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

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
November 3, 2011

SUBJECT: Third Amendment to Lease – Cooperative Extension

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Samuel Wong 11/2/11
SAMUEL WONG

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$4,203.50	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$4,203.50	Budget Adjustment:	No
	Annual Net County Cost:	\$ 118,165.	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No	
SOURCE OF FUNDS: 100% General Fund	Positions To Be Deleted Per A-30 <input type="checkbox"/>
	Requires 4/5 Vote <input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature Jennifer L. Sargent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Stone, Benoit and Ashley
 Nays: None
 Absent: Tavaglione
 Date: November 15, 2011
 xc: EDA, Auditor, Cooperative Ext.

Kecia Harper-Ihem
 Clerk of the Board
 By: [Signature]
 Deputy

Prev. Agn. Ref.: 3.9 of 4/8/08; 3.29 of 7/13/10; 3.24 of 6/14/11 | **District:** 4 | **Agenda Number:** 3.7

ATTACHMENTS FILED

FORM APPROVED COUNTY COUNSEL
 BY: [Signature] 10-3-11 DATE
 ANITA C. WILLIS
 Department of Administration
 Etiferahu Takele 10-6-11
 Etiferahu Takele, Director
 Cooperative Extension
 By: Policy Policy
 Consent Consent
 Dept't Recomm.: Per Exec. Ofc.:

BACKGROUND:

On June 14, 2011, Agenda item #3.24, the Board approved a Second Amendment to Lease reducing the custodial service from five days a week to two days a week with a reduction in rent of \$450.00 per month. Service two days per week does not meet the needs and requirements of the department. This Third Amendment to Lease represents an increase in custodial service from two days per week to five days per week with an increase in rent of \$450.00 per month, which Cooperative Extension requested commencing October 1, 2011. The decrease in rent is based on the budgeted amount being higher than the actual amount of rent paid.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Lease, is the letting of property involving existing facilities with minor tenant improvement alterations. No expansion of an existing use will occur.

Location: 81-077 Indio Blvd., Suites H, I, J
Indio, California 92201

Lessor: Spectra Novae, Ltd.
7828 SW 32nd Avenue
Portland, Oregon 92716

Size: 5,760 square feet

Term: Five years

Rent:	Current	New
	\$ 1.41 per sq. ft.	\$ 1.48 per sq. ft.
	\$ 8,093.23 per month	\$ 8,543.23 per month
	\$97,118.76 per year	\$102,518.76 per year

Annual Adjustment: Three (3%) percent

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

FINANCIAL DATA:

All associated costs for this lease will be fully funded through Cooperative Extensions budget. Cooperative Extension has budgeted for these lease costs in FY 2011/12. While EDA will front the costs for this lease with the property owner, Cooperative Extension will reimburse EDA for all associated lease costs.

Attachments:
Exhibit A
Exhibit B
Third Amendment to Lease

Exhibit A

Cooperative Extension FY 2011/12 81-077 Indio Blvd. Suites H, I, J

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	5,760 SQFT	
Total Budgeted Lease Cost for FY 2011/12		\$ 102,775.00

ACTUAL AMOUNTS

Current Office:	5,760 SQFT	
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Approximate Cost per SQFT (July - Sept)	\$ 1.41	
Approximate Cost per SQFT (Oct - May)	\$ 1.48	
Approximate Cost per SQFT (June)	\$ 1.52	

Lease Cost per Month (July - Sept)	\$ 8,093.23	
Lease Cost per Month (Oct - May)	\$ 8,543.23	
Lease Cost per Month (June) 3% Increase	<u>\$ 8,799.52</u>	

Total Lease Cost (July - Sept)	\$ 24,279.69	
Total Lease Cost (Oct - June)	\$ 68,345.84	
Total Lease Cost (June)	<u>\$ 8,799.52</u>	

Total Actual Lease Cost for FY 2011/12		\$ 101,425.05
Total Lease Cost Variance for FY 2011/12		\$ (1,349.95)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month	<u>\$ 691.20</u>	
Total Budgeted Additional Utility Cost for FY 2011/12	\$8,294.40	
EDA Lease Management Fee (3.79%)	<u>\$3,895.17</u>	
Total Budgeted Additional Cost for FY 2011/12		<u>\$12,189.57</u>

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Costs per Month (July - June)	<u>\$691.20</u>	
Total Estimated Actual Utility Cost for FY 2011/12	\$8,294.40	

EDA Lease Management Fee (Based @ 3.79%)	<u>\$ 3,844.01</u>	
Total Actual Amount		<u>\$12,138.41</u>
Total Estimated Cost Variance for 2011/12		\$ (51.16)

Total Estimated Additional Cost Variance for FY 2011/12		<u>\$ (1,401.11)</u>
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Exhibit B

Cooperative Extension FY 2012/13 81-077 Indio Blvd. Suites H, I, J

Current Square Feet Occupied:

Office:	5,760 SQFT		
Cost per Square Foot: (July 1, 2012 - May 30, 2013) \$	1.52		
Cost per Square Foot: (June 2013) \$	1.57		
Lease Cost per Month (July 1, 2012 - May 30, 2013)	\$	8,799.52	
Lease Cost per Month 3% increase (June 2013)	\$	9,063.50	
Lease Cost (July - May)		\$	96,794.72
Lease Cost (June)		\$	9,063.50
Total Estimated Lease Cost for FY 2012/13		\$	105,858.22

Estimated Utility Costs:

Utility Cost per Square Foot \$	0.12		
Estimated Utility Costs per Month (July 1, 2012 - June 30, 2013)	\$	691.20	
Total Estimated Additional Cost for FY 2012/13		\$	8,294.40
EDA Lease Management Fee (Based @ 3.79%)		\$	4,012.02
TOTAL ESTIMATED COST FOR FY 2012/13		\$	118,164.64

1 amended, and shall supplement the remaining provisions thereof. The Lease remains
2 in full force and effect except to the extent amended by this Second Amendment.

3 **3. Rent.** Section 5 of the Lease Agreement shall be amended as follows:

4 5.1 Rent. Monthly rent for the period June 1, 2011 through May 31,
5 2012 shall be as follows:

6 June 1, 2011- September 30, 2011 \$8,093.23

7 October 1, 2011 – May 31, 2012 \$8,543.23

8 **4. Custodial Services.** Section 4 of the Second Amendment to
9 Lease shall be amended as follows: The first sentence shall be deleted in its entirety
10 and replaced with the following: Effective October 1, 2011 Lessor shall provide, or
11 cause to be provided, and pay for all custodial services in connection with the Leased
12 Premises and such services shall be provided as set forth in the attached Exhibit "I".
13 Custodial services shall be increased from two days per week to five days per week.

14 **5.** Except as modified or supplemented by this Third Amendment to Lease,
15 all provisions of this Lease shall remain in full force and effect.

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