

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

988



SUBMITTAL DATE:

August 19, 2010

FROM: Economic Development Agency

SUBJECT: Fourth Amendment to Lease – Probation Department, San Jacinto, California

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Fourth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County of Riverside (County); and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's 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: | \$156 | In Current Year Budget: | No |
| | Current F.Y. Net County Cost: | \$ 36 | Budget Adjustment: | Yes |
| | Annual Net County Cost: | \$21,719 | For Fiscal Year: | 2010/11 |

SOURCE OF FUNDS: State 51.46%, Federal 22.02%, Net County Cost 23.28%, Other 3.24%

Positions To Be Deleted Per A-30

☐

Requires 4/5 Vote

☒

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 Tavaglione, seconded by Supervisor Stone 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 31, 2010
xc: EDA, Auditor, Probation, EO

Kecia Harper-Ihem
Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 3.15 of 2/21/95; 3.23 of 8/15/00; 3.47 of 8/23/05; 3.44 of 2/27/07

District: 3

Agenda Number:

3.35

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: *Samuel Wong* 8/19/10
SAMUEL WONG
FORM APPROVED COUNTY COUNSEL
DATE: *8/19/10*
BY: *Synthia M. Gunzel*
SYNTHIA M. GUNZEL
BY: *Alan M. Crogan*
Alan M. Crogan, Chief Probation Officer
Policy ☒ Policy ☒
Consent ☐ Consent ☐
Dep't Recomm.:
Per Exec. Ofc.:

BACKGROUND:

The County entered into a Lease Agreement on February 21, 1995, for the purpose of providing office space for the Probation Department for the facility located at 1330 South State Street, Suite "A," in San Jacinto, California. This Fourth Amendment to Lease will extend the Original Lease for an additional 5 years, terminating as of May 31, 2015. The Economic Development Agency (EDA), Real Estate Division, has negotiated the rent from \$1.43 per square foot to \$1.35 per square foot, which equates to a 6% savings in rent for the Department. The annual increase has been reduced from 4% to 2%. This facility continues to meet the needs and requirements for the Probation Department.

Lessor: Brotherton Family Trust, dba
San Jacinto Business Park
1057 Ridge Heights Drive
Fallbrook, California 92028

Premises Location: 1330 South State Street, Suite "A"
San Jacinto, California 92583

Size: 5,000 square feet

Term: Five (5) years commencing June 1, 2010

| Rent: | <u>Current Rent</u> | <u>New Rent</u> |
|-------|-------------------------|-------------------------|
| | \$ 1.43 per square foot | \$ 1.35 per square foot |
| | \$ 7,174.80 per month | \$ 6,750.00 per month |
| | \$86,097.60 per year | \$81,000.00 per year |

Rental Adjustments: Two percent (2%) annual increase

Utilities: County pays electric; Lessor pays all others

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

FINANCIAL DATA:

The associated costs for this Fourth Amendment will be fully funded through the Probation Department budget. The Probation Department has budgeted these costs in FY 2010/11. While EDA will front the costs for the Fourth Amendment to Lease with the property owners, the Probation Department will reimburse EDA for all associated costs. (See Exhibits A & B)

Schedule A

Increase Appropriations:

| | |
|--|-------|
| 47220-7200400000-526700 – Rent/Lease Buildings | \$150 |
|--|-------|

Increase Estimated Revenue:

| | |
|--|-------|
| 47220-7200400000-777330 – Intra Leases | \$150 |
|--|-------|

Exhibit A

Probation Lease Cost Analysis FY 2010/11 1330 South State Street, Suite A, San Jacinto, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

| | | | | |
|---|-------|------|----------|------------------|
| Current office: | 5,000 | SQFT | | |
| Cost Per Sq. Ft: | \$ | 1.35 | | |
| Lease Cost per Month | | \$ | 6,750.00 | |
| Total Lease Cost included in Budget for FY 2010/11 | | | \$ | 81,000.00 |

ACTUAL AMOUNTS

| | | | | |
|--|-------|----------|-----------|------------------|
| Current office: | 5,000 | SQFT | | |
| Approximate Cost per SQFT (July - May) | \$ | 1.35 | | |
| Approximate Cost per SQFT (June) | \$ | 1.38 | | |
| Lease Cost per Month (July - May) | \$ | 6,750.00 | | |
| Lease Cost per Month (June) | \$ | 6,900.00 | | |
| Total Lease Cost (July - May) | | \$ | 74,250.00 | |
| Total Lease Cost (June) | | \$ | 6,900.00 | |
| Total Lease Cost for FY 2010/11 | | | \$ | 81,150.00 |
| TOTAL LEASE INCREASE FOR FY 2010/11 | | | \$ | 150.00 |

Estimated Additional Costs:

BUDGETED AMOUNTS

| | | | | |
|---|----|------|--------|------------------|
| Utility Cost per Square Foot | \$ | 0.12 | | |
| Estimated Utility Costs per Month | | \$ | 600.00 | |
| Total Estimated Utility Cost for FY 2010/11 | | | \$ | 7,200.00 |
| Tenant Improvement Costs | | N/A | | |
| RCIT Costs | | N/A | | |
| EDA Lease Management Fee (Based @ 3.79%) | | | \$ | 3,069.90 |
| Total Estimated Additional Costs included in Budget for FY 2010/11 | | | \$ | 10,269.90 |

ACTUAL AMOUNTS

| | | | | |
|---|----|------|--------|------------------|
| Utility Cost per Square Foot | \$ | 0.12 | | |
| Estimated Utility Costs per Month | | \$ | 600.00 | |
| Total Additional Estimated Utility Cost for FY 2010/11 (July - June) | | | \$ | 7,200.00 |
| Tenant Improvement Costs | | N/A | | |
| RCIT Costs | | N/A | | |
| EDA Lease Management Fee (Based @ 3.79%) | | | \$ | 3,075.59 |
| Total Estimated Additional Costs for FY 2010/11 | | | \$ | 10,275.59 |
| TOTAL ESTIMATED ADDITIONAL COST FOR FY 2010/11 | | | \$ | 5.69 |
| TOTAL COST | | | \$ | 155.69 |
| TOTAL COUNTY COST 23.28% | | | \$ | 36.24 |

Exhibit B

Probation Lease Cost Analysis FY 2011/12 1330 South State Street, Suite A, San Jacinto, California

Current Square Feet Occupied:

| | | | | |
|--|-------|--------------------|------------------|------------------|
| Office: | 5,000 | SQFT | | |
| Cost per Square Foot: | \$ | 1.38 | | |
| Lease Cost per Month (July 1, 2011 -May 31, 2012) | | <u>\$ 6,900.00</u> | \$ | 75,900.00 |
| Cost per Square Foot: | \$ | 1.41 | | |
| Lease Cost per Month (June 1, 2012 -June 30, 2012) | | <u>\$ 7,050.00</u> | \$ | 7,050.00 |
| Total Estimated Lease Cost for FY 2011/12 | | | <u><u>\$</u></u> | 82,950.00 |

Estimated Utility Costs:

| | | | | |
|---|----|------------------|------------------|-----------------|
| Utility Cost per Square Foot | \$ | 0.12 | | |
| Estimated Utility Costs per Month (July 1, 2011 -June 30, 2012) | | <u>\$ 600.00</u> | | |
| Total Estimated Utility Cost for FY 2011/12 | | | \$ | 7,200.00 |
| EDA Lease Management Fee (Based @ 3.79%) | | | <u><u>\$</u></u> | 3,143.81 |
| Total Estimated Lease Cost FY 2011/12: | | | \$ | 93,293.81 |
| TOTAL COUNTY COST 23.28% | | | \$ | 21,718.80 |

1 **FOURTH AMENDMENT TO LEASE**
2 County of Riverside and Brotherton Family Trust
3 1330 South State Street, Suite A, San Jacinto, California

4 This **FOURTH AMENDMENT TO LEASE** ("Fourth Amendment") is made as of
5 August 31, 2010, by and between the **COUNTY OF RIVERSIDE**, a political
6 subdivision of the State of California, herein called ("County"), and **BROTHERTON FAMILY TRUST**, herein called ("Lessor").

7 **1. Recitals.**

8 a. The County of Riverside ("County"), as Lessee, and Brotherton Family
9 Trust, as Lessor, entered into that certain Lease dated February 21, 1995 (the "Original
10 Lease"), for the premises located at 1330 South State Street, Suite A, San Jacinto, California,
11 as more particularly shown on Exhibit "A" to the Original Lease.

12 b. The Original Lease has been amended by:

13 i. That certain First Amendment to Lease dated August 15, 2000,
14 by and between County of Riverside and Brotherton Family Trust (the "First Amendment").

15 ii. That certain Second Amendment to Lease dated August 23,
16 2005, by and between County of Riverside and Brotherton Family Trust (the "Second
17 Amendment").

18 iii. That certain Third Amendment to Lease dated February 27,
19 2007, by and between County of Riverside and Brotherton Family Trust (the "Third
20 Amendment").

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

23 **2. Term.** Section 3 of the Original Lease is hereby amended as follows: The Term
24 of this Lease shall be extended for a period of five (5) years effective retroactively as of June
25 1, 2010, and expiring on May 31, 2015.

3. Rent. Section 5 of the Original Lease is hereby amended as follows: County
shall pay to the Lessor the monthly sum of Six Thousand Seven Hundred Fifty Dollars
(\$6,750.00), per month as basic rent for the leased premises, payable, on a monthly basis.

4. Percentage Increase. Section 5(c) of the Original Lease is hereby amended as
follows: The monthly rent shall be increased on each anniversary of this Fourth Amendment to
Lease by an amount equal to two percent (2%) of such monthly rent.

5. Improvements by Lessor. Lessor shall complete the following Tenant
Improvements at Lessor's expense:

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AUG 31 2010 3.35

1 a. Paint all common areas

2 b. Repair carpet as needed throughout the premises

3 **6. Notices.** Section 13 of the Original Lease is hereby amended as follows:

4 Information Copy to:

5 County of Riverside
6 Economic Development Agency
7 3403 Tenth Street, Suite 500
8 Riverside, California 92501

9 **7. County's Representative.** Section 19 of the Original Lease is hereby
10 amended in its entirety as follows: County hereby appoints the Assistant County Executive
11 Officer of the Economic Development Agency as its authorized representative to administer
12 this Lease.

13 **8. Capitalized Terms:** Fourth Amendment to Prevail. Unless defined herein or
14 the context requires otherwise, all capitalized terms herein shall have the meaning defined in
15 the Lease, as heretofore amended. The provisions of this Fourth Amendment shall prevail
16 over any inconsistency or conflicting provisions of Original Lease, as heretofore amended, and
17 shall supplement the remaining provisions thereof. The Original Lease remains in full force
18 and effect except to the extent amended by this Fourth Amendment.

19 ///

20 ///

21 ///

1 9. This Fourth Amendment to Original Lease shall not be binding or consummated
2 until it's executed by the County's Board of Supervisors.

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

5 Dated: _____

**BROTHERTON FAMILY TRUST DBA,
SAN JACINTO BUSINESS PARK**

6 By: *Lynne Ballentine*
7 Trustee

8 **COUNTY OF RIVERSIDE**

9 By: *Marion Ashley*
10 Marion Ashley, Chairman
Board of Supervisors

11 **ATTEST:**

12 Kecia Harper-Ihem
13 Clerk of the Board

14 By: *Kecia Harper-Ihem*
Deputy

15 **APPROVED AS TO FORM:**

16 Pamela J. Walls
17 County Counsel

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

20 MT:jw
05/19/10
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AUG 31 2010 3:35