

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

768



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
August 16, 2012

SUBJECT: Second Amendment to Lease – Department of Public Social Services

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Second Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Find that the project is exempt from The California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities.

BACKGROUND: The County of Riverside has occupied 1225 & 1267 W. Hobson Way, Blythe, under one lease since 2003.

(Continued)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Samuel Wong 8/15/12
SAMUEL WONG

[Signature]

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 2,855	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 94	Budget Adjustment:	No
	Annual Net County Cost:	\$ 10,200	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Federal 55.68%; State 35.51%; County 3.29%;
Realignment 5.52%

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
Jennifer Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Benoit and Ashley
Nays: None
Absent: Stone
Date: August 28, 2012
xc: EDA, DPSS

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

Prev. Agn. Ref.: 3.10 of 1/10/95; 3.23 of 7/15/03; 3.19 of 1/4/05; 3.12 of 4/7/09; 3.18 of 3/29/11

District: 4/4

Agenda Number:

3.42

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
DATE: 6/29/12
BY: PATRICIA MUNFORD
Departmental Concurrence

By: Susan Loew, Director
Department of Public Social Services

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

BACKGROUND: (Continued)

The facility, occupied by the Department of Public Social Services (DPSS), continues to meet the needs of the Department and the attached Second Amendment to Lease extends the lease five years. After commencement of the extended term, there are no rental increases during the extended term.

Pursuant to the California Environmental Quality Act (CEQA), the Lease Amendment was reviewed and determined to be categorically exempt from CEQA Guidelines Section 15301, Class 1 – Existing Facilities. The proposed project, the Lease Amendment, is the letting of property involving existing facilities. No expansion of an existing use will occur. A summary of the lease is as follows:

Location: 1225 & 1267 W. Hobsonway
Blythe, CA

Lessor: Desert Alliance for Community Empowerment
53990 Enterprise Way
Coachella, CA 92236

Size: 16,100 square feet

Term: Five years commencing July 1, 2012 and terminating June 30, 2017.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.41 per sq. ft.	\$ 1.43 per sq. ft.
	\$ 22,771.12 per month	\$ 23,000.00 per month
	\$273,253.44 per year	\$276,000.00 per year

Rent Adjustment: None

Option to Terminate: For reduced funding after 12 months with 60 days' notice.

Utilities: County pays electric.

Custodial: Included in rent.

Interior/Exterior Maintenance: Included in rent.

Improvements: HVAC upgrade at Lessor's expense.

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

FINANCIAL DATA: (Commences on Page 3)

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully funded through the DPSS budget. DPSS has budgeted these costs in FY 2012/13. While the Economic Development Agency (EDA) will front the costs for the Lease Amendment with the property owners, DPSS will reimburse the EDA for all associated lease costs. The amount of the cost increase is not material; therefore, DPSS and EDA are not requesting budget adjustments at this time.

Attachments:

Exhibit A
Exhibit B
Second Amendment to Lease

Exhibit A

DPSS Lease Cost Analysis FY 2012/13 1225 & 1226 W. Hobson Way, Blythe, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office: 16,100 SQFT
Total Expected Lease Cost for FY 2012/13 \$ 273,253.44

ACTUAL AMOUNTS

Current Office: 16,100 SQFT
Approximate Cost per SQFT (July - June) \$ 1.43
Lease Cost per Month (July - June) \$ 23,000.00
Total Lease Cost (July - June) \$ 276,000.00
Total Actual Lease Cost for FY 2012/13 \$ 276,000.00
Total Lease Cost Variance for FY 2012/13 \$ 2,746.56

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs per Month (July - June) \$ 1,932.00
Total Estimated Utility Cost for FY 2012/13 \$ 23,184.00
EDA Lease Management Fee (Based @ 3.93%) \$ 10,738.86
Total Estimated Expected Cost for FY 2012/13 \$ 33,922.86

ACTUAL AMOUNTS

Utility Cost per Square Foot \$ 0.12
Costs per Month (July - June) \$ 1,932.00
Total Estimated Actual Utility Cost for FY 2012/13 \$ 23,184.00
EDA Lease Management Fee (Based @ 3.93%) \$ 10,846.80
Total Estimated Actual Cost for FY 2012/13 \$ 34,030.80
Total Estimated Cost Variance for FY 2012/13 \$ 107.94
TOTAL ESTIMATED COST FOR FY 2012/13 \$ 2,854.50

TOTAL COUNTY COST: 3.29% \$ 93.91

Exhibit B

DPSS Lease Cost Analysis FY 2013/14 1225 & 1267 W. Hobsonway, Blythe, California

Current Square Feet Occupied:

Current Office:	16,100 SQFT	
Approximate Cost per SQFT (July - June)	\$ 1.43	
Lease Cost per Month (July - June)	\$ 23,000.00	
Total Lease Cost (July - June)		\$ 276,000.00
Total Expected Lease Cost for FY 2013/14		\$ 276,000.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 1,932.00	
Total Estimated Utility Cost for FY 2013/14		\$ 23,184.00
EDA Lease Management Fee (Based @ 3.93%)		\$ 10,846.80
TOTAL ESTIMATED COST FOR FY 2013/14		\$ 310,030.80
TOTAL COUNTY COST: 3.29%		\$ 10,200.01

1 **SECOND AMENDMENT TO LEASE**

2 **1225 & 1267 W. Hobsonway**

3 **Blythe, California**

4
 5 This **SECOND AMENDMENT TO LEASE** ("Second Amendment") is made as of
 6 August 28, 2012 by and between the **COUNTY OF RIVERSIDE**, a
 7 political subdivision of the State of California ("County"), as Lessee, and **DESERT**
 8 **ALLIANCE FOR COMMUNITY EMPOWERMENT** ("DACE") ("Lessor") and, sometimes
 9 collectively referred to as the Parties.

10 **RECITALS.**

11 **A.** BLYTHE VILLAGE CENTER, LP, predecessor-in-interest to
 12 DESERT ALLIANCE FOR COMMUNITY EMPOWERMENT, as Lessor, and County
 13 entered into that certain Lease dated July 15, 2003, ("Original Lease") whereby Lessor
 14 has agreed to lease to County and County has agreed to lease from Lessor that certain
 15 building located at 1225 & 1267 W. Hobsonway, Blythe, California ("the Building"), as
 16 more particularly described in the Lease ("the Original Premises").

17 **B.** The Original Lease has been amended by that certain First
 18 Amendment to Lease dated January 4, 2005, by and between BLYTHE VILLAGE
 19 CENTER, LP ("the First Amendment"), whereby the Parties amended the Lease to
 20 modify the premises.

21 **C.** The Original Lease, together with this Second Amendment, are
 22 collectively referred to hereinafter as the "Lease."

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

25 **1. Term.** Section 4 of the Lease shall be amended as follows: The term of
 26 this Lease shall be extended for a period of five years commencing July 1, 2012, and
 27 expiring June 30, 2017 (the "Extension Term").

28

1 **2. Rent.** Section 5.1 of the Lease shall be amended as follows: County
2 shall pay the sum of \$23,000.00 per month to Lessor as rent for the Leased Premises,
3 payable in advance, on the first day of the month or as soon thereafter as a warrant
4 can be issued in the normal course of County's business. Said amount shall be paid
5 July 1, 2012, through June 30, 2017.

6 **3. Annual Increase.** Section 5.2 of the Lease shall be deleted in its
7 entirety.

8 **4. Notice.** Section 19.18 of the Lease shall be amended as follows:

County's Notification Address:	Lessor's Notification Address:
County of Riverside	Desert Alliance for Community
Economic Development Agency	Empowerment
3403 Tenth Street, Suite 500	53-990 Enterprise Way, Suite 1
Riverside, CA 92501	Coachella, CA 92236
Attn: Deputy Director of Real Estate	Attn: Jeffrey A. Hays
Telephone: (951) 955-4876	Telephone: (760) 391-5050

16 **5. Tenant Improvements/Repairs.** Upon full execution of the Second
17 Amendment to Lease, Lessor shall, at Lessor's sole expense, install three (3) new
18 return air ducts and change four (4) supply registers in the lobby.

19 **6. Capitalized Terms.** Second Amendment to Prevail. Unless defined
20 herein or the context requires otherwise, all capitalized terms herein shall have the
21 meaning defined in the Lease, as heretofore amended. The provisions of this Second
22 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
23 as heretofore amended, and shall supplement the remaining provisions thereof.

24 **7. Miscellaneous.** Except as amended or modified herein, all the terms of
25 the Original Lease shall remain in full force and effect and shall apply with the same
26 force and effect. If any provisions of this Amendment or the Lease shall be determined
27 to be illegal or unenforceable, such determination shall not affect any other provision of
28 the Lease and all such other provisions shall remain in full force and effect. The

1 language in all parts of the Lease shall be construed according to its normal and usual
2 meaning and not strictly for or against either Lessor or Lessee. Neither this
3 Amendment, nor the Original Lease, nor any notice nor memorandum regarding the
4 terms hereof, shall be recorded by Lessee.

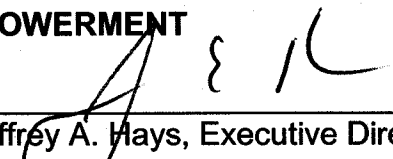
5 **8. Effective Date.** This Second Amendment to Lease shall not be binding
6 or consummated until its approval by the Riverside County Board of Supervisors and
7 fully executed by the Parties

8 **IN WITNESS WHEREOF**, the Parties have executed this Amendment as
9 of the date first written above.

10 Dated: _____

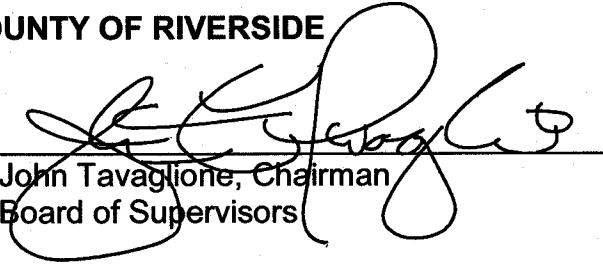
LESSOR:

**DESERT ALLIANCE FOR COMMUNITY
EMPOWERMENT**

11
12
13 By: 
14 Jeffrey A. Hays, Executive Director

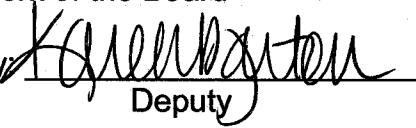
LESSEE:

COUNTY OF RIVERSIDE

15
16
17
18 By: 
19 John Tavaglione, Chairman
20 Board of Supervisors

ATTEST:

21 Kecia Harper-Ihem
22 Clerk of the Board

23 By: 
24 Deputy

APPROVED AS TO FORM:

25 Pamela J. Walls
26 County Counsel

27 By: 
28 Patricia Munroe
Deputy County Counsel