

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

445



**SUBMITTAL DATE:**  
October 6, 2010

**FROM:** Economic Development Agency

**SUBJECT:** First Amendment to Lease – Law Offices of Public Defender

**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 of Riverside (County); and
2. Authorize the Auditor-Controller to amend Economic Development Agency FY 2010/11 Real Property budget as set out in Schedule A.

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

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ (21,532)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ (21,532)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 74,384	For Fiscal Year:	2010/11

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

**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: \_\_\_\_\_  
Elizabeth J. Olson

**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: October 19, 2010  
xc: EDA, Public Defender, EO, Auditor

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy  
**3.16**

**Prev. Agn. Ref.:** 3.37 of 12/19/2006; 3.27 of 7/17/2007; 3.12 of 4/15/2008

**District:** 3

**Agenda Number:**

**ATTACHMENTS FILED WITH  
THE CLERK OF THE BOARD**

Public Defender 9/9/10  
FISCAL PROCEDURES APPROVED  
ROBERT E. BYRD, AUDITOR-CONTROLLER  
BY:   
DATE: 9-6-10  
COUNSEL  
BY:   
DATE: 10/6/10  
COUNSEL  
SYNTHIA M. GUNZEL  
Department of Economic Development

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

**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 year lease term at a reduced rate. The reduced rate provides the department with a rental reduction of 31% resulting in a yearly savings of approximately \$20,746.20.

Lessor: RCI Silverhawk 13, LLC,  
One Better World Circle, Suite 300  
Temecula, CA 92590

Premises Location: 30111 Technology Drive, Suite 120  
Murrieta, CA 92563

Size: Approximately 2,493 square feet

Term: Two years, July 1, 2010 to June 30, 2012

Rent:	<u>Current</u>	<u>New</u>
	\$ 2.19 per sq. ft.	\$ 1.50 per sq. ft.
	\$ 5,468.35 per month	\$ 3,739.50 per month
	\$65,620.20 per year	\$ 44,874.00 per year

Rental Adjustments: 4% annual

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

Custodial Services: Lessor

Maintenance: Lessor

Improvements: None

RCIT Costs: None

Market Data:	30123 Technology Drive	\$2.03
	38975 Sky Canyon	\$1.75
	24630 Washington Ave.	\$1.50

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 lease amendment will be fully reimbursed by the office of the Public Defender through County general fund. Public Defender has budgeted these costs in FY 2010/11.

RF:SM:VY:CC:jg 13.608 10335  
S:\Real Property\TYPING\Docs-13.500 to 13.999\13.608.doc

## **SCHEDULE A**

Decrease Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings	\$20,746
--	----------

Decrease Estimated Revenue:

47220-7200400000-777330 – Leasing Services	\$20,746
--	----------

Exhibit A and Exhibit B attached.

# Exhibit A

## Law Offices of Public Defender Lease Cost Analysis FY 2010/11 30111 Technology Drive, Suite 120, Murrieta, CA

### Square Footage-Current & New:

#### **BUDGETED AMOUNTS**

Current office:	2,493	SQFT		
Cost Per Sq. Ft:	\$	2.19		
Lease Cost per Month			\$	5,468.35
<b>Total Lease Cost included in Budget for FY 2010/11</b>			\$	<b>65,620.20</b>

#### **ACTUAL AMOUNTS**

Proposed Office:	2,493			
Approximate Cost per SQFT (July- Jun)	\$	1.50		
Lease Cost per Month (July -Jun)	\$	3,739.50		
Total Base Rent (July - Jun)			\$	44,874.00
<b>Total Lease Cost for FY 2010/11</b>			\$	<b>44,874.00</b>
<b>TOTAL LEASE COST SAVINGS FOR FY 2010/11</b>			\$	<b>(20,746.20)</b>

### Estimated Additional Costs:

#### **BUDGETED AMOUNTS**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month	\$	299.16		
<b>Total Estimated Utility Cost for FY 2010/11</b>			\$	3,589.92
<b>Tenant Improvement Costs</b>			N/A	
<b>RCIT Costs</b>			N/A	
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			\$	2,487.01
<b>Total Estimated Additional Costs included in Budget for FY 2010/11</b>			\$	<b>6,076.93</b>

#### **ACTUAL AMOUNTS**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month	\$	299.16		
<b>Total Additional Estimated Utility Cost for FY 2010/11 (July - June)</b>			\$	3,589.92
<b>Tenant Improvement Costs</b>			N/A	
<b>RCIT Costs</b>			N/A	
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			\$	1,700.72
<b>Total Estimated Additional Costs for FY 2010/11</b>			\$	<b>5,290.64</b>
<b>TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11</b>			\$	<b>(786.29)</b>
<b>TOTAL SAVINGS FOR LEASE COST FY 2010/11</b>			\$	<b>(21,532.49)</b>

## Exhibit B

Law Offices of Public Defender Lease Cost Analysis FY 2010/11  
30111 Technology Drive, Suite 120, Murrieta, CA

**Current Square Feet Occupied:**

Office:	2,493	SQFT	
Cost per Square Foot:	\$	2.28	
Lease Cost per Month (July 1, 2011 -June 30, 2012)		\$	<u>5,684.04</u>
			\$ 68,208.48
<b>Total Estimated Lease Cost for FY 2011/12</b>			<b><u>\$ 68,208.48</u></b>

**Estimated Utility Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July 1, 2011 -June 30, 2012)		\$	<u>299.16</u>
<b>Total Estimated Utility Cost for FY 2011/12</b>			<b>\$ 3,589.92</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			<b><u>\$ 2,585.10</u></b>
<b>Total Estimated Lease Cost FY 2011/12:</b>			<b>\$ 74,383.50</b>

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

**FIRST AMENDMENT TO LEASE**  
(Law Offices of Public Defender,  
30111 Technology Drive, Suite 120, Murrieta, California)

THIS FIRST AMENDMENT to Law Offices of Public Defender Lease ("First Amendment") is made as of Sept. 14, 2010, by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **RCI SILVERHAWK 13, LLC**, a California Limited Liability Company, and **Redhawk Communities, Inc.** a California Corporation ("Lessor").

**1. Recitals.**

a. County and Lessor entered into that certain office Lease dated July 17, 2007 (the "Original Lease") in which County Leased office space consisting of approximately 2,493 square feet located at 30111 Technology Drive, Suite 120, Murrieta, California (the "building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The term of the Lease, as heretofore amended, expired on June 30, 2010. County and Lessor desire to further amend the Lease to extend the term of the Lease, to modify the monthly rental payments and to otherwise modify the terms and condition of the Lease as set forth in the First Amendment.

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

**2. Capitalized Terms: First 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 First 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 First Amendment.

**3. Extension of Term.** The Term of this Lease is hereby extended two (2) years. The extended term will commence on July 1, 2010 and will expire on June 30, 2012 ("Extended Term"). June 30, 2012 shall hereafter be the "Expiration Date".

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

<u>Amount</u>	<u>Year</u>
\$3,739.50	7/1/2010 – 6/30/2012

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

3 Dated: 9/14/2010

4 RCI Silverhawk 13, LLC,  
5 a California limited liability company

6 By: Redhawk Communities, Inc.  
7 a California corporation

8 Its: Managing Member

9 By: [Signature]  
10 Stephen King, Authorized Agent

11 By: [Signature]  
12 William Whinna, Authorized Agent

13 COUNTY OF RIVERSIDE

14 By: [Signature]  
15 Marion Ashley, Chairman  
16 Board of Supervisors

17 **ATTEST:**

18 Kecia Harper-Ihem  
19 Clerk of the Board

20 By: [Signature]  
21 Deputy

22 **APPROVED AS TO FORM:**

23 Pamela J. Walls  
24 County Counsel

25 By: [Signature]  
Synthia M. Gunzel  
Deputy County Counsel

CC:jg  
8/18/10  
13.607