

706



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

FROM: Economic Development Agency

SUBMITTAL DATE:
July 29, 2010

SUBJECT: Third Amendment to Lease – Public Defender, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Third 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 amend Economic Development Agency FY2010/11 Real Property budget as set out in Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY Samuel Wong 8/5/10
 SAMUEL WONG

Robert Field
 Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$(15,013)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$(15,013)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$148,687	For Fiscal Year:	10/11

SOURCE OF FUNDS: 100% County General Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY Jennifer L. Sargent
 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, Public Defender, Auditor, EO

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

Prev. Agn. Ref.: 3.42 of 7/31/07; 3.25 of 3/11/08 | District: 1 | Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.29

FORM APPROVED COUNTY OF RIVERSIDE
 BY: Synthia M. Gunzel 6-14-10
 SYNTHIA M. GUNZEL
 DATE

By: Gary Windom
 GARY WINDOM

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

BACKGROUND:

This facility continues to meet the requirements of the department. To assist the department and County with its overall objective of reducing lease costs, the Economic Development Agency (EDA), Real Estate Division has negotiated a two (2) year lease term at a reduced rate. The reduced rate provides the department with a rental reduction of 16% resulting in a yearly approximate savings of \$20,603.00 per year. Also negotiated is an option to terminate within 18 months with sixty (60) day written notice. The termination option provides the department with valuable time to relocate and merge with existing department staff into a County owned facility, thus providing additional savings.

Lessor: Frank C. Freitas and Eleanor Freitas
5315 Cascades Street
Chowchilla, California 93610

Premises Location: 4275 Lemon Street, Suites 100, 101 and 251A

Size: Approximately 7,033 square feet

Term: Two years, December 1, 2009 to December 31, 2011

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.84 per sq. ft.	\$ 1.60 per sq. ft.
	\$ 12,969.68 per month	\$ 11,252.80 per month
	\$155,636.16 per year	\$135,033.60 per year

Rental Adjustments: 3% annual

Utilities: County pays for telephone and Lessor provides all other utilities.

Custodial Services: Lessor

Maintenance: Lessor

Improvements: None

RCIT Costs: None

Option to Terminate: Within 18 months with 60 days written notice to Lessor.

Parking: Sufficient to meet County requirements

Economic Development Agency
Third Amendment to Lease – Public Defender, Riverside
July 29, 2010
Page 3

BACKGROUND: (Continued)

Market Data:	3880 Lemon Street	\$2.34 per sq. ft.
	3833 Tenth Street	\$2.31 per sq. ft.

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

FINANCIAL DATA:

All associated costs for this Lease Amendment will be fully reimbursed by Public Defender through County General Fund. Public Defender has budgeted for these costs in FY 2010/11.

SCHEDULE A

Decrease Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings	\$14,465
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Decrease Estimated Revenue:

47220-7200400000-777330 – Leasing Services	\$14,465
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Exhibit A

Public Defender Lease Cost Analysis FY 2010/11 4275 Lemon Street, Riverside, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	7,033	SQFT	
Cost Per Sq. Ft:	\$ 1.84		
Lease Cost per Month	\$ 12,969.68		
Total Lease Cost included in Budget for FY 2010/11	\$		155,636.16

ACTUAL AMOUNTS

Current office:	7,033	SQFT	
Approximate Cost per SQFT (July - Dec)	\$ 1.65		
Approximate Cost per SQFT (Jan - June)	\$ 1.70		
Lease Cost per Month (July - Dec)	\$ 11,590.39		
Lease Cost per Month (Jan - June)	\$ 11,938.11		
Total Lease Cost (July - Dec)	\$ 69,542.34		
Total Lease Cost (Jan - June)	\$ 71,628.66		
Total Lease Cost for FY 2010/11	\$		141,171.00
TOTAL LEASE COST SAVINGS FOR FY 2010/11	\$		(14,465.16)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$ 0.12		
Estimated Utility Costs per Month	\$ -		
Total Estimated Utility Cost for FY 2010/11	\$		-
Tenant Improvement Costs	N/A		
RCIT Costs	N/A		
EDA Lease Management Fee (Based @ 3.79%)	\$		5,898.61
Total Estimated Additional Costs included in Budget for FY 2010/11	\$		5,898.61

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ -		
Estimated Utility Costs per Month	\$ -		
Total Additional Estimated Utility Cost for FY 2010/11	\$		-
Tenant Improvement Costs	N/A		
RCIT Costs	N/A		
EDA Lease Management Fee (Based @ 3.79%)	\$		5,350.38
Total Estimated Additional Costs for FY 2010/11	\$		5,350.38
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11	\$		(548.23)
TOTAL SAVINGS FOR LEASE COST FY 2010/11	\$		(15,013.39)

Exhibit B

Public Defender Lease Cost Analysis FY 2011/12 4275 Lemon Street, Riverside, California

Current Square Feet Occupied:

Office:	7,033	SQFT		
Cost per Square Foot:	\$	1.70		
Lease Cost per Month (July 1, 2011 - June 30, 2012)		<u>\$</u>	<u>11,938.11</u>	\$ 143,257.32

Total Estimated Lease Cost for FY 2011/12			<u>\$</u>	<u>143,257.32</u>
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Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July 1, 2011 - June 30, 2012)		<u>\$</u>	<u>-</u>	
Total Estimated Utility Cost for FY 2011/12			\$	-
EDA Lease Management Fee (Based @ 3.79%)			<u>\$</u>	<u>5,429.45</u>
Total Estimated Lease Cost FY 2011/12:			\$	148,686.77

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THIRD AMENDMENT TO LEASE

Public Defender

4275 Lemon Street, Suites 100, 101 and 251A, Riverside

This THIRD AMENDMENT TO LEASE ("Third Amendment") is made as of AUGUST 10, 2010, by and between **FRANK C. FREITAS AND ELEANOR FREITAS**, as Lessor's and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, as "County".

1. Recitals.

a. Lessor's and County have entered into that certain Lease, dated as of December 19, 2006, ("Original Lease") pursuant to which Lessor's have agreed to lease to County and County has agreed to lease from Lessor's that certain building, more commonly known as 4275 Lemon Street, Suites 100, 101 and 251, Riverside, California, as shown on Exhibit "A" attached thereto as follows:

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated July 31, 2007, by and between County of Riverside and Frank C. Freitas and Eleanor Freitas (the "First Amendment").

ii. That certain Second Amendment to Lease dated March 11, 2008, by and between County of Riverside and Frank C. Freitas and Eleanor Freitas (the "Second Amendment").

c. County and Lessor's further desire to amend the Lease by extending the term of the Lease, among other things, as heretofore amended by this Third Amendment.

d. 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: 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 provision of this Third Amendment shall prevail over any inconsistency or conflicting provision of the Lease, as heretofore amended and shall supplement the remaining provision thereof. The Lease remains in full force and effect except to the extent amended by the Third Amendment.

3. Term: Section 3 of the Original Lease shall be amended as follows:

The term of this Lease is hereby extended two (2) years and one (1) month. The extended term will commence on December 1, 2009, and will expire on December 31, 2011

AUG 10 2010 3.29

1 ("Extended Term"). December 31, 2011, shall hereafter be the "Expiration Date".

2 a. County shall have the right to terminate this lease after eighteen (18) months
3 with sixty (60) days' written notice to Lessor's.

4 **4. Square Footage During Extended Term:** Section 1 of the First Amendment
5 to Lease shall be amended as follows: Parties agree that the square footage of said leased
6 premises has increased by 292 square feet, due to re-measurement of leased premises by
7 Lessor, as per BOMA standards. Parties also agree that hereinafter the total leased square
8 footage consists of 7,033 square feet, as shown on Exhibit "A". Therefore, no further audit's
9 pertaining to rent or square footage shall apply to current lease terms.

10 **5. Rent During Extended Term:** Section 2 of the First Amendment to Lease
11 shall be amended as follows: County shall pay to Lessor the reduced monthly sums as rent
12 for the Leased premises during the term of this Lease as indicated below:

<u>Amount</u>	<u>Year</u>
\$11,252.80/\$1.60	12/01/09 to 12/31/09
\$11,590.39/\$1.65	01/01/10 to 12/31/10
\$11,938.11/\$1.70	01/01/11 to 12/31/11

13 **6.** Except as modified or supplemented by this Third Amendment to Lease all
14 terms and conditions shall remain in full force and effect.

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7. This Third Amendment to Lease shall not be binding or consummated until its approval by the County's Board of Supervisors.

Dated: ^{F.F. E.F.} ~~6/22/10~~ _____

FRANK C. FREITAS AND ELEANOR FREITAS

By: Frank C. Freitas

By: Eleanor Freitas

COUNTY OF RIVERSIDE

By: Marion Ashley
Marion Ashley, Chairman
Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk to the Board

By: [Signature]
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

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

CC:jw
05/17/10
RV359
13.346

AUG 10 2010 3.29

**4275 LEMON ST
RIVERSIDE, CALIFORNIA**

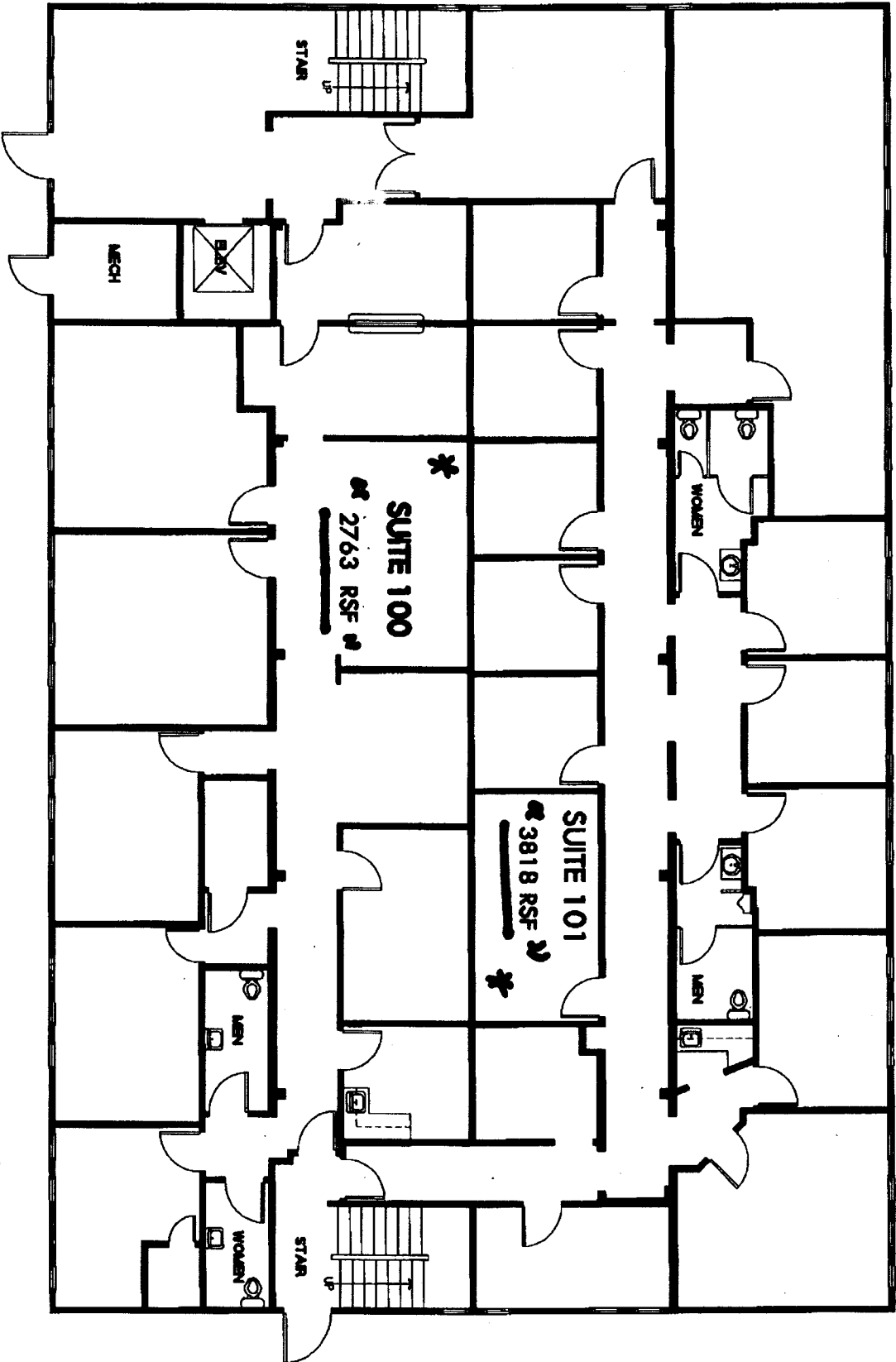


EXHIBIT "A"

MAY 26, 2009



Q3 DESIGN
INTERIOR PLANNING
& DESIGN
TEL: (949) 757-6886

**4275 LEMON ST
RIVERSIDE, CALIFORNIA**

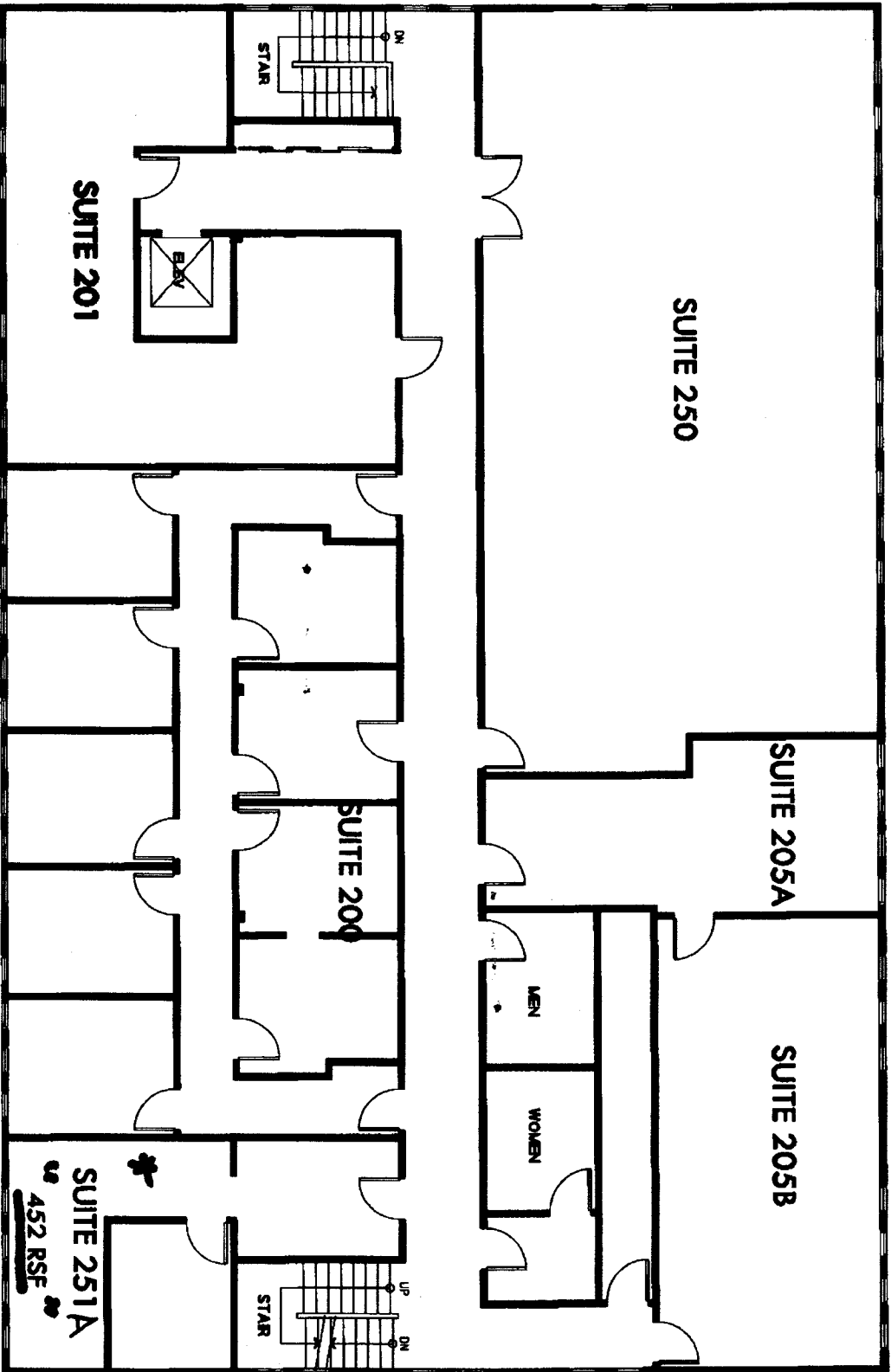


EXHIBIT "A"

FEBRUARY 23, 2010



DESIGN
INTERIOR PLANNING
& DESIGN
TEL: (949) 757-6986