

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

606



FROM: Economic Development Agency /Facilities Management

SUBMITTAL DATE:
August 4, 2011

SUBJECT: Third Amendment to Lease – Riverside County and City of Canyon Lake, California

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. Approve and direct the Auditor-Controller to make the budget adjustments as shown on Schedule A, attached.

BACKGROUND: (Commences on Page 2)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 2,216	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: County Library 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 Buster, 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 16, 2011
xc01110-0 EDA, Auditor, EO

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

Prev. Agn. Ref.: 3.7 of 2/15/00; 3.7 of 3/22/05; 3.12 of 5/13/08 | District: 3 | Agenda Number: **3.39**

FISCAL MEASURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Samuel Wong
 Deputy Auditor-Controller
 SAMUEL WONG
 DATE: _____
 DEPARTMENTAL COUNSEL
 SYNTHIA M. GUNZEL
 DEPT. APPROVED COUNTY COUNSEL
 BY: _____

Dept's Recomm.: Consent
 Policy
 Per Exec. Ofc.: Consent
 Policy

BACKGROUND:

On February 15, 2000, the County of Riverside entered into a lease with the City of Canyon Lake. The county operates a full service library to serve the residents of the County of Riverside. The leased facility located at 31516 Railroad Canyon Road, Canyon Lake, California, continues to meet the needs and requirements of the library and the county wishes to extend the term an additional five years commencing March 1, 2011, and terminating on February 29, 2016.

The attached Third Amendment to Lease is summarized below:

Lessor:	City of Canyon Lake 31516 Railroad Canyon Road, Suite 101 Canyon Lake, California 92587	
Location:	31516 Railroad Canyon Road Canyon Lake, California 92587	
Size:	Approximately 2,711 square feet	
Term:	Effective as of March 1, 2011, through February 29, 2016	
Rent:	Current	New
	\$ 1.07	\$ 1.14 per sq. ft.
	\$ 2,906.87	\$ 3,084.81 per month
	\$ 34,882.44	\$37,017.72 per year
Rental Adjustments:	Two (2%) Annual Increase on year 3, 4 and 5	
Utilities:	Landlord	
Custodial Services:	Landlord	
Maintenance:	Landlord	
Market Data:	16475 Lakeshore Drive, Lake Elsinore	\$1.75
	257 Diamond Drive, Lake Elsinore	\$2.00
	16665 Lakeshore Drive, Lake Elsinore	\$1.75

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

Attachments:

- Schedule A
- Exhibit A

Schedule A

Increase Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings \$2,135

Increase Estimated Revenue:

47220-7200400000-777330 – Leasing Services \$2,135

Exhibit A

Canyon Lake Library Cost Analysis FY 2011/12 31516 Railroad Canyon Road, Canyon Lake, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		2,711		SQFT	
Cost Per Sq. Ft:	\$	1.07			
Lease Cost per Month			\$	2,906.87	
Total Lease Cost included in Budget for FY 2011/12				<u>\$</u>	34,882.44

ACTUAL AMOUNTS

Current office:		2,711		SQFT	
Approximate Cost per SQFT (July - June)	\$	1.14			
Lease Cost per Month (July - June)	\$	3,084.81			
Total Lease Cost (July - June)			\$	37,017.72	
Total Lease Cost for FY 2011/12				<u>\$</u>	37,017.72
TOTAL LEASE COST SAVINGS FOR FY 2011/12					\$ 2,135.28

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12			
Estimated Utility Costs per Month	\$	325.32			
Total Estimated Utility Cost for FY 2011/12			\$	3,903.84	
EDA Lease Management Fee (Based @ 3.79%)			\$	1,322.04	
Total Estimated Additional Costs included in Budget for FY 2011/12				<u>\$</u>	5,225.88

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12			
Estimated Utility Costs per Month	\$	325.32			
Total Additional Estimated Utility Cost for FY 2011/12 (July - June)			\$	3,903.84	
EDA Lease Management Fee (Based @ 3.79%)			\$	1,402.97	
Total Estimated Additional Costs for FY 2011/12				<u>\$</u>	5,306.81
TOTAL ESTIMATED ADDITIONAL COST VARIANCE FOR FY 2011/12					<u>\$ 80.93</u>
TOTAL ESTIMATED COST FOR FY 2011/12					<u>\$ 2,216.21</u>

1 **THIRD AMENDMENT TO LEASE**

2 31516 Railroad Canyon Road

3 Canyon Lake, California

4
5 This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of
6 August 16, 2011 by and between the **COUNTY OF RIVERSIDE**, a
7 political subdivision of the State of California ("County"), and **CITY OF CANYON LAKE**
8 (Lessor).

9 **1: Recitals.**

10 a. Lessor and County entered into that certain lease dated February
11 15, 2000, (the "Original Lease") pursuant to which County leased a portion of that
12 certain building located at 31516 Railroad Canyon Road, Canyon Lake, California (the
13 "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part
14 hereof.

15 b. The Original Lease has been amended by:

16 i. That certain First Amendment to Lease dated March 22,
17 2005, (the "First Amendment").

18 ii. That certain Second Amendment to Lease dated May 13,
19 2008, (the "Second Amendment")

20 c. The Original Lease, as heretofore, currently, or hereafter
21 amended, shall hereafter be referred to as the "Lease".

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

24 **2. Lease Term.** Section 1 of the First Amendment and Section 3 of the
25 Lease Agreement shall be amended as follows: The term of this Lease shall be
26 extended sixty (60) months commencing on March 1, 2011 and terminating on February
27 29, 2016.

28 ///

1 **3. Consideration.** Section 5 of the Lease Agreement shall be amended as
2 follows: County shall pay to Lessor the monthly sums as rent for the Premises during
3 the term of this Lease as indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$3,084.81	March 1, 2011 to February 29, 2012
\$3,084.81	March 1, 2012 to February 28, 2013
\$3,146.51	March 1, 2013 to February 28, 2014
\$3,209.44	March 1, 2014 to February 28, 2015
\$3,273.63	March 1, 2015 to February 29, 2016

11
12 **4. Notices.** Section 13. of the Lease shall be amended as follows:
13 Any notices required or desired to be served by either party upon the other shall be
14 addressed to the respective parties as set forth below or to such other address as from
15 time to time shall be designated by the respective parties:

16 County:	Lessor:
17 County of Riverside	City of Canyon Lake
18 Economic Development Agency	31516 Railroad Canyon Road
19 Real Estate Division	Canyon Lake, California 92587
20 3403 Tenth Street, Suite 500	Phone: 951-244-2955
21 Riverside, California 92501	Fax 951-246-2022

22
23 **5. County's Representative.** Section 19. of the Lease shall be amended s
24 follows:

25 County hereby appoints the Assistant County Executive Officer/EDA as its
26 authorized representative to administer this lease.

27 **6.** This Third Amendment to Lease shall not be binding or consummated until
28 its approval by the Riverside County Board of Supervisors.

1 7. Except as modified or supplemented by this Third Amendment to Lease
2 all other terms and conditions of the Lease shall remain in full force and effect.

3
4 Dated: AUG 16 2011

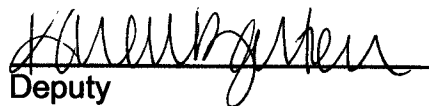
CITY OF CANYON LAKE, Lessor

6
7 By: 
8 Barry Talbot, Mayor

9
COUNTY OF RIVERSIDE

11
12 By: 
13 Bob Buster, Chairman
14 Board of Supervisors

15 **ATTEST:**
16 Kecia Harper-Ihem
17 Clerk of the Board

18 By: 
19 Deputy

20 **APPROVED AS TO FORM:**
21 PAMELA J. WALLS, County Counsel

22 By: 
23 Cynthia M. Gunzel
24 Deputy County Counsel