

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

925



FORM APPROVED COUNTY COUNSEL
DATE

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
August 29, 2012

SUBJECT: Second Amendment to Lease, Department of Public Health, Cathedral City

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Second Amendment to Lease and authorize the Chairman of the Board to execute 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: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Samuel Wong 8/28/12
SAMUEL WONG

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (13,986)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Federal 100%

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

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione seconded by Supervisor Benoit 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: September 11, 2012
xc: EDA, Public Health

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.: 3.11 of 11/21/06; 3.17 of 5/8/07

District: 4/4

Agenda Number:

3.19

ATTACHMENTS FILED

BACKGROUND:

This Second Amendment to Lease represents a request from the Department of Public Health, Women, Infant and Children (WIC) Program to extend the lease for its office located at 68-615 B Perez Road, Suite 17, Cathedral City, California, commencing June 15, 2012 and terminating June 14, 2015. This facility continues to meet the needs of the department. In addition, the Lessor, at his sole cost and expense shall provide interior painting throughout the facility. The Real Estate Division has negotiated a three year lease renewal with an 18% rental rate reduction, saving the department \$13,613.28 annually.

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 and no expansion of an existing use will occur.

This Second Amendment to Lease is summarized below:

Lessor: T.W. Investments
76322 Via Chianti
Indian Wells, California 92210

Premises Location: 68-615 B Perez Road, Suite 17, California 92501

Size: 3,089 square feet

\$ 2.05 per sq. ft.	\$ 1.68 per sq. ft.
\$ 6,323.96 per month	\$ 5,189.52 per month
\$75,887.52 per year	\$62,274.24 per year

Savings: Per Sq. Ft. \$.37
Per Month \$1,134.44
Per Year \$13,613.28

Term: Effective June 15, 2012 through June 14, 2015

Rent Adjustment: Three percent annual increase

Utilities: County pays for electric and telephone, Lessor pays for all others services.

Custodial Services: Lessor provides and County pays \$600.00 per month in addition to the base rent. Cost to be reviewed annually and adjusted as needed.

Interior/Exterior Maintenance: Provided by Lessor

Improvements: Lessor at his sole cost and expense shall paint the facility

(Continued)

BACKGROUND: (Continued)

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

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully funded through the Department of Public Health (DOPH) budget. The DOPH has budgeted these costs in FY 2012/13. While the Economic Development Agency (EDA) will front the costs for the Second Amendment to Lease with the property owners, the DOPH will reimburse EDA for all associated costs.

Attachments:
Second Amendment to Lease
Exhibit A

Exhibit A

Department of Public Health Lease Cost Analysis FY 2012/13 68-615 B Perez Road, Suite 17, Cathedral City, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:	3,089 SQFT	
Total Expected Lease Cost for FY 2012/13		\$ 75,887.52

ACTUAL AMOUNTS

Current Office:	3,089 SQFT
Proposed Office:	3,089 SQFT

Approximate Cost per SQFT (July - May)		\$ 1.68
Approximate Cost per SQFT (June)		\$ 1.73

Lease Cost per Month (July - May)		\$ 5,189.52
Lease Cost per Month (June)		<u>\$ 5,345.21</u>

Total Lease Cost (July - May)		\$ 57,084.72
Total Lease Cost (June)		<u>\$ 5,345.21</u>
Total Actual Lease Cost for FY 2012/13		\$ 62,429.93
Total Lease Cost Variance for FY 2012/13		\$ (13,457.59)

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot		\$ 0.12
Estimated Utility Costs per Month (July - June)		\$ 370.68

Total Estimated Utility Cost for FY 2012/13		\$ 4,448.16
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Custodial Cost:		
Cost per Month (July - June)		\$ 600.00
Total Custodial Cost FY 2012/13		\$ 7,200.00

RCIT		\$ -
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Tenant Improvements		\$ -
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EDA Lease Management Fee (Based @ 3.93%)		\$ 2,982.38
Total Estimated Expected Cost for FY 2012/13		\$ 14,630.54

ACTUAL AMOUNTS

Utility Cost per Square Foot		\$ 0.12
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Costs per Month (July - June)		<u>\$ 370.68</u>
Total Estimated Actual Utility Cost for FY 2012/13		\$ 4,448.16

RCIT		\$ -
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Custodial Cost:		
Cost per Month (July - June)		\$ 600.00
Total Custodial Cost FY 2012/13		\$ 7,200.00

Tenant Improvements =		\$ -
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EDA Lease Management Fee (Based @ 3.93%)		<u>\$ 2,453.50</u>
Total Estimated Actual Cost for FY 2012/13		\$ 14,101.66

Total Estimated Cost Variance for FY 2012/13		\$ (528.88)
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TOTAL ESTIMATED COST FOR FY 2012/13		<u>\$ (13,986.47)</u>
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1 County shall pay to Lessor the monthly sum of \$5,189.52 to Lessor as rent for the
2 leased premises effective June 15, 2012. Therefore, the monthly rent shall be adjusted
3 on each anniversary of this Lease extension by an amount equal to three (3%) percent
4 of such monthly rent.

5 **4. Custodial Services.** Notwithstanding the provisions of Paragraph 8 of the
6 Lease, the costs for monthly custodial services shall be paid by County to Lessor and
7 reconciled annually. County's costs for custodial services shall be \$600.00 per month.
8 Within sixty (60) days of each anniversary date of the Lease, Lessor shall prepare an
9 itemized expense statement of the actual cost for custodial services for the previous
10 year. County shall receive a rent credit for the amount overpaid. In the event costs
11 exceed \$600.00, County shall reimburse Lessor, within sixty (60) days, the difference
12 between the amount paid and actual cost.

13 **5. Improvements by Lessor.** Lessor, at his expense, shall provide interior
14 painting throughout the facility.

15 **6. County's Representative.** Section 19.7 of the Lease shall be amended
16 as follows: County hereby appoints the Assistant County Executive Officer of the
17 Economic Development Agency as its authorized representative to administer this
18 Lease.

19 **7. Notice.** Section 19.17 of the Lease shall be amended as follows: Any
20 notices required or desired to be served by either party upon the other shall be
21 addressed to the respective parties as set forth below:

22 **COUNTY:**

23 Economic Development Agency
24 County of Riverside
25 3403 Tenth Street, Suite 500
26 Riverside, California 92501

LESSOR:

T.W. Investments
76322 Via Chianti
Indian Wells, CA 92210
Attn: Terry W. Ireland

27 **8. Capitalized Terms:** Second Amendment to Prevail. Unless defined
28 herein or the context requires otherwise, all capitalized terms herein shall have the

1 meaning defined in the Lease. The provisions of this Second Amendment (including its
2 first amendment) shall prevail over any inconsistency or conflicting provisions of the
3 Lease.

4 **9. Miscellaneous.** Except as amended or modified herein, all the terms of
5 the Lease shall remain in full force and effect and shall apply with the same force and
6 effect. Time is of the essence in this Second Amendment and the Lease and each and
7 all of their respective provisions. Subject to the provisions of the Lease as to
8 assignment, the agreements, conditions and provisions herein contained shall apply to
9 and bind the heirs, executors, administrators, successors and assigns of the parties
10 hereto. If any provision of this Second Amendment or the Lease shall be determined
11 to be illegal or unenforceable, such determination shall not affect any other provision of
12 the Lease and all such other provisions shall remain in full force and effect. The
13 language in all parts of the Lease shall be construed according to its normal and usual
14 meaning and not strictly for or against either Lessor or Lessee. Neither this Second
15 Amendment, nor the Lease, nor any notice nor memorandum regarding the terms
16 hereof, shall be recorded by County.

17 **10. Effective Date.** This Second Amendment to Lease shall not be binding
18 or consummated until its approval by the Riverside County Board of Supervisors and
19 fully executed by the Parties.

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1 IN WITNESS WHEREOF, the parties have executed this Amendment as of the date
2 first written above.

3 Dated: _____

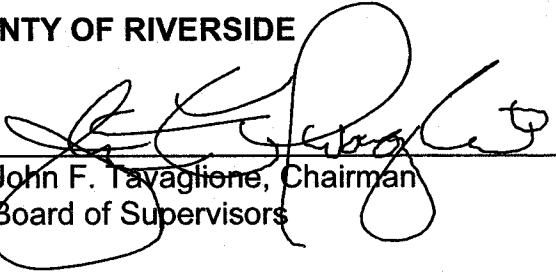
4 LESSOR:

5 T. W. INVESTMNETS

6
7 By: 
8 Name: TWIRELAND
9 Its: OWNER

10 LESSEE:

11 COUNTY OF RIVERSIDE


12
13 By: 
14 John F. Tavagione, Chairman
15 Board of Supervisors

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

19 By: 
20 Deputy

21 **APPROVED AS TO FORM:**

22 Pamela J. Walls
23 County Counsel

24 By: 
25 Patricia Munroe
26 Deputy County Counsel

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