

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



SUBMITTAL DATE:

October 1, 2010

FROM: Economic Development Agency

SUBJECT: Third Amendment to Lease – Sheriff, CAL-ID Division

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve 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 FY 2010/11 Real Property budget as set out in Schedule A.

BACKGROUND: (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	(\$143,135)	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

SOURCE OF FUNDS: 100 % CAL-ID Budget

Positions To Be
Deleted Per A-30

☐

Requires 4/5 Vote

☒

C.E.O. RECOMMENDATION:

APPROVE

BY:
Alex Gann

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, Sheriff, Auditor, EO

Kecia Harper-Ihem
Clerk of the Board

By:
Deputy

Prev. Agn. Ref.: 3.19 of 9/1/2008; 3.26 of 10/24/2001; 3.26 of 9/27/2005

District: 5

Agenda Number:

ATTACHMENTS FILED WITH
THE CLERK OF THE BOARD

3.22

FISCAL PRUDENCE REVIEWED BY:
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY:
SAMUEL WONG

FORM APPROVED COUNTY COUNSEL
BY:
CYNTHIA M. GUNZEL

Policy ☒ Policy ☒

Consent ☐ Consent ☐

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

Will Taylor, Director of Administration
Sheriff's Department

BACKGROUND:

Since 1998 CAL-ID and TSB have shared 16,056 square feet of office space at 1260 Palmyrita, Riverside. In order to cut costs TSB will be relocating to county owned space in FY 2010/11. Therefore, this Third Amendment to Lease represents a request from the Sheriff's Department (Department) to reduce its square footage from 16,056 square feet to 12,336 square feet, and extend the term of this lease for CAL-ID Division.

To further assist the Department and County with its overall objective of reducing lease costs, the Economic Development Agency (EDA), Real Estate Division has negotiated a three year lease term at a reduced rate. The reduced rate provides the Department with a rental reduction of 68%. Combined with the reduction in square footage this negotiation produced a total cost savings for the Department of \$183,878 for FY 2010/11. Additionally, landlord will provide the necessary tenant improvements to upgrade the restroom, fixtures, and secure the reduced space at Lessor's sole cost and expense.

Lessor:	1020 Iowa Avenue, Inc. P.O. Box 5198 Riverside, California 93610	
Premises Location:	1260 Palmyrita, Suites A - E	
Size:	Approximately 12,336 square feet	
Term:	Three (3) years, October 1, 2010 to September 30, 2013	
Rent:	<u>Current</u>	<u>New</u>
	\$ 1.40 per sq. ft.	\$.58 per sq. ft.
	\$ 22,478.05 per month	\$ 7,154.88 per month
	\$269,736.60 per year	\$ 85,858.56 per year
Rental Adjustments:	Three (3) percent in year two (2) and three (3)	
Utilities:	County pays for telephone and electricity, Lessor provides all other utilities.	
Custodial Services:	Lessor	
Maintenance:	Lessor	
Improvements:	Lessor	

(Continued)

Economic Development Agency
Third Amendment to Lease – Sheriff, CAL-ID Division
October 1, 2010
Page 3

BACKGROUND: (Continued)

Parking: Sufficient to meet County requirements

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 Sheriff, CAL-ID through Cal-ID budget. Sheriff has budgeted for these costs in FY 2010/11.

SCHEDULE A

Decrease Appropriations:

47220-7200400000-526700	Rent/Lease Buildings	\$137,909
-------------------------	----------------------	-----------

Decrease Estimated Revenue:

47220-7200400000-777330	Leasing Services	\$137,909
-------------------------	------------------	-----------

Exhibit A attached.

Exhibit A

Sheriff, CAL-ID Lease Cost Analysis FY 2010/11 1260 Palmyrita, Suites A-D, Riverside, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	12,336 SQFT		
Cost Per Sq. Ft:	\$	1.40	
Lease Cost per Month		\$	22,478.05
Total Lease Cost included in Budget for FY 2010/11			\$ 269,736.60

ACTUAL AMOUNTS

Current office:	12,336 SQFT		
Approximate Cost per SQFT (July - Sept)	\$	1.40	
Approximate Cost per SQFT (Oct - June)	\$	0.58	
Lease Cost per Month (July - Sept)	\$	22,478.05	
Lease Cost per Month (Oct- June)	\$	7,154.88	
Total Lease Cost (July - Sept)		\$	67,434.15
Total Lease Cost (Oct - June)		\$	64,393.92
Total Lease Cost for FY 2010/11			\$ 131,828.07
TOTAL LEASE COST SAVINGS FOR FY 2010/11			\$ (137,908.53)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	1,480.32
Total Estimated Utility Cost for FY 2010/11			\$ 17,763.84

Tenant Improvement Costs N/A

RCIT Costs N/A

EDA Lease Management Fee (Based @ 3.79%)		\$	10,223.02
Total Estimated Additional Costs included in Budget for FY 2010/11		\$	27,986.86

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	1,480.32
Total Additional Estimated Utility Cost for FY 2010/11 (July - June)			\$ 17,763.84

Tenant Improvement Costs N/A

RCIT Costs N/A

EDA Lease Management Fee (Based @ 3.79%)		\$	4,996.28
Total Estimated Additional Costs for FY 2010/11		\$	22,760.12

TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11 (\$5,226.74)

TOTAL SAVINGS FOR LEASE COST FY 2010/11 (\$143,135.27)

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

THIRD AMENDMENT TO LEASE
COUNTY OF RIVERSIDE
1260 PALMYRITA AVENUE, SUITES A - D, RIVERSIDE, CALIFORNIA

This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of October 19, 2010, by and between **1020 IOWA AVENUE INC.**, a California corporation, Lessor and **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, as "County" on behalf of the Sheriff Department Cal-ID division.

1. Recitals.

a. Lessor and County have entered into that certain Lease, dated as of September 1, 1998, ("Original Lease") pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor that certain building, more commonly known as 1260 Palmyrita Avenue, Suites A-D, 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 December 4, 2001, by and between County of Riverside and 1020 Iowa Avenue Inc. a California Corporation, successors to Iowa Corporate Center, LTD (the "First Amendment").

ii. That certain Second Amendment to Lease dated September 27, 2005, by and between County of Riverside and 1020 Iowa Avenue Inc., a California Corporation, Lessor (the "Second Amendment").

c. County and Lessor 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 three (3) years. The extended term will commence on October 1, 2010, and will expire on September 30, 2013 ("Extended Term").

OCT 19 2010 3,22

September 30, 2013, shall hereafter be the "Expiration Date".

4. Square Footage During Extended Term: Section 2 of the First Amendment to Lease shall be amended as follows: Parties agree that the square footage of said leased premises has been decreased by three thousand seven hundred twenty (3,720) square feet. Parties further agree that hereinafter the total leased square footage consists of twelve thousand three hundred thirty six (12,336) square feet, as shown on Exhibit A.

5. Rent During Extended Term: Section 3 of the First Amendment to Lease shall be amended as follows: County shall pay to Lessor the reduced monthly sums as rent for the Leased premises during the term of this Lease as indicated below:

<u>Amount</u>	<u>Year</u>
\$7,154.88	10/01/10 to 09/30/11
\$7,369.53	10/01/11 to 09/30/12
\$7,590.62	10/01/12 to 09/30/13

6. Tenant Improvements: Parties agree that Lessor shall provide and pay for all tenant improvements.. Tenant improvements are at Lessor's sole cost and expense, as shown on Exhibit "B" attached thereto as follows:

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

///

///

///

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

3 Dated: 9/22/10

4 1020 IOWA AVENUE, INC., a California
5 corporation

6 By: [Signature]
7 Garth Spanner, President

8 By: [Signature]
9 Katherine E. Mareschi,
10 Chief Financial Officer

11 COUNTY OF RIVERSIDE

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

15 **ATTEST:**

16 Kecia Harper-Ihem
17 Clerk to the Board

18 By: [Signature]
19 Deputy

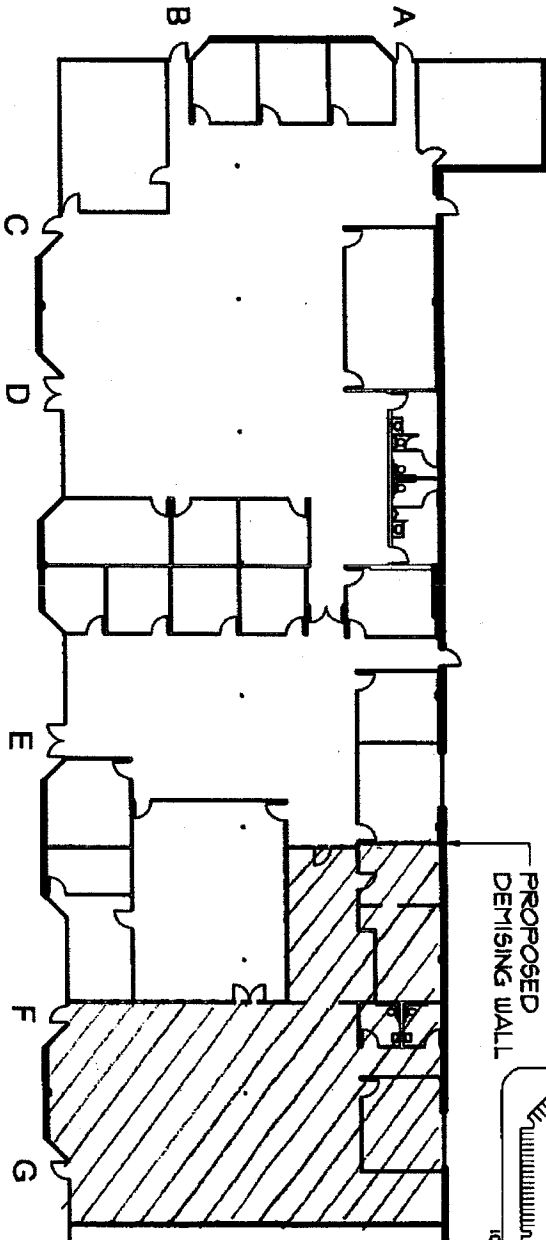
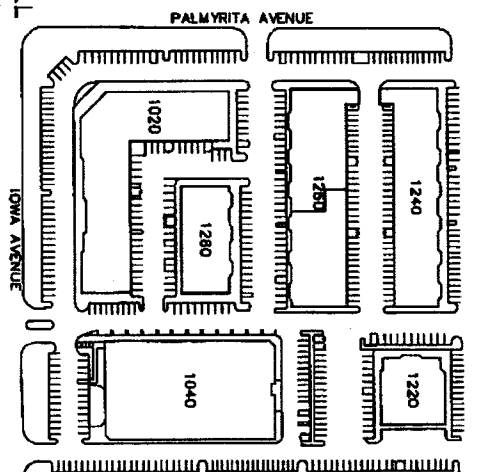
20 **APPROVED AS TO FORM:**

21 Pamela J. Walls
22 County Counsel

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

CC:jw
07/07/10
RV228
13.370

OCT 19 2010 3.22



SHERIFF CAL ID



EXHIBIT "A"

AS-BUILTS

IOWA CORPORATE CENTER

SUITES A-E

1260 PALMYRITA AVENUE, RIVERSIDE, CA 92507

12,336 R.S.F.

PREPARED BY:

SCALE: 1/32"=1'-0"

SCARBROUGH DESIGN ASSOCIATES, INC.
REVISED: JUNE 21, 2010

Exhibit "B"

Tenant Improvements

1. Demise and secure suites A-F:
 - Remove 1 single door next to conference room area
 - Remove 1 set of double doors located in conference room
 - Replace doors with drywall to make it a solid wall
 - New demised area shall match existing
2. Replace toilet seats and plumbing fixtures in both restrooms
3. Replace missing tiles in both restrooms around sink areas
4. Fresh paint throughout suite
5. Shampoo carpet in high traffic areas