

843



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

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

**SUBMITTAL DATE:**

June 6, 2013

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

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

1. Ratify the attached Fifth 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 6/4/13  
 SAMUEL WONG

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ (1,068)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ (26)	Budget Adjustment:	No
	Annual Net County Cost:	\$ 5,157	For Fiscal Year:	2012/13

**COMPANION ITEM ON BOARD AGENDA:** No

**SOURCE OF FUNDS:** 58.35% Federal; 39.19% State; 2.46% County

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

**C.E.O. RECOMMENDATION:** APPROVE

BY Jennifer Sargent  
 Jennifer 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, DRSB OS Auditor

Kecia Harper-Ihem  
 Clerk of the Board  
 BY [Signature]  
 Deputy  
 3-31

Prev. Agn. Ref.: 3.32 of 9/28/10; 3.5 of 3/13/95; 3.25 of 8/13/02; 3.14 of 3/11/03;  
3.28 of 6/05/07

District: 3/3

Agenda Number:

FORM APPROVED COUNTY COUNSEL  
BY: [Signature] 5/1/13  
DATE: PATRICIA MUNROE, Concurrence

By: [Signature]  
Susan Loew, Director  
Department of Public Social Services

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

RECEIVED CLERK OF THE BOARD  
 JUNE 18 2013  
 RECEIVED CLERK OF THE BOARD  
 JUNE 18 2013

**BACKGROUND:**

The County holds a leasehold interest, as Lessee, under a lease between the County and Alas Company LLC for the facility located at 43264 Business Park Drive, Temecula.

The Department of Public Social Services (DPSS) has occupied this location for use by the Temporary Assistance MediCal division since 1995, and it continues to meet the needs of the Department. This Fifth Amendment to Lease extends the term two years.

Location: 43264 Business Park Drive  
Temecula, CA

Lessor: Alas Company, LLC  
3317 W. Beverly Blvd. #105  
Montebello, CA 90640

Size: 10,142 square feet.

Term: Two years commencing June 1, 2013.

Option to Extend: One, one-year option to renew.

Rent:	Current	New
	\$1.64 per sq. ft.	\$1.54 per sq. ft.
	\$16,646.40 per month	\$15,618.68 per month
	\$199,756.80 per year	\$187,424.15 per year

Increases: 2% annually.

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

**FINANCIAL DATA:**

All associated costs for this Fifth Amendment to Lease will be fully funded through the DPSS budget. While the Economic Development Agency (EDA) will front the costs for this Fifth Amendment to 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  
Fifth Amendment to Lease

# Exhibit A

## DPSS Lease Cost Analysis FY 2012/13 43264 Business Park Drive, Temecula California

**Total Square Footage to be Leased:**

**EXPECTED AMOUNTS**

Current office:	10,142 SQFT	
<b>Total Expected Lease Cost for FY 2012/13</b>		<b>\$ 199,756.80</b>

**ACTUAL AMOUNTS**

Current Office:	10,142 SQFT	
-----------------	-------------	--

Approximate Cost per SQFT (July - May)	\$ 1.64	
Approximate Cost per SQFT (June)	\$ 1.54	
Lease Cost per Month (July - May)	\$ 16,646.40	
Lease Cost per Month (June)	<u>\$ 15,618.68</u>	

Total Lease Cost (July - May)	\$ 183,110.40	
Total Lease Cost (June)	<u>\$ 15,618.68</u>	
<b>Total Actual Lease Cost for FY 2012/13</b>		<b>\$ 198,729.08</b>
<b>Total Lease Cost Variance for FY 2012/13</b>		<b>\$ (1,027.72)</b>

**Estimated Additional Costs:**

**EXPECTED AMOUNTS**

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 1,217.04	

Total Estimated Utility Cost for FY 2012/13	\$ 14,604.48	
---	--------------	--

RCIT	\$ -	
------	------	--

Tenant Improvements	\$ -	
---------------------	------	--

EDA Lease Management Fee (Based @ 3.93%)	\$ 7,850.44	
<b>Total Estimated Expected Cost for FY 2012/13</b>		<b>\$ 22,454.92</b>

**ACTUAL AMOUNTS**

Utility Cost per Square Foot	\$ 0.12	
Costs per Month (July - June)	\$ 1,217.04	

Total Estimated Actual Utility Cost for FY 2012/13	\$ 14,604.48	
--	--------------	--

RCIT	\$ -	
------	------	--

Tenant Improvements	\$ -	
---------------------	------	--

EDA Lease Management Fee (Based @ 3.93%)	\$ 7,810.05	
<b>Total Estimated Actual Cost for FY 2012/13</b>		<b>\$ 22,414.53</b>

<b>Total Estimated Cost Variance for FY 2012/13</b>		<b>\$ (40.39)</b>
---	--	-------------------

<b>TOTAL ESTIMATED COST FOR FY 2012/13</b>		<b>\$ (1,068.11)</b>
--	--	----------------------

<b>TOTAL COUNTY COST: 2.46%</b>		<b>\$ (26.28)</b>
---------------------------------	--	-------------------

# Exhibit B

## DPSS Lease Cost Analysis FY 2013/14 43264 Business Park Drive, Temecula, California

### Current Square Feet Occupied:

Current Office:	10,142 SQFT	
Approximate Cost per SQFT (July - May)	\$1.54	
Approximate Cost per SQFT (June)	\$1.57	
Lease Cost per Month (July - May)	\$	15,618.68
Lease Cost per Month (June)	\$	15,931.05
Total Lease Cost (July - May)		\$ 171,805.48
Total Lease Cost (June)		\$ 15,931.05
<b>Total Expected Lease Cost for FY 2013/14</b>		<b>\$ 187,736.53</b>

### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>1,217.04</u>
Total Estimated Utility Cost for FY 2013/14		\$	14,604.48
EDA Lease Management Fee (Based @ 3.89%)		\$	<u>7,302.95</u>
<b>TOTAL ESTIMATED COST FOR FY 2013/14</b>		<b>\$</b>	<b><u>209,643.96</u></b>
<b>TOTAL COUNTY COST: 2.46%</b>		<b>\$</b>	<b>5,157.24</b>

1 **FIFTH AMENDMENT TO LEASE**

2 (Department of Public Social Services,  
3 43264 Business Park Drive  
4 Temecula, California)  
5

6 This FIFTH AMENDMENT to Lease ("Fifth Amendment") is made as of  
7 June 18, 2013 by and between the **COUNTY OF RIVERSIDE**, a  
8 political subdivision of the State of California ("County"), as Lessee, and **ALAS**  
9 **COMPANY, LLC**, a California limited liability company, successor-in-interest to **SAVE**  
10 **MOST DESERT RANCHO, LTD.** ("Lessor") and, sometimes collectively referred to as  
11 the Parties.

12 **Recitals**

13 a. Westpark Industrial, LTD, as Lessor, predecessor-in-interest to  
14 Alas Company, LLC, and County, have entered into that certain Lease dated March 13,  
15 1995, ("Original Lease") pertaining to the premises located at 43264 Business Park  
16 Drive, Temecula, California, as more particularly described in the Lease.

17 b. The Original Lease has been amended by:

18 i. The First Amendment to Lease dated August 13, 2002, by  
19 and between County of Riverside and Foothill Business Park Temecula, LLC, ("First  
20 Amendment").

21 ii. The Second Amendment to Lease dated March 11, 2003,  
22 by and between County of Riverside and Save Most Desert Rancho, LLC, ("Second  
23 Amendment").

24 iii. The Third Amendment to Lease dated June 5, 2007, by and  
25 between County of Riverside and Save Most Desert Rancho, LLC, ("Third  
26 Amendment").

27 ///

28 ///

1                   iv.     The Fourth Amendment to Lease dated September 28,  
2 2010, by and between County of Riverside and Save Most Desert Rancho, LLC,  
3 ("Fourth Amendment").

4                   c.     The Original Lease, as amended, shall hereafter be referred to as  
5 the "Lease."

6                   d.     County and Lessor desire to further amend the Lease by extending  
7 the lease term and modifying the rent.

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

10                  1.     **Term.** Section 3(a) of the Lease shall be amended as follows: The term  
11 of this Lease shall be extended for a period of two (2) years commencing June 1, 2013,  
12 and expiring May 31, 2015 (the "Extension Term").

13                  2.     **Option to Extend.** Section 4 of the Lease shall be deleted and replaced  
14 as follows: County shall have one (1) option to extend the lease for one (1) year, which  
15 option shall be exercised by giving notice to Lessor of its election thereof, in writing, no  
16 later than March 30, 2015.

17                  3.     **Option Rent.** The rent payable under Section 2 herein shall be  
18 increased on June 1, 2015, by two percent (2%).

19                  4.     **Rent During Extended Term.** Section 5(a) of the Lease shall be  
20 amended as follows: Commencing June 1, 2013, County shall pay the sum of  
21 \$15,618.68 per month to Lessor as rent for the Leased Premises payable in advance,  
22 on the first day of the month or as soon thereafter as a warrant can be issued in the  
23 normal course of County's business. Rent shall be increased on June 1, 2014, by two  
24 (2%) percent.

25 ///

26 ///

27 ///

28 ///

1           **5. Notice.** Section 13 of the Lease shall be amended as follows:

<b>County's Notification Address:</b>	<b>Lessor's Notification Address:</b>
County of Riverside	Alas Company, LLC
Economic Development Agency	c/o Grupo Glemka, Inc.
3403 Tenth Street, Suite 500	3317 W. Beverly Blvd., #105
Riverside, CA 92501	Montebello, CA 90640
Attn: Deputy Director of Real Estate	Attn: Manuel Alvarez
Telephone: (951) 955-4876	(818) 363-0612

9           **6. Fifth Amendment to Prevail.** The provisions of this Fifth Amendment  
10 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore  
11 amended, and shall supplement the remaining provisions thereof. Unless defined  
12 herein or the context requires otherwise, all capitalized terms herein shall have the  
13 meaning defined in the Lease, as heretofore amended.

14           **7. Miscellaneous.** Except as amended or modified herein, all the terms of  
15 the Lease shall remain in full force and effect. If any provisions of this Amendment or  
16 the Lease shall be determined to be illegal or unenforceable, such determination shall  
17 not affect any other provision of the Lease and all such other provisions shall remain in  
18 full force and effect. The language in all parts of the Lease shall be construed  
19 according to its normal and usual meaning and not strictly for or against either Lessor  
20 or Lessee. Neither this Amendment, nor the Lease, nor any notice nor memorandum  
21 regarding the terms hereof, shall be recorded by Lessee.

22           **8. Effective Date.** This Fifth Amendment to Lease shall not be binding or  
23 consummated until its approval by the Riverside County Board of Supervisors and fully  
24 executed by the Parties.

25 ///  
26 ///  
27 ///  
28 ///

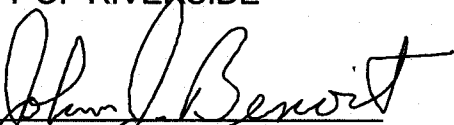
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

the date first written above.


**LESSEE:**  
**COUNTY OF RIVERSIDE**

**LESSOR:**  
**ALAS COMPANY, LLC**


By:   
John J. Benoit, Chairman  
Board of Supervisors

By:   
Manuel Alvarez, Manager

**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