

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

406



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
August 27, 2014

SUBJECT: Third Amendment to Lease, Department of Public Social Services, Corona, 1 Year Lease Extension, District 2/District 2, CEQA Exempt, [\$169,310] 50.69% Federal, 46.23% State, 3.08% County Department of Social Services Budget

RECOMMENDED MOTION: That the Board of Supervisors:

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

BACKGROUND:

Summary

(Commences on Page 2) FISCAL PROCEDURES APPROVED

PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: E. Hernandez 8/26/14
Esteban Hernandez

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 169,310	\$ 0	\$ 169,310	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 5,215	\$ 0	\$ 5,215	\$ 0	

SOURCE OF FUNDS: 50.69% Federal, 46.23% State, 3.08% County
Department of Social Services Budget

Budget Adjustment: No
For Fiscal Year: 2014/15

C.E.O. RECOMMENDATION:

APPROVE

BY: Rohini Dasika
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Benoit 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: September 9, 2014
xc: EDA

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

Prev. Agn. Ref.: 3.11 of 5/4/04; 3.17 of 6/19/12 | District: 2/2 | Agenda Number:

3-36

FORM APPROVED COUNTY COUNSEL
BY: [Signature] 7/11/14 DATE
PATRICIA MUNROE
Departmental Concurrence

By: Susan von Zabern
Susan von Zabern, Director
Department of Public Social Services

- A-30
- Positions Added
- 4/5 Vote
- Change Order

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Economic Development Agency / Facilities Management

FORM 11: Third Amendment to Lease, Department of Public Social Services, Corona, 1 Year Lease, District 2/District 2, CEQA Exempt, [\$169,310], 50.69% Federal, 46.23% State, 3.08% County Department of Public Social Services Budget

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BACKGROUND:

Summary

The County has been under lease occupying a 7,280 square foot office located at 1373 Old Temescal Road, Corona, CA, since May, 2004. The Department of Public Social Services (DPSS) has utilized this location for the MediCal staff of their Self Sufficiency Division. This office space continues to meet the needs of the department, and a one-year lease renewal is being presented for approval.

Lessor: The Balsamo Family Trust
c/o Strata Realty Asset Services, Inc.
2433 Pomona Road
Corona, CA 92882

Premises Location: 1373 Old Temescal Road
Corona, CA

Size: 7,280 square feet.

Rent:	<u>Current</u>	<u>New</u>
	\$1.50 per sq. ft., modified gross	\$1.75 per sq. ft., modified gross
	\$10,920.00 per month	\$12,740.00 per month
	\$131,040.00 per year	\$152,880.00 per year

Term: One year commencing July 1, 2014, and expiring June 30, 2015.

Utilities: County to pay for all utilities.

Custodial: Included in rent.

Interior/Exterior Maintenance: Included in rent.

Improvements: None.

Impact on Residents and Businesses

This location will continue with non-public, general office use for internal operations of DPSS program services staff. The programs benefit and assist the residents of the community and the occupancy of this building provides a positive economic impact to area businesses as County employees' frequent local businesses.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibit A

DPSS will budget these costs in FY2014/15 and will reimburse EDA for all lease costs.

(Continued)

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District 2/District 2, CEQA Exempt, [\$169,310], 50.69% Federal, 46.23% State, 3.08% County Department
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Contract History and Price Reasonableness

This is a one year lease renewal. The lease rate is deemed competitive based upon the requested short-term lease and improved real estate market conditions.

Attachments:

Exhibit A

Third Amendment to Lease

Exhibit A

FY 2014/15

DPSS Lease Cost Analysis

1373 Old Temescal Road, Corona, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	7,280 SQFT	
Approximate Cost per SQFT (July-June)	\$ 1.75	
Lease Cost per Month (July-June)	\$ 12,740.00	
Total Lease Cost (July-June)		\$ 152,880.00
Total Estimated Lease Cost for FY 2014/15		\$ 152,880.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 10,483.20	
Total Estimated Utility Cost		\$ 10,483.20
RCIT		\$ -
Tenant Improvement		\$ -
EDA Lease Management Fee - 3.89%	\$ 5,947.03	
Total EDA Lease Management Fee		\$ 5,947.03
TOTAL ESTIMATED COST FOR FY 2014/15		\$ 169,310.23
TOTAL COUNTY COST 3.08%		\$ 5,214.76

1 **THIRD AMENDMENT TO LEASE**

2 (Department of Public Social Services)

3 1373 Old Temescal Road, Corona, California

4
5 This THIRD AMENDMENT to Lease ("Third Amendment") is made as of
6 September 9, 2014 by and between the COUNTY OF RIVERSIDE, a
7 political subdivision of the State of California ("County"), as Lessee, and **STEPHEN A.**
8 **BALSAMO AND MARIE C. LEMMON-BALSAMO, TRUSTEES OF THE BALSAMO**
9 **FAMILY TRUST DATED JUNE 9, 2004**, ("Lessor") and, sometimes collectively
10 referred to as the Parties.

11 **RECITALS.**

12 **A.** OTR CORONA, LLC, a Delaware limited liability company,
13 predecessor-in-interest to **STEPHEN A. BALSAMO AND MARIE C. LEMMON-**
14 **BALSAMO, TRUSTEES OF THE BALSAMO FAMILY TRUST DATED JUNE 9, 2004**,
15 as Lessor, and County entered into that certain Lease dated May 4, 2004, ("Original
16 Lease") whereby Lessor has agreed to lease to County and County has agreed to
17 lease from Lessor that certain building located at 1373 Old Temescal Road, Corona,
18 California (the "Building"), as more particularly described in the Original Lease.

19 **B.** The Original Lease has been amended by:

20 **1.** That certain First Amendment to Lease dated March 31,
21 2009 ("First Amendment"), by and between Stephen A. Balsamo and Marie C.
22 Lemmon-Balsamo, Trustees of the Balsamo Family Trust Dated June 9, 2004,
23 whereby the Parties amended the Original Lease to extend the term period and the
24 rental amounts.

25 **2.** That certain Second Amendment to Lease dated June 19,
26 2012 ("Second Amendment"), by and between Stephen A. Balsamo and Marie C.
27 Lemmon-Balsamo, Trustees of the Balsamo Family Trust Dated June 9, 2004,
28 Trustees of the Balsamo Family Trust Dated June 9, 2004.

SEP 09 2014 3-36

1 C. The Original Lease, together with this Third Amendment, are
2 collectively referred to as the "Lease."

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

5 1. **Term.** Section 4.1 of the Lease shall be amended as follows: The term
6 of this Lease shall be extended for a period of one year commencing July 1, 2014, and
7 expiring June 30, 2015 (the "Extended Term").

8 2. **Rent During Extended Term.** Section 5.2 of the Lease shall be
9 amended as follows: The rent during the Extended Term shall be \$12,740.00 per
10 month.


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

20 4. **Effective Date.** This Third Amendment to Lease shall not be binding or
21 consummated until its approval by the Riverside County Board of Supervisors and fully
22 executed by the Parties


23 ///
24 ///
25 ///
26 ///
27 ///
28

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

3
4
5 **LESSEE:**
6 **COUNTY OF RIVERSIDE**

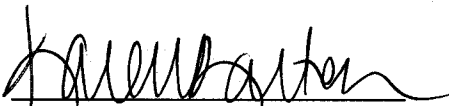
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8 By: 
9 **Jeff Stone, Chairman**
10 **Board of Supervisors**

5 **LESSEE:**
6 **STEPHEN A. BALSAMO AND MARIE C.**
7 **LEMMON-BALSAMO, TRUSTEES OF THE**
8 **BALSAMO FAMILY TRUST DATED ~~JUNE 9, 2004~~**


7
8 By: 
9 **Stephen A. Balsamo, Trustee**

10 By: 
11 **Marie C. Lemmon-Balsamo, Trustee**

11 **ATTEST:**
12 **Kecia Harper-Ihem**
13 **Clerk of the Board**

14 By: 
15 **Deputy**

16 **APPROVED AS TO FORM:**
17 **Greg Priamos, County Counsel**

18
19 By: 
20 **Patricia Munroe**
21 **Deputy County Counsel**