

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

851



**FROM:** Economic Development Agency / Facilities Management

**SUBMITTAL DATE:**

June 6, 2013

**SUBJECT:** First Amendment to Lease – Department of Public Social Services

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify the attached First 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 6/5/13  
SAMUEL WONG

*Robert Field*  
Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 799	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 19	Budget Adjustment:	No
	Annual Net County Cost:	\$ 2,422	For Fiscal Year:	2012/13

**COMPANION ITEM ON BOARD AGENDA:** No

**SOURCE OF FUNDS:** 59.63% Federal; 38.02% State; 2.35% County

Positions To Be Deleted Per A-30   
Requires 4/5 Vote

**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 Benoit, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: None  
Date: June 18, 2013  
xc: EDA, DPSS, Auditor

Kecia Harper-Ihem  
Clerk of the Board

By: *[Signature]*  
Deputy  
**3-26**

Prev. Agn. Ref.: 3.15 of 10/05/10

District: 4/4

Agenda Number:

FORM APPROVED COUNTY COUNSEL  
BY: PATRICIA MUNROE CONCURRENCE DATE 5/6/13

By: *Susan Loew*  
Susan Loew, Director  
Department of Public Social Services

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

**BACKGROUND:**

The County holds a leasehold interest, as Lessee, under a lease between the County and T W Investments for the facility located at 68625 Perez Road, Suites 2 & 3, Cathedral City.

The Department of Public Social Services (DPSS) has occupied this location for use by GAIN staff since 2010. This First Amendment to Lease extends the term two years.

Location: 68-625 Perez Road, Suites 2 & 3  
Cathedral City, CA

Lessor: Terry William Ireland  
dba T W Investments  
76322 Via Chianti  
Indian Wells, CA 92210

Size: 4,800 square feet.

Term: Two years commencing May 1, 2013.

Option to Terminate: County has the option to terminate after one year with 120 days' notice.

Rent:	Current	New
	\$1.52 per sq. ft.	\$1.60 per sq. ft.
	\$7,295.52 per month	\$7,680.00 per month
	\$87,546.24 per year	\$92,160.00 per year

Rental Adjustments: 2.5% annually.

Utilities: County shall pay for telephone and electric. Lessor to pay for all other utility expenses.

Custodial: Included in rent.

Interior/Exterior Maintenance: Provided by Lessor.

The attached First 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 the DPSS budget. While EDA will front the costs for this lease with the property owner, DPSS will reimburse EDA for all associated lease costs. DPSS and EDA anticipated the lease extension and budgeted these costs in FY 2012/13.

Attachments: Exhibit A, Exhibit B, First Amendment to Lease

# Exhibit A

## DPSS Lease Cost Analysis FY 2012/13 68625 Perez Road, Suites 2 & 3, Cathedral City, California

**Total Square Footage to be Leased:**

**EXPECTED AMOUNTS**

Current office:	4,800 SQFT	
<b>Total Expected Lease Cost for FY 2012/13</b>		<b>\$ 87,546.24</b>

**ACTUAL AMOUNTS**

Current Office:	4,800 SQFT
Proposed Office:	4,800 SQFT

Approximate Cost per SQFT (July - Apr)	\$ 1.52
Approximate Cost per SQFT (May - June)	\$ 1.60

Lease Cost per Month (July - Apr)	\$ 7,295.52
Lease Cost per Month (May - June)	<u>\$ 7,680.00</u>

Total Lease Cost (July - Apr)	\$ 72,955.20	
Total Lease Cost (May - June)	<u>\$ 15,360.00</u>	
<b>Total Actual Lease Cost for FY 2012/13</b>		<b>\$ 88,315.20</b>
<b>Total Lease Cost Variance for FY 2012/13</b>		<b>\$ 768.96</b>

**Estimated Additional Costs:**

**EXPECTED AMOUNTS**

Utility Cost per Square Foot	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 576.00

Total Estimated Utility Cost for FY 2012/13	\$ 6,912.00
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RCIT	\$ -
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Tenant Improvements	\$ -
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EDA Lease Management Fee (Based @ 3.93%)	\$ 3,440.57	
<b>Total Estimated Expected Cost for FY 2012/13</b>		<b>\$ 10,352.57</b>

**ACTUAL AMOUNTS**

Utility Cost per Square Foot	\$ 0.12
Costs per Month (July - June)	\$ 576.00

Total Estimated Actual Utility Cost for FY 2012/13	<u>\$ 6,912.00</u>
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RCIT	\$ -
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Tenant Improvements	\$ -
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EDA Lease Management Fee (Based @ 3.93%)	<u>\$ 3,470.79</u>	
<b>Total Estimated Actual Cost for FY 2012/13</b>		<b>\$ 10,382.79</b>
<b>Total Estimated Cost Variance for FY 2012/13</b>		<b>\$ 30.22</b>

<b>TOTAL ESTIMATED COST FOR FY 2012/13</b>	<b>\$ 799.18</b>
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TOTAL COUNTY COST: 2.35%	<b>\$ 18.78</b>
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# Exhibit B

## DPSS Lease Cost Analysis FY 2013/14 68625 Perez Road, Suites 2 & 3, Cathedral City, California

### Current Square Feet Occupied:

Current Office:	4,800	SQFT	
Approximate Cost per SQFT (July - Apr)	\$	1.60	
Approximate Cost per SQFT (May - June)	\$	1.64	
Lease Cost per Month (July - Apr)	\$	7,680.00	
Lease Cost per Month (May - June)	\$	7,872.00	
Total Lease Cost (July - June)			<u>\$ 92,544.00</u>
<b>Total Expected Lease Cost for FY 2013/14</b>			<b>\$ 92,544.00</b>
 <u>Estimated Additional Costs:</u>			
Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)			<u>\$ 576.00</u>
Total Estimated Utility Cost for FY 2013/14			\$ 6,912.00
EDA Lease Management Fee (Based @ 3.89%)			<u>\$ 3,599.96</u>
<b>TOTAL ESTIMATED COST FOR FY 2013/14</b>			<b><u>\$ 103,055.96</u></b>
<b>TOTAL COUNTY COST: 2.35%</b>			<b>\$ 2,421.82</b>

1 **FIRST AMENDMENT TO LEASE**

2 (Department of Public Social Services,  
3 68625 Perez Road, Suites 2 & 3,  
4 Cathedral City, California)

5  
6 This FIRST AMENDMENT to Lease ("First Amendment") is made as of  
7 June 13, 2013 by and between the **COUNTY OF RIVERSIDE**, a  
8 political subdivision of the State of California ("County"), as Lessee, and **TERRY**  
9 **WILLIAM IRELAND, dba T W Investments** ("Lessor") and, sometimes collectively  
10 referred to as the Parties.

11 **Recitals**

12 a. Terry William Ireland dba T W Investments, successor in interest  
13 to 6505 Paramount Associates, LLC, as Lessor, and County entered into that certain  
14 Lease dated October 5, 2010, ("Original Lease") pertaining to the premises located at  
15 68625 Perez Road, Suites 2 & 3, Cathedral City, California, as more particularly  
16 described in the Lease.

17 b. The Original Lease, as heretofore, currently, or hereafter  
18 amended, shall hereafter be referred to as the "Lease."

19 c. County and Lessor desire to further amend the Lease by extending  
20 the lease term and completing tenant improvements.

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

23 1. **Term.** Section 4.1 of the Lease shall be amended as follows: The term  
24 of this Lease shall be extended for a period of five (5) years commencing May 1, 2013,  
25 and expiring April 30, 2018 (the "Extension Term").

26 2. **Rent.** Section 5.1 of the Lease shall be amended as follows:  
27 Commencing May 1, 2013, County shall pay the sum of \$7,680.00 per month to Lessor  
28

1 as rent for the Leased Premises payable in advance, on the first day of the month or as  
2 soon thereafter as a warrant can be issued in the normal course of County's business.

3 Section 5.1.1 of the Lease shall be deleted in its entirety.

4 Section 5.2 of the Lease shall be deleted and replaced as  
5 follows: Notwithstanding the provisions of Paragraph 5.1 herein, the monthly rent shall  
6 be increased on each anniversary of this lease by an amount equal to two and one half  
7 percent (2.5%) of such monthly rental.

8 **3. Options.** Section 6.2 of the Lease shall be amended with the following  
9 additional language: "...or (c) if County in its sole discretion determines after May 1,  
10 2014, that the Premises are no longer suitable for its use for any reason or cause with  
11 120 days' notice."

12 **4. Custodial.** Section 8.1.1 of the Lease shall be deleted in its entirety.

13 **5. Improvements by Lessor.** Section 11 shall be amended to add  
14 subsection 11.1.9 as follows:

15 **11.1.9 Additional Improvements by Lessor.** Lessor, at its sole  
16 cost and expense, shall install an interior doorway from Suite 1 into Suite 2.

17 **6. Notice.** Section 19.18 of the Lease shall be amended as follows:

18 **Lessor's Notification Address:**

19 T W Investments

20 76322 Via Chianti

21 Indian Wells, CA 92210

22 Telephone: (760) 427-1003

23 **7. First Amendment to Prevail.** The provisions of this First Amendment  
24 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore  
25 amended, and shall supplement the remaining provisions thereof. Unless defined  
26 herein or the context requires otherwise, all capitalized terms herein shall have the  
27 meaning defined in the Lease, as heretofore amended.

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1           **8. Miscellaneous.** Except as amended or modified herein, all the terms of  
2 the Lease shall remain in full force and effect and shall apply with the same force and  
3 effect. If any provisions of this Amendment or the Lease shall be determined to be  
4 illegal or unenforceable, such determination shall not affect any other provision of the  
5 Lease and all such other provisions shall remain in full force and effect. The language  
6 in all parts of the Lease shall be construed according to its normal and usual meaning  
7 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the  
8 Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded  
9 by Lessee.

10           **9. Effective Date.** This First Amendment to Lease shall not be binding or  
11 consummated until its approval by the Riverside County Board of Supervisors and fully  
12 executed by the Parties.

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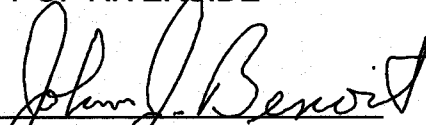
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**IN WITNESS WHEREOF**, the Parties have executed this Amendment as

of the date first written above.


LESSEE:  
COUNTY OF RIVERSIDE

LESSOR:  
TERRY WILLIAM IRELAND dba T W

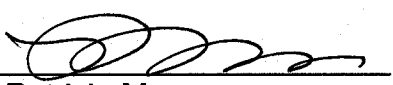
By:   
John J. Benoit, Chairman  
Board of Supervisors

Investments  
By:   
Terry William Ireland

ATTEST:  
Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

APPROVED AS TO FORM:  
Pamela J. Walls  
County Counsel

By:   
Patricia Munroe  
Deputy County Counsel

JUN 18 2013 3-26