

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE 11/4/14

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

248



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
 November 13, 2014

SUBJECT: Third Amendment to Lease, Probation Department, Perris, 2-year extension, CEQA Exempt, District 5/District 5, [\$490,236 total] [\$245,118 annually]; State 49%; Federal 17%; General Funds 30%; and Other 4%

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: Esteban Hernandez 11/12/14

Robert Field

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	\$ 142,986	\$ 245,118	\$ 490,236	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 42,896	\$ 73,535	\$ 147,071	\$ 0	

SOURCE OF FUNDS: State 49%; Federal 17%; General Funds 30%; Other 4%
Budget Adjustment: No
 For Fiscal Year: 2014/15 – 15/16

C.E.O. RECOMMENDATION:

APPROVE

BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Stone, Benoit and Ashley
 Nays: None
 Absent: Tavaglione
 Date: November 24, 2014
 xc: EDA

Kecja Harper-Ihem
 Clerk of the Board
 By: Kecja Harper-Ihem
 Deputy

Prev. Agn. Ref.: 3.35 of 08/27/02; 3.66 of 11/24/09

District: 5/5

Agenda Number:

3-28

By: Mark A. Hake
 Mark A. Hake
 Chief Probation Officer

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

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

Economic Development Agency / Facilities Management

FORM 11: Third Amendment to Lease, Probation Department, Perris, 2-year extension, CEQA Exempt, District 5/District 5, [\$490,236 total] [\$245,118 annually]; State 49%; Federal 17%; General Funds 30%; and Other 4%

DATE: November 13, 2014

PAGE: 2 of 2

BACKGROUND:

Summary

On August 27, 2002, the County of Riverside entered into a lease agreement (as amended May 6, 2008 and November 24, 2009) for the Probation Department in the City of Perris. The facility is located at 2560 North Perris Blvd., Building N-1, and this location continues to meet the current needs of the Probation Department. However, with future growth due to AB109, the Probation Department may find it necessary to explore expanding the current facility or find a future alternate location. This Third Amendment to Lease will extend the Lease for a period of two years effective as of December 1, 2014, with the Department's option to terminate after one year.

Lessor: Perris Investment Trust
26371 Avery Parkway, Unit B
Mission Viejo, California 92692

Premises Location: 2560 North Perris Boulevard, Building N-1
Perris, California 92570

Size: Approximately 11,200 square feet

Term: Two year extension effective as of December 1, 2014

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.57 per square foot	\$ 1.64 per square foot
	\$ 17,606.76 per month	\$ 18,368.00 per month
	\$ 211,281.12 per year	\$ 220,416.00 per year

Right to Terminate: County has the right to terminate the Lease after a one year period (December 1, 2015), with one hundred twenty day written notice.

Utilities: County pays electric.

Impact on Citizens and Businesses

The Probation Department's continued occupancy at this location continues to provide an important public benefit to the community by serving their clients and effectively improving public safety. Remaining in this location provides consistency for clients and eliminates any impacts to area residents that may be caused as a result of any relocation into a new area of the community.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C

Contract History and Price Reasonableness

This is a two year lease extension. The lease rate is deemed competitive based upon the current market.

Attachments: Exhibits A, B, & C; Third Amendment to Lease

Exhibit A

FY 2014/15

Perris Probation Lease Cost Analysis 2560 N. Perris Blvd., Building N-1, Perris

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	11,200	SQFT	
Approximate Cost per SQFT (July - Nov) - 2nd Amendment	\$	1.57	
Approximate Cost per SQFT (Dec - June) - 3rd Amendment	\$	1.64	
Lease Cost per Month (July - Nov) - 2nd Amendment	\$	17,606.76	
Lease Cost per Month (Dec - June) - 3rd Amendment	\$	18,368.00	
Total Lease Cost (July - Nov) - 2nd Amendment	\$		88,033.80
Total Lease Cost (Dec - June) - 3rd Amendment	\$		128,576.00
Total Estimated Lease Cost for FY 2014/15	\$		216,609.80

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - Nov)	\$	6,720.00	
Estimated Utility Costs per Month (Dec - June)	\$	9,408.00	
Total Estimated Utility Cost			\$ 16,128.00
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee - 3.89% 2nd Amendment	\$	3,424.51	
EDA Lease Management Fee - 3.89% 3rd Amendment	\$	5,001.61	
			\$ 8,426.12
TOTAL ESTIMATED COST FOR FY 2014/15	\$		241,163.92
Amount Previously approved in 2nd Amendment	\$		98,178.31
Amount of FY14/15 for 3rd Amendment	\$		142,985.61
TOTAL COUNTY COST 30.00%	\$		42,895.68

Exhibit B

FY 2015/16

Perris Probation Lease Cost Analysis
2560 N. Perris Blvd., Building N-1, Perris

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	11,200	SQFT		
Approximate Cost per SQFT (July - Nov)	\$	1.64		
Approximate Cost per SQFT (Dec - June)	\$	1.64		
Lease Cost per Month (July - Nov)		\$	18,368.00	
Lease Cost per Month (Dec - June)		\$	18,368.00	
Total Lease Cost (July - Nov)			\$	91,840.00
Total Lease Cost (Dec - June)			\$	128,576.00
Total Estimated Lease Cost for FY 2015/16			\$	220,416.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July - Nov)			<u>\$</u>	<u>1,344.00</u>
Total Estimated Utility Cost			\$	16,128.00
RCIT			\$	-
Tenant Improvement			\$	-
EDA Lease Management Fee - 3.89%			\$	8,574.18
TOTAL ESTIMATED COST FOR FY 2015/16			\$	245,118.18
TOTAL COUNTY COST 30.00%			\$	73,535.45

Exhibit C

FY 2016/17

Perris Probation Lease Cost Analysis
2560 N. Perris Blvd., Building N-1, Perris

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 11,200 SQFT

FY 2016/17

Approximate Cost per SQFT (July - Nov)	\$	1.64
Approximate Cost per SQFT (Dec - June)	\$	-
Lease Cost per Month (July - Nov)	\$	18,368.00
Lease Cost per Month (Dec - June)	\$	-
Total Lease Cost (July - Nov)	\$	91,840.00
Total Lease Cost (Dec - June)	\$	-
Total Estimated Lease Cost for FY 2016/17	\$	91,840.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12
Estimated Utility Costs per Month (July - Nov)	\$	1,344.00
Total Estimated Utility Cost	\$	6,720.00
RCIT	\$	-
Tenant Improvement	\$	-
EDA Lease Management Fee - 3.89%	\$	3,572.58
TOTAL ESTIMATED COST FOR FY 2016/17	\$	102,132.58
TOTAL COUNTY COST 30.00%	\$	30,639.77

F11: Cost - Total Cost \$ 490,236.36
F11: Net County Cost - Total Cost \$ 147,070.91

THIRD AMENDMENT TO LEASE
2560 N. Perris Boulevard, Building N-1
Perris, California

This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of November 24, 2014 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), as Lessee, and **PERRIS INVESTMENT TRUST** ("Lessor"), and sometimes collectively referred to as the "Parties."

RECITALS

A. Lessor and County entered into that certain Lease dated August 27, 2002 and its subsequent amendments (collectively referred to as "Lease") pursuant to which County leased the premises located at 2560 N Perris Boulevard, Building N-1, Perris, California ("Premises").

B. The amendments of the Lease are summarized as follows:

1. The First Amendment to Lease ("First Amendment") dated May 6, 2008, by and between Lessor and County wherein the Parties extended the term, modified the rent, and provided minor tenant improvements to the Premises.

2. The Second Amendment to Lease ("Second Amendment") dated November 24, 2009, by and between Lessor and County wherein the Parties extended the term and modified the rent.

C. The Parties now desire to amend the Lease to extend the lease term and modify the rent.

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

1. **Term.** Section 4.1 of the Lease shall be amended as follows:
The term of this Lease is hereby extended for two (2) years, commencing December 1, 2014 and expiring November 30, 2016 ("Extended Term").

1 **2. Rent.** Section 5.1 of the Lease shall be amended as follows:
2 County shall pay the sum of \$ 18,368 per month to Lessor as rent for the Leased
3 Premises during the Extended Term.

4 **3. Right to Termination.** Section 6.4 of the Lease is amended by adding
5 the following as a last sentence to the paragraph:
6 Notwithstanding the forgoing, Lessor hereby grants to County the right to terminate the
7 Lease after December 1, 2015 with one hundred twenty (120) days' written notice.

8 **4. Third Amendment to Prevail.** The provisions of this Third Amendment
9 shall prevail over any inconsistency or conflicting provisions of the Lease, and shall
10 supplement the remaining provisions thereof. Unless defined herein or the context
11 requires otherwise, all capitalized terms shall have the meaning defined in the Lease.

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

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

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

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

3 **LESSEE:**
4 County of Riverside

LESSOR:
Perris Investment Trust

6 By: Jeff Stone
7 Jeff Stone, Chairman
8 Board of Supervisors

By: Natasha Radwan
Natasha Radwan, Trustee

9 **ATTEST:**
10 Kecia Harper-Ihem
11 Clerk of the Board

By: Kecia Harper-Ihem
Deputy

13 **APPROVED AS TO FORM:**
14 Gregory P. Priamos, County Counsel

16 By: Patricia Munroe
17 Patricia Munroe
18 Deputy County Counsel