost (Sep - June)			\$	188,034.00	
Total Lease Cost for FY 2010/11					\$ 232,755.60
TOTAL LEASE COST SAVINGS FOR FY 2010/11					\$ (35,574.00)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$		0.12		
Estimated Utility Costs per Month				\$ 1,219.68	
Total Estimated Utility Cost for FY 2010/11					\$ 14,636.16
Tenant Improvement Costs					N/A
RCIT Costs					N/A
EDA Lease Management Fee (Based @ 3.79%)					\$ 10,169.69
Total Estimated Additional Costs included in Budget for FY 2010/11					\$ 24,805.85

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$		0.12		
Estimated Utility Costs per Month				\$ 1,219.68	
Total Additional Estimated Utility Cost for FY 2010/11 (July - June)					\$ 14,636.16
Tenant Improvement Costs					N/A
RCIT Costs					N/A
EDA Lease Management Fee (Based @ 3.79%)					\$ 8,821.44
Total Estimated Additional Costs for FY 2010/11					\$ 23,457.60
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11					\$ (1,348.25)
TOTAL SAVINGS FOR LEASE COST FY 2010/11					\$ (36,922.25)

Exhibit B

Community Health Agency Lease Cost Analysis for FY 2011/12 2275 S. Main, Suite 204, Corona, California 92882

Current Square Feet Occupied:

Office:	10,164	SQFT		
Cost per Square Foot:	\$	1.85		
Lease Cost per Month (July 1, 2011 through August 31, 2011)		<u>\$ 18,803.40</u>	\$	37,606.80
Cost per square Foot:	\$	1.91		
Lease Cost per Month (September 1, 2011 - June 30, 2012)		<u>\$ 19,367.50</u>	\$	193,675.00
Total Estimated Lease Cost for FY 2011/12			<u>\$</u>	<u>231,281.80</u>

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs (July 1, 2011 through June 30, 2012)		<u>\$ 14,636.16</u>		
Total Estimated Utility Cost for FY 2011/12			\$	14,636.16
EDA Lease Management Fee (Based @ 3.79%)			<u>\$</u>	<u>8,765.58</u>
Total Estimated Lease Cost FY 2011/12:			\$	254,683.54

1 **FIRST AMENDMENT TO LEASE**
2 (Environmental Health Agency,
2275 S. Main, Suite 204, Corona, California)

3
4 This First Amendment to Lease ("First Amendment") is made as of
August 10, 2010, by and between the **COUNTY OF RIVERSIDE**, a political
5 subdivision of the State of California ("County"), and **PAVEZ FAMILY, LLC**, a **California**
6 **limited liability company** ("Lessor").

7 **Recitals**

8 A. Lessor, and County have entered into that certain Lease, dated June, 28,
9 2005, ("Original Lease") pursuant to which Lessor has agreed to lease to County and County
10 has agreed to lease from Lessor real property located within that certain office building located
11 at 2275 S. Main, Suite 204, Corona, California, consisting of approximately ten thousand one
12 hundred sixty four (10,164) square feet, ("Leased Premises"), as more particularly described in
13 the Original Lease.

14 B. Lessor and County desire to amend the Lease to provide for a new term on the
15 Leased Premises with the terms and conditions set forth herein. The Original Lease together
16 with this Amendment are collectively referred to herein as the "Lease".

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

19 **1. Term.** Section 4 for the commencement date of the Original Lease is
20 hereby amended as follows:

21 The Lease term is hereby extended for a period of five (5) years commencing on
22 September 1, 2010, and shall expire at midnight on August 31, 2015.

23 **2. Rent.** Section 5.1 is hereby amended as follows:

24 The rent for the premises for the extended term of five (5) years shall be reduced from
25 \$22,403.26 to \$18,500.00 per month, payable on the first day of each and every month.

3. Tenant Improvements by Lessor: Lessor, at its sole cost and
expense, shall complete the Tenant Improvements, as more particularly shown on Exhibit "B"
attached to the lease.

4. Miscellaneous. Except as amended or modified herein, all the terms of
the Original Lease shall remain in full force and effect and shall apply with the same force and
effect to this Amendment. Lessor shall not be bound by this Amendment until Lessor has
executed and delivered this Amendment to County, notwithstanding County's execution and
delivery of this Amendment to Lessor. Time is of the essence in this Amendment and the
Lease and each and all of their respective provisions. Subject to the provisions of the Lease
as to assignment, the agreements, conditions and provisions herein contained shall apply to
and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If

AUG 10 2010 3.28

1 any provisions of this Amendment or the Lease shall be determined to be illegal or
2 unenforceable, such determination shall not affect any other provision of the Lease and all
3 such other provisions shall remain in full force and effect. The language in all parts of the
4 Lease shall be construed according to its normal and usual meaning and not strictly for or
5 against either Lessor or County. Neither this Amendment, nor the Original Lease, nor any
6 notice nor memorandum regarding the terms hereof, shall be recorded by County. Any such
7 unauthorized recording shall give Lessor the right to declare a breach of the Lease and pursue
8 the remedies provided for therein.

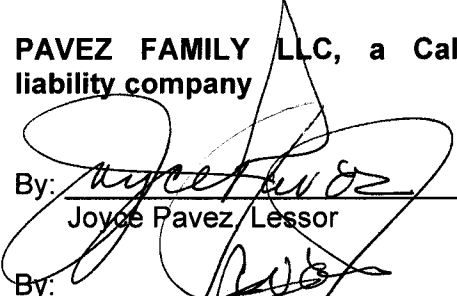
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IN WITNESS WHEREOF, the parties have executed this First Amendment of the date
first written above.


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

3 Dated: _____

4 **PAVEZ FAMILY LLC, a California limited**
5 **liability company**

6 By:  _____
7 Joyce Pavez, Lessor

8 By:  _____
9 Jorge Pavez, Lessor

10 **COUNTY OF RIVERSIDE**

11 By:  _____
12 Marion Ashley, Chairman
13 Board of Supervisors

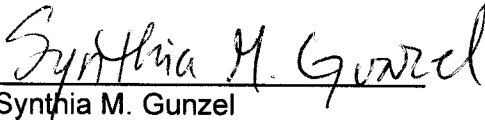
14 **ATTEST:**

15 Kecia Harper-Ihem
16 Clerk of the Board

17 By:  _____
18 Deputy

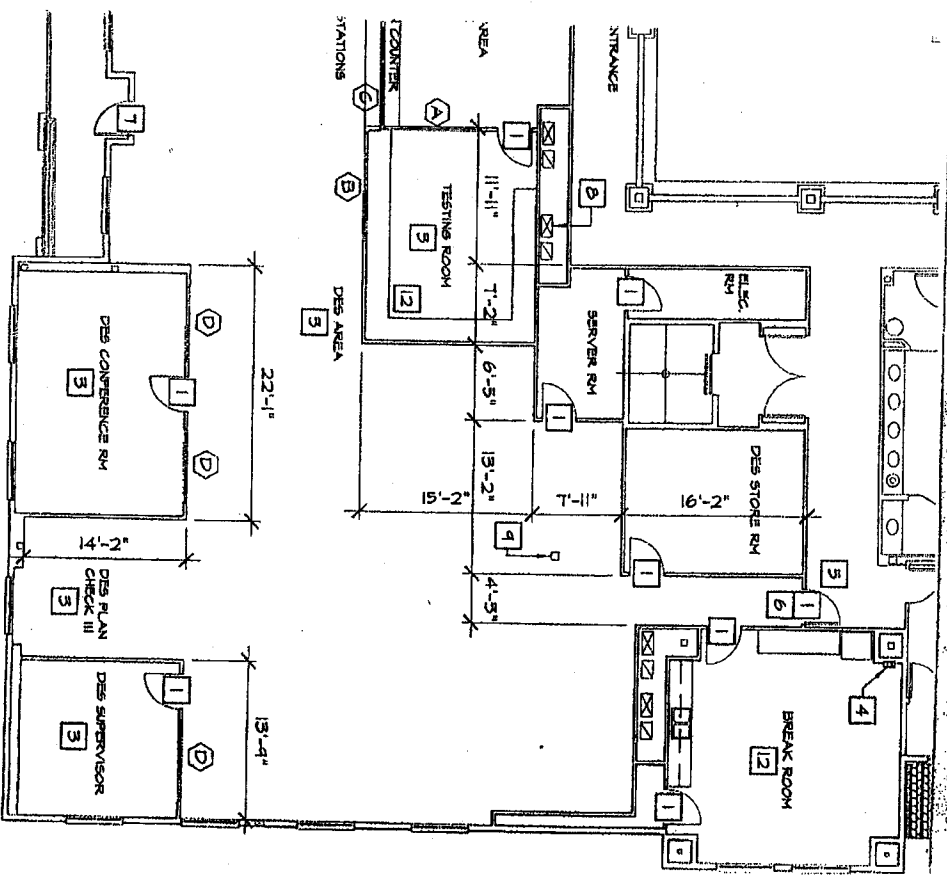
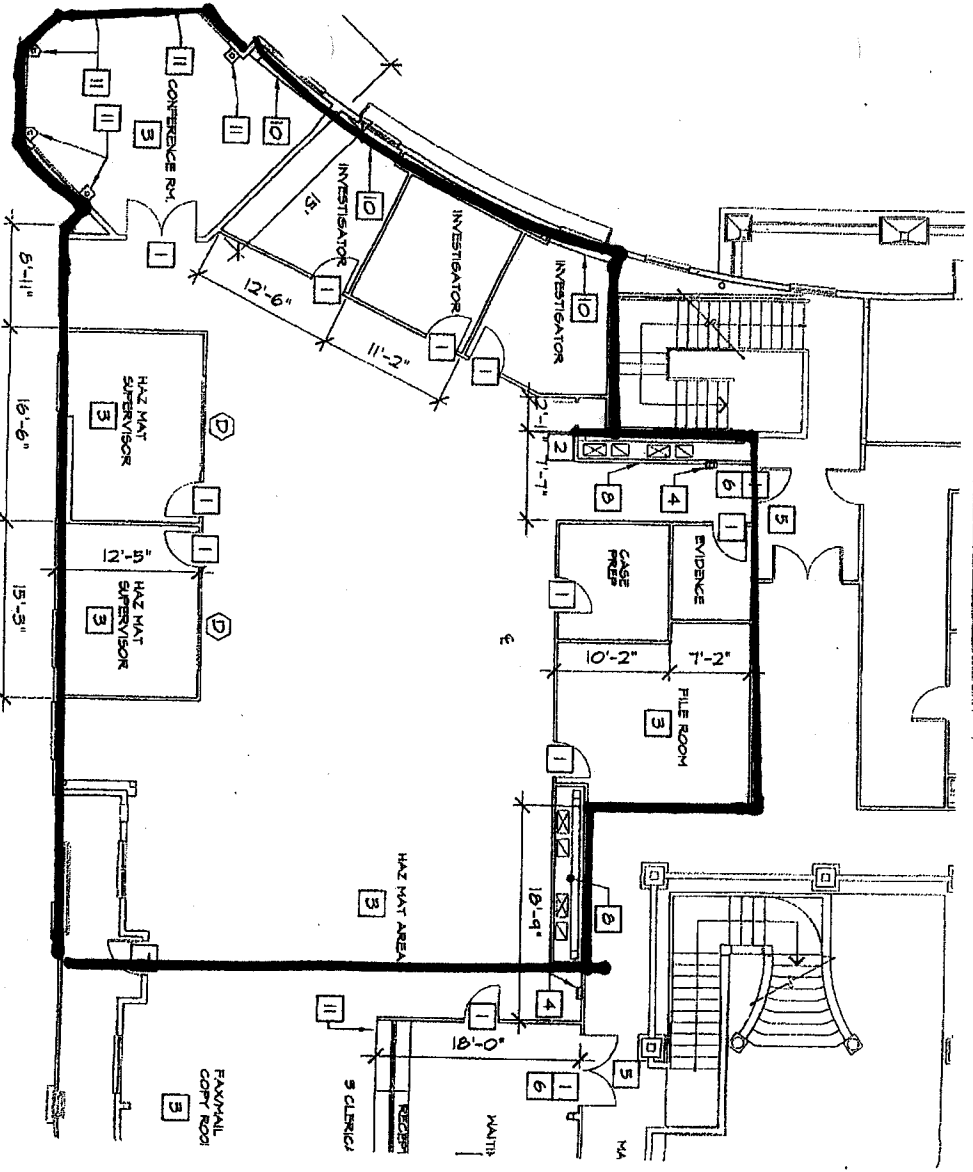
19 **APPROVED AS TO FORM:**

20 Pamela J. Walls
21 County Counsel

22 By:  _____
23 Synthia M. Gunzel
24 Deputy County Counsel

25
CC:jw
04/26/10
CR019
13.240

OK
Day Ref
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ENV. HEALTH - CORONA
2275 S. MAIN STREET
CORONA, CA

EXHIBIT A

2020.10.10

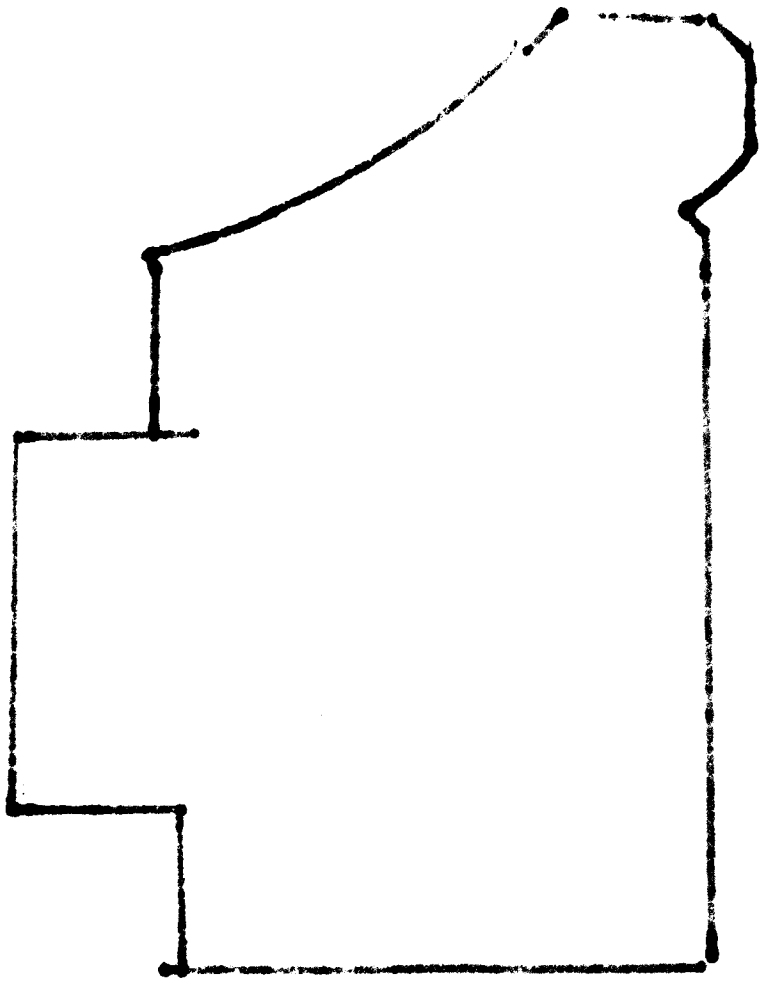


Exhibit "B"
(Tenant Improvements)

1. Integrate a 6" w x 20" high glass window into the door in the waiting area.
2. Re-key the employee restroom door, unique key set w/key hole facing the exterior.
3. Replace VCT flooring in the employee restroom
4. Add employee only door signage on (print room door)
5. Toilet Paper dispenser Covers (match to county Standards) all restrooms.
6. Lift carpet stain or replace carpet in Classroom if unable to remove stains.
7. Repair water damage to wall in ceiling in the weight and measure room.
8. Refinish Dutch Door with lacquer/stain and add metal kick plate on both sides of the door.
9. Add chair rail to the lobby walls.
10. Replace base plate in lobby area
11. Add conduit in support of new data/voice jack connection – conduit ¾ "thick. Add 110V electrical outlet in (Sr. Nutritionist office)
12. Change door signage to reflect new WIC logo.
13. Relocate the motion paper towel dispenser to the left of the sink in the HAS workstation.