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





FROM: Economic Development Agency /Facilities Management

June 16, 2011

**SUBJECT:** Revenue Sublease Agreement –County of Riverside and Library Systems & Services, LLC (LSSI)

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

- 1. Ratify the Lease Agreement between the Redevelopment Agency for the County of Riverside and the County of Riverside and authorize the Chairman of the Board to execute same on behalf of the county;
- 2. Ratify the attached Sublease Agreement between County of Riverside and Library Systems & Services, (LSSI) and authorize the Chairman of the Board to execute same on behalf of the county;

Robert Field Assistant County Executive Officer/EDA In Current Year Budget: Current F.Y. Total Cost: \$0 Yes **FINANCIAL Budget Adjustment:** No **Current F.Y. Net County Cost:** \$0 DATA For Fiscal Year: **Annual Net County Cost:** 2010/11 \$0 COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No Positions To Be SOURCE OF FUNDS: County Library Fund 21200 **Deleted Per A-30** Requires 4/5 Vote C.E.O. RECOMMENDATION: **APPROVE** 

Policy Policy

GUNZ

Consent

Consent

Dep't Recomm.:

r Exec. Ofc.:

Prev. Agn. Ref.: N/A

**County Executive Office Signature** 

District:

Agenda Number:

FE 56

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Economic Development Agency/Facilities Management
Revenue Sublease Agreement – County of Riverside and Library Systems & Services, LLC (LSSI)
June 16, 2011
Page 2

- 3. Find that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 Existing Facilities; and,
- 4. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk.

### **BACKGROUND:**

The Redevelopment Agency for the County of Riverside (RDA) leased to the County of Riverside certain real property with improvements located at 5840 Mission Boulevard, Riverside, California, otherwise known as the Louis Robidoux Library, which consists of 39,133 square feet. The County of Riverside desires to sublease a portion of the Property to Library Systems & Services, LLC (LSSI), for their administrative operations, which consists of 8,158 square feet. The term of the Sublease shall commence on April 19, 2010 and continue in effect for a period of five years.

Pursuant the California Environmental Quality Act (CEQA), the Lease and Sublease were reviewed and determined to be categorically exempt from CEQA under CEQA Guideline 15301, Class 1 – Existing Facilities. The proposed project, the Lease and Sublease, is the letting of property involving existing facilities and no expansion of an existing use will occur.

The attached Sublease Agreement is summarized below:

Lessor:

County of Riverside

3133 Mission Inn Avenue Riverside, California 92507

Location:

5840 Mission Boulevard Riverside, California

Term:

Effective as of April 19, 2010, through April 18, 2015

Size:

8,158

Rent:

1.25 per square feet

\$ 10,197.50 per month \$122,370.00 per year

Custodial Services:

Provided by County

Maintenance:

Provided by County

Utilities:

Provided by County

The attached Sublease Agreement has been approved as to form by County Counsel.

Attachments:

Revenue Sublease Agreement

RF:LB:ER:VY:MH:ra 14.008 RV476 10742 S:\Real Property\TYPING\Docs-14.000 to 14.499\14.008.doc

### **REVENUE SUBLEASE AGREEMENT**

(County of Riverside and Library Systems & Services, (LSSI) 5840 Mission Boulevard, Riverside, California)

THIS REVENUE SUBLEASE is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_\_, 2011 by and between the County of Riverside ("COUNTY"), a political subdivision of the State of California and the Library Systems and Services, LLC, (LSSI), a Maryland limited liability company, ("SUBLESSEE"), for the property described below upon the following terms and conditions:

WHEREAS, the Redevelopment Agency for the County of Riverside ("Agency") is the owner of certain real property and improvements at 5840 Mission Boulevard, Riverside, CA 92509, in the unincorporated area of the County of Riverside, in the community of Rubidoux, identified as Assessor Parcel Numbers 182-290-004, 182-290-005, 182-290-006, 182-290-007, 182-290-008, 182-290-009, 182-290-010, 182-290-011 and 182-290-020, known as the Louis Robidoux Community Library ("PROPERTY"); as depicted on Exhibit "A", attached hereto and incorporated herein by reference; and

WHEREAS, The building known as the Louis Robidoux Library, consists of 39,133 square feet which includes 8,158 square feet designated for occupation by Library Systems and Services, LLC, ("LSSI"), as depicted on Exhibit "B", attached hereto and incorporated herein by reference; and

WHEREAS, the Agency has entered into that certain Lease dated \_\_\_\_\_\_\_

("Master Lease") for the Property with the County as Lessee; and

WHEREAS, The County desires to Sublease a portion of the Property to LSSI and LSSI desires to Sublease from the County whereby LSSI will operate and conduct administrative operations for the Louis Robidoux Library.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

 1. <u>Description</u>. The area subleased leased ("Premises") consists of 8,158 square feet of the Louis Robidoux Library. It is understood that the Property include all appurtenances and easements thereto and the non-exclusive right of ingress and egress at all times to and from the public streets and highways for Sublessee, its employees and invitees.

### 2. <u>Use.</u>

- (a) The Property is subleased to Sublessee to operate and conduct library administrative operations.
- (b) Sublessee shall have the use of the subleased Property and common usage of the walkways, restrooms, driveways, vehicular parking spaces, and other similar facilities maintained by County for Sublessee and the public.
- (c) The subleased Property shall not be used for any other purpose without first obtaining the written consent of County, which consent shall be at the absolute discretion of County.

### 3. Term.

- (a) The Term of this Sublease shall be for a period of Five (5) Years, commencing April 19, 2010, and expiring April 18, 2015
- (b) Any holding over by Sublessee after the expiration of said term shall be deemed a month-to-month tenancy upon the same terms and conditions of this Sublease.

### 4. Monthly Rent.

(a) Sublessee shall pay the sum of Ten Thousand One Hundred Ninety Seven Dollars and Fifty Cents (\$10,197.50) per month (\$1.25 per square foot) to County as rent for the subleased Property, payable, in advance, on the first day of the month. In the event Sublessee cannot take useful occupancy of the subleased Property until after the first day of the month, the rentals for the first and last month shall be pro-rated on a thirty (30) day calendar basis, payable on the date of occupancy for the first month and on the first day of the last month.

- 5. <u>Custodial Services.</u> County under the terms of the Master Lease is providing custodial services in connection with the subleased Property and such costs are included in the monthly rent.
- 6. <u>Utilities</u>. County under the terms of the Master Lease is providing, at County's expense, electricity, gas, trash and water as may be required in the use and maintenance of the subleased Property. Sublessee shall provide or cause to be provided at Sublessee's expense any other utility services required, including but not limited to telephone, internet connections, and other computer/data requirements, if any.
- 7. <u>Maintenance</u>. During the term of this Sublease and any extensions thereof, COUNTY shall keep the Premises, and mechanical systems contained therein or otherwise exclusively serving the Premises, including but not limited to, plumbing, electrical, heating, air conditioning systems, building structures and landscaping in first class commercial repair at COUNTY'S own expense, and shall not permit the Property or such systems to deteriorate or depreciate in value by any act or omission of SUBLESSEE or its employees or agents, normal wear and tear excepted. All repairs and maintenance required of SUBLESSEE shall be done in a good workmanlike manner. COUNTY shall be responsible for all exterior or structural repairs and/or maintenance of the Premises. County under the Master Lease is maintaining the interior and exterior of the subleased Property including landscaping in good working order and repair.
- 8. <u>Signs</u>. Sublessee shall not erect, maintain or display any signs or other forms of advertising upon the subleased Property without first obtaining the written approval of County, which approval shall not be unreasonably withheld.
- 9. <u>Improvements by Sublessee</u>. Any alterations, improvements or installation of fixtures to be undertaken by Sublessee shall have the prior written consent of County. Such consent shall not be unreasonably withheld by County.

- 10. Rights of County. County, through its authorized representatives, shall have the right to enter the subleased Property for the purpose of inspecting, monitoring and evaluating the obligations of Sublessee hereunder and for the purpose of doing any and all things which it is obligated and has a right to under this Sublease.
- 11. <u>Compliance with Government Regulations</u>. Sublessee shall, at its expense, comply with the requirements of all local, state and federal statutes, regulations, rules, ordinances and orders now in force or which may be hereafter in force, pertaining to the subleased premises. The final judgment, decree or order of any court of competent jurisdiction, or the admission of Sublessee in any action or proceedings against Sublessee, whether Sublessee is a party thereto or not, that Sublessee has violated any such statutes, regulations, rules, ordinances or orders, in the use of the subleased premises, shall be conclusive of that fact as between County and Sublessee.
- 12. <u>Termination by County</u>. County shall have the right to terminate this Sublease forthwith:
- (a) In the event a petition is filed for voluntary or involuntary bankruptcy for the adjudication of Sublessee as debtors.
- (b) In the event that Sublessee makes a general assignment, or Sublessee's interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.
- (c) In the event of abandonment of the subleased Property by Sublessee.
- (d) In the event Sublessee fails or refuses to perform, keep or observe any of Sublessee's duties or obligations hereunder; provided, however, that Sublessee shall have thirty (30) days in which to correct Sublessee's breach or default after written notice thereof has been served on Sublessee by County.

- (e) County shall have the right to terminate this Sublease with ninety (90) days' advance written notice to Sublessee in the event that funding from county, state, or federal sources is reduced or eliminated.
- (f) County shall have the right to terminate this Sublease by giving Sublessee ninety (90) days' written notice.
- 13. <u>Termination by Sublessee</u>. Sublessee shall have the right to terminate this Sublease subject to ninety days (90) written notice thereof to County.
  - 14. <u>Insurance</u>. Sublessee shall during the term of this Sublease:
- (a) Procure and maintain Workers' Compensation Insurance as prescribed by the laws of the State of California.
- (b) Procure and maintain comprehensive general liability, and that shall protect Sublessee from claims for damages for personal injury, including, but not limited to, accidental and wrongful death, as well as from claims for property damage, which may arise from Sublessee's use of the subleased Property or the performance of its obligations hereunder, whether such use or performance be by Sublessee, by any subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall name County as an Additional Insured with respect to this Sublease and the obligations of Sublessee hereunder. Such insurance shall provide for limits of not less than One Million Dollars (\$1,000,000.00) per occurrence.
- (c) Cause its insurance carriers to furnish County by direct mail with certificate(s) of Insurance showing that such insurance is in full force and effect, and that County is named as an Additional Insured with respect to this Sublease and the obligations of Sublessee hereunder. Further, said Certificate(s) shall contain the covenant of the insurance carrier(s) that written notice shall be given to County prior to modification, cancellation or reduction in coverage of such insurance. In the event of any such modifications, cancellation or reduction in coverage and on the effective date thereof, County shall have the right to cancel this Sublease with sixty (60) days' advanced notice in writing to Sublessee, unless County receives prior to such effective

date another certificate from an insurance carrier of Sublessee's choice that the insurance required herein is in full force and effect.

## 15. Hold Harmless.

- (a) Sublessee represents that it has inspected the subleased Property, accepts the condition thereof, and fully assumes any and all risks incidental to the use thereof. County shall not be liable to Sublessee, its officers, agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within the subleased premises; provided however, that such dangerous conditions are not caused by the sole negligence of County, its officers, agents or employees.
- (b) Sublessee shall indemnify and hold County, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of Sublessee, its officers, agents, employees, subcontractors, and independent contractors, for property damage, bodily injury or death (Sublessee's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from its use and responsibilities in connection therewith of the subleased Property or the condition thereof, and Sublessee shall defend, at its expense, including without limitation attorney fees, expert fees, and investigation expenses, County, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. The obligations to indemnify and hold County free and harmless herein shall survive until any and all claims, actions or omissions are fully and finally barred by the applicable statute of limitations.
- (c) The specified insurance limits required in Paragraph 14 above shall in no way limit or circumscribe Sublessee's obligations to indemnify and hold County free and harmless herein.

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- 16. <u>Assignment.</u> Sublessee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties or obligations hereunder to any person or entity without the written consent of County being first obtained, which consent shall be in the absolute discretion of County. In the event of any such transfer, as provided in this Paragraph 16, Sublessee expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this Sublease.
- 17. Hazardous Materials. During the term of this Sublease and any extensions thereof, Sublessee shall not violate any federal, state or local law, ordinance or regulation, relating to industrial hygiene or to the environmental condition on, under or about the subleased premises, including, but not limited to, soil and groundwater conditions. Further, Sublessee, its successors, assigns and Sublessees, shall not use, generate, manufacture, produce, store or dispose of on, under or about the subleased Property or transport to or from the subleased Property any petroleum products, flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials, (collectively, "hazardous materials"). For the purpose of this Sublease, hazardous materials shall include, but not be limited to, substances defined as "hazardous substances", hazardous materials", or "toxic substances" in the comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; The Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those substances defined as "hazardous wastes" in Sections 25115 and 25117 of the California Health and Safety Code or as "hazardous substances" in Sections 25316 and 25501 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws.

- 18. Free from Liens. Sublessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, furnished to Sublessee, in, upon, or about the subleased premises, and which may be secured by a mechanics', materialman's or other lien against the subleased Property or County's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if Sublessee desires to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, Sublessee shall forthwith pay and discharge said judgment.
- 19. <u>Employees and Agents of Sublessee</u>. It is understood and agreed that all persons hired or engaged by Sublessee shall be considered to be employees or agents of Sublessee and not of County.
- 20. <u>Binding on Successors</u>. Sublessee, its assigns and successors in interest, shall be bound by all the terms and conditions contained in this Sublease, and all of the parties thereto shall be jointly and severally liable hereunder.
- 21. <u>Waiver of Performance</u>. No waiver by County at any time of any of the terms and conditions of this Sublease shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms and conditions contained herein or of the strict and timely performance of such terms and conditions.
- 22. <u>Severability</u>. The invalidity of any provision in this Sublease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.
- 23. <u>Venue.</u> Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Sublease shall be tried in a court of competent jurisdiction in the County of Riverside, State of

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County of Riverside

County:

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3403 Tenth Street, Suite 500

Riverside, CA 9250

10 Attn: Real Estate Division

Sublessee:

upon the other shall be addressed to the respective parties as set forth below:

California, and the parties hereby waive all provisions of law providing for a change of

Library Systems and Services, (LSSI)

12850 Middlebrook Road, Suite 400

Germantown, MD 20874-5244

Notices. Any notices required or desired to be served by either party

Attn: Brad King, CEO

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or to such other addresses as from time to time shall be designated by the respective parties.

venue in such proceedings to any other county.

- 25. Permits, Licenses and Taxes. Sublessee shall secure at its expense, all necessary permits and licenses as it may be required to obtain, and Sublessee shall pay for all fees and taxes levied or required by any authorized public entity. Sublessee recognizes and understands that this Sublessee may create a possessory interest subject to property taxation and that Sublessee may be subject to the payment of property taxes levied on such interest.
- 26. <u>Paragraph Headings</u>. The paragraph headings herein are for the convenience of the parties only, and shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions or language of this Sublease.
- 27. <u>County's Representative</u>. County hereby appoints the Assistant County Executive Officer/EDA as its authorized representative to administer this Sublease.
- 28. Agent for Service of Process. It is expressly understood and agreed that in the event Sublessee is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California or it is a

foreign corporation, then in any such event, Sublessee shall file with the Assistant County Executive Officer/EDA, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Sublease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Sublessee. It is further expressly understood and agreed that Sublessee is amenable to the process so served, submits to the jurisdiction of the court so obtained and waives any and all objections and protests thereto.

- 29. <u>Entire Sublease</u>. This Sublease is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements, and understandings, oral or written, in connection therewith. This Sublease may be changed or modified only upon the written consent of the parties hereto.
- 30. <u>Subject to Master Lease</u>. Sublessee expressly understands and agrees that this Sublease is subject to, and bound by, the terms and conditions set forth in the Master Lease as herein defined, and Sublessee agrees to abide by said Master Lease.
- 31. <u>Interpretation.</u> The parties hereto have negotiated this Sublease at arms length and with advice of their respective attorneys, and no provision contained herein shall be construed against County solely because it prepared this Sublease in its executed form.

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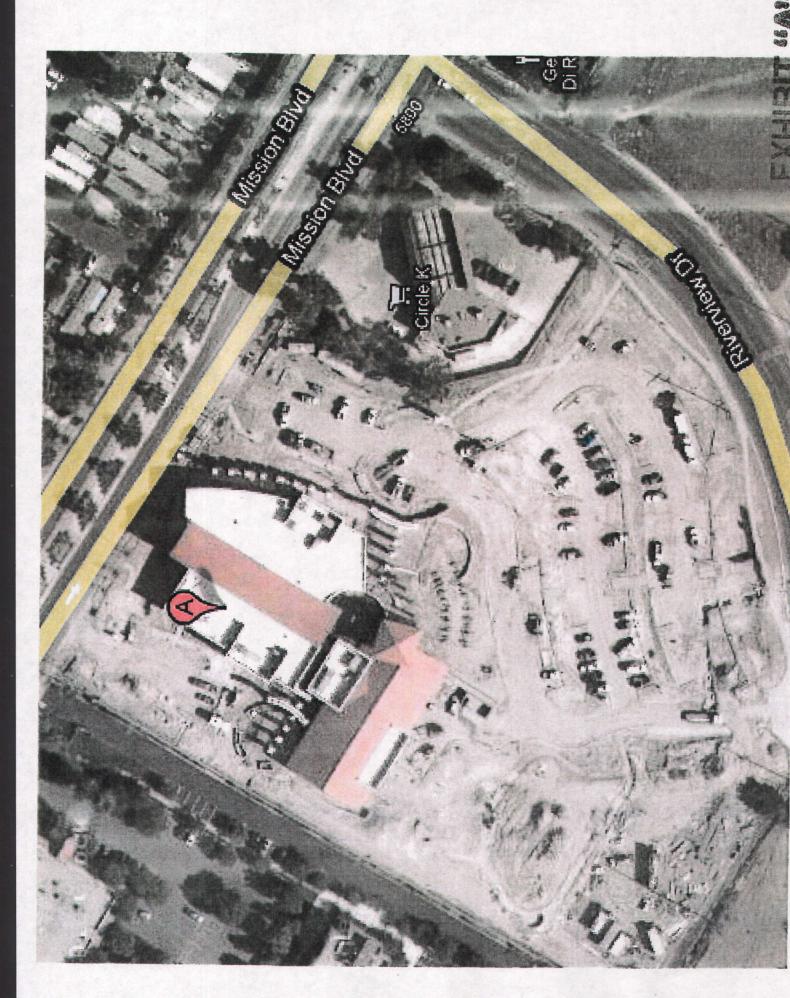
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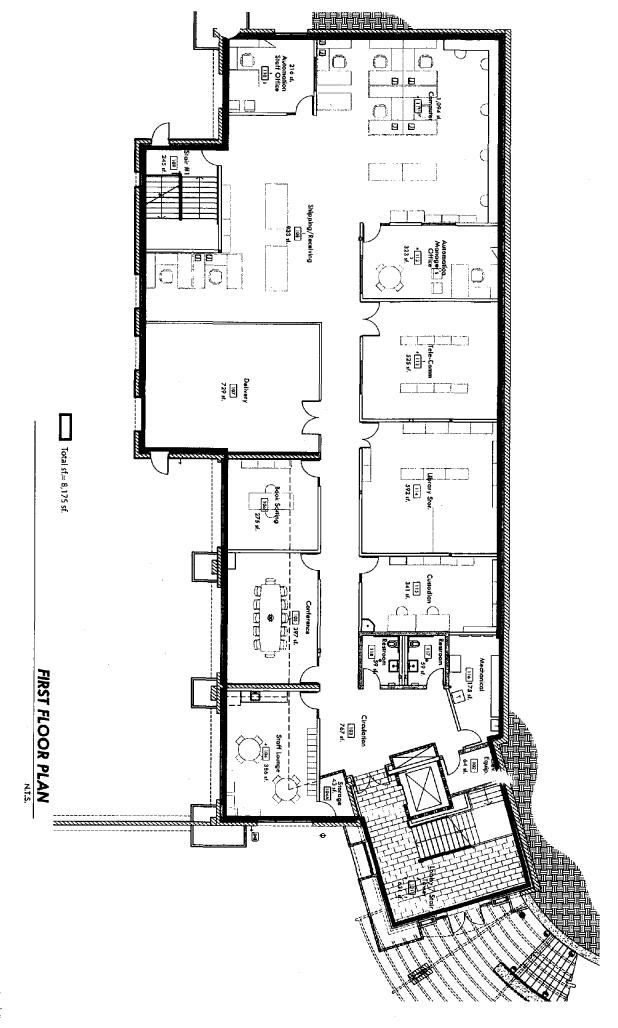
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1	32. Approval of County	Supervis	ors.		Anything	to	t	he con	ıtrary
2	notwithstanding, this lease sha	ll not be	binding	ог	effective	until	its	approval	and
3	execution by the Chairman of the	Riversid	e County	Во	ard of Su	pervis	sors		
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5	Dated:	· · · · ·	COU	NTY	OF RIVE	ERSIE	DΕ		
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16	By:								
17	Deputy								
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19	APPROVED AS TO FORM: PAMELA J. WALLS,								
20	County Counsel								
21									
22	By: Bynthial Go	rrel							
23	Synthia M. Gunzel Deputy County Counsel	-							
24	Deputy County Counsel								
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(R) kroharchitects

# EXHIBIT "B"



SECOND FLOOR PLAN

Total sf.= 8,337 sf.

