

211



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

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

March 15, 2012

SUBJECT: Second Amendment to Lease, Community Action Partnership of Riverside County

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Second 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 Section 15301 Existing Facilities.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Samuel Wong 3/13/12
 SAMUEL WONG

Robert Field
 Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (12,191)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ (3,456)	Budget Adjustment:	No
	Annual Net County Cost:	\$ 72,718	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 71.65% Federal and State Funds and 28.35% County Contribution

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

FORM APPROVED COUNTY COUNSEL
 BY: Synthia M. Glunzel 3-22-12
 SYNTHIA M. GLUNZEL
 Departmental Concurrence
 DATE
 Maria Juarez, Executive Director
 Community Action Partnership of Riverside County
 By: [Signature]
 Policy Policy
 Consent Consent
 Dept't Recomm.: Per Exec. Ofc.:

BACKGROUND:

This Second Amendment to Lease represents a request from the Community Action Partnership (CAP) to extend the lease for its office located at 2038 Iowa Avenue, Suites B-102, B-103 and B-104, Riverside, California, commencing on May 1, 2012 through April 30, 2017. The square footage will increase from 15,239 to 15,434 square feet. In addition, the Lessor, at his sole cost and expense, will re-paint the Energy Lobby, install toilet paper dispensers in the Energy Lobby Restrooms, and replace existing building signage and install new signage for the main entrance of the building and Energy entrance, at no cost to the county. The real estate division has negotiated a five year lease renewal with a 17% rental rate reduction, saving the department \$57,483.24 per year. Due to economic conditions, the net county cost decreased to 23.596% in Fiscal Year 2012/13.

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

This Second Amendment to Lease is summarized below:

Lessor:	BV/CIP SBC, LLC c/o CIP Real Estate 19762 MacArthur Blvd., Suite 300 Irvine, CA 92612	
Premises Location:	2038 Iowa Avenue Suites B-102, B-103 and B-104 Riverside, California 92507	
Term:	Effective as of May 1, 2012 and terminating April 30, 2017	
Size	<u>Current</u> 15,239	<u>New</u> 15,434
Rent:	<u>Current</u> \$ 1.81 per sq. ft. \$ 27,632.59 per month \$331,591.08 per year	<u>New</u> \$ 1.48 per sq. ft. \$ 22,842.32 per month \$274,107.84 per year
	Savings Per Sq. Ft. \$.33 Per Month \$ 4,790.27 Per Year \$57,483.24	
Rental Adjustments:	Three percent annual increase	
Improvements:	Lessor shall complete at his expense	

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

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully funded through the Community Action Partnership (CAP) budget. CAP has budgeted these costs in FY 2011/12. While the Economic Development Agency (EDA) will front the costs for this Second Amendment to Lease with the property owners, CAP will reimburse EDA for all associated costs. EDA has sufficient budget within its Rent-Lease Buildings expense account to cover this Lease; therefore, no budget adjustment is needed.

Attachments:

Exhibit A

Exhibit B

Second Amendment to Lease

Exhibit A

Community Action Partnership Cost Analysis FY 2011/12 2038 Iowa Avenue, Suites B-102, B-103 & B-104, Riverside, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:	15,239 SQFT	
Total Expected Lease Cost for FY 2011/12		\$ 333,801.68

ACTUAL AMOUNTS

Current Office:	15,239 SQFT
Proposed Office:	15,434 SQFT

Approximate Cost per SQFT (July - April)	\$	1.81
Approximate Cost per SQFT (May - June)	\$	1.48

Lease Cost per Month (July - April)	\$	27,632.59
Lease Cost per Month (May - June)	\$	<u>22,842.32</u>

Total Lease Cost (July - April)	\$	276,325.90
Total Lease Cost (May - June)	\$	<u>45,684.64</u>
Total Actual Lease Cost for FY 2011/12		\$ 322,010.54
Total Lease Cost Variance for FY 2011/12		\$ (11,791.14)

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot	\$	0.12
Estimated Utility Costs per Month	\$	<u>1,828.68</u>
Total Expected Additional Cost for FY 2011/12		\$ 21,944.16

RCIT	\$	-
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Tenant Improvements	\$	-
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EDA Lease Management Fee (Based @ 3.79%)	\$	<u>12,651.08</u>
Total Expected Additional Cost Included in Budget for FY 2011/12		\$ 34,595.24

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12
Costs per Month (July - April)	\$	1,828.68
Costs per Month (May - June)	\$	1,852.08
Total Estimated Actual Utility Cost for FY 2011/12		\$ 21,990.96

RCIT	\$	-
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Tenant Improvements	\$	-
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EDA Lease Management Fee (Based @ 3.79%)	\$	<u>12,204.20</u>
Total Estimated Additional Actual Cost for FY 2011/12		\$ 34,195.16

Total Estimated Additional Cost Variance for FY 2011/12			\$ (400.08)
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TOTAL ESTIMATED COST FOR FY 2011/12			\$ (12,191.22)
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TOTAL COUNTY COST: 28.35%			\$ (3,456.21)
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Exhibit B

Community Action Partnership Cost Analysis FY 2012/13 2038 Iowa Avenue, Suites B-102, B-103 & B-104, Riverside, California

Current Square Feet Occupied:

Office: 15,434 SQFT

Approximate Cost per SQFT (July -April) \$ 1.48
Approximate Cost per SQFT (May - June) \$ 1.53

Lease Cost per Month (July - April) \$ 22,842.32
Lease Cost per Month (May - June) \$ 23,544.26

Total Lease Cost (July - April) \$ 228,423.20
Total Lease Cost (May - June) \$ 47,088.52
Total Lease Cost for FY 2012/13 \$ 275,511.72
Total Lease Cost Savings for FY 2012/13

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs \$ 1,852.08
Total Estimated Utility Cost for FY 2012/13 \$ 22,224.96

EDA Lease Management Fee (Based @ 3.79%) \$ 10,441.89

Total Estimated Lease Cost FY 2012/13 \$ **308,178.57**

TOTAL COUNTY COST: 23.596% \$ 72,717.82

1 **SECOND AMENDMENT TO LEASE**

2 Community Action Partnership of Riverside County

3 2038 Iowa Avenue, Suites B-102, B-103 and B-104, Riverside, California

4
5 This **SECOND AMENDMENT TO LEASE** (Second Amendment), dated as of
6 _____, is entered by and between the **COUNTY OF RIVERSIDE**, a political
7 subdivision of the State of California, (Lessee), and **BV/CIP SBC, LLC.**, a Delaware limited
8 liability company, (Lessor), sometimes collectively referred to as the "Parties".

9 **1. Recitals.**

10 a. Iowa Business Park Associates, LP, a California limited partnership,
11 predecessor to BV/CIP SBC, LLC., as Lessor, and County, as Lessee, have entered into that
12 certain Lease, dated April 9, 2002, (the "Original Lease") pursuant to which Lessor has agreed
13 to lease to Lessee and Lessee has agreed to lease from Lessor a portion of that certain
14 building located at 2038 Iowa Avenue, Suite B-102, (the "Building"), as more particularly
15 described in the Lease (the "Original Lease").

16 b. The Original Lease has been amended by that certain First Amendment to
17 Lease dated January 8, 2008, by and between PCCP Lincoln Summit, LLC, successor-in-
18 interest to Iowa Business Park Associates, LP and Lessee (the 1st Amendment), whereby the
19 Parties amended the Lease to, among other things, extend the term period, amend the rental
20 amounts and increase the square footage of the Original Premises to include Suites B-103,
21 and B-104 ("1st Expansion Space").

22 c. BV/CIP SBC, LLC., as the new property owners, commissioned the architectural
23 firm of Calabrese Architect to confirm the rentable square footage for Suites B-102, B-103 and
24 B-104, originally believed to be a total of 15,239 square feet. The architectural firm determined
25 that the correct square footage for the lease premises is 15434 (a difference of 195 square
26 feet), as outlined in Exhibit "A", attached hereto and incorporated herein.

27 d. In addition to the Original Premises and the 1st Expansion Space, Lessee and
28 Lessor now desire to include this additional 195 rentable square feet located within the Building

1 (“2nd Expansion Space”) in this Lease on the terms and conditions set forth herein. The
2 Original Premises, 1st Expansion Space and 2nd Expansion Space are collectively referred to
3 herein as the “Premises”.

4 e. The Parties now desire to amend the Lease to extend the term period and the
5 rental amounts, modify the rentable square footage, and minor improvements to be made to
6 the premises at Lessor’s expense.

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

9 **2. Lease Term.** Section 1 of the First Amendment to Lease is hereby amended by
10 the following:

11 The term of this Lease shall be extended for a period of five (5) years effective
12 as of May 1, 2012 and terminating April 30, 2017.

13 **3. Rent.** Section 2 of the First Amendment to Lease is hereby amended by the
14 following.

15 Effective as of May 1, 2012, the monthly rent shall be \$22,842.32. The monthly rent shall be
16 increased on each succeeding May 1st during the Term by an amount equal to three (3%)
17 percent of such monthly rental paid during the previous year.

18 **4. Premises.** Section 1.2 of the Original Lease is hereby amended by the
19 following:

20 a. The term “Premises” shall mean the Rentable Area in the Building for
21 Suites B-102, B-103 and B-104 consists of 15,434 square feet, as outlined in Exhibit “A”,
22 attached hereto and incorporated herein.

23 b. Exhibit “A” of the Original Lease is hereby deleted in its entirety and
24 replaced with Exhibit A attached hereto and incorporated herein by this reference.

25 **5. Improvements by Lessor.** Section 9.1 of the Original Lease is hereby
26 amended by the following:

27 9.1.4 Following the execution and delivery of this Second Amendment, Lessor
28 shall, at its sole cost and expense arrange for the following work (the “tenant improvements”) to

1 be performed within the premises: (1) Re-paint the Energy Lobby using semi-gloss paint (2)
2 Install toilet paper dispenser in the Energy Lobby restroom (3) Repair existing building signage
3 and new signage for the main entrance of the building and the Energy entrance, as described
4 on Exhibit "I" attached to the lease.

5 **6. Capitalized Terms:** Second Amendment to Prevail. Unless defined herein or
6 the context requires otherwise, all capitalized terms herein shall have the meaning defined in
7 the Lease, as heretofore amended. The provisions of this Second Amendment shall prevail
8 over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall
9 supplement the remaining provisions thereof.

10 **7. Miscellaneous.** Except as amended or modified herein, all the terms of the
11 Original Lease shall remain in full force and effect and shall apply with the same force and
12 effect. This is of the essence in this Amendment and the Lease and each and all of their
13 respective provisions. Subject to the provisions of the Lease as to assignment, the
14 agreements, conditions and provisions herein contained shall apply to and bind the heirs,
15 executors, administrators, successors and assigns of the parties hereto. If any provision of this
16 Amendment or the Lease shall be determined to be illegal or unenforceable, such
17 determination shall not affect any other provision of the Lease and all such other provisions
18 shall remain in 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 or
20 Lessee. Neither this Amendment, nor the Original Lease, nor any notice nor memorandum
21 regarding the terms hereof, shall be recorded by County.

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1 **8. Effective Date.** This Second Amendment to Lease shall not be binding or
2 consummated until its approval by the Riverside County Board of Supervisors and fully
3 executed by the Parties.

4 IN WITNESS WEHREOF, the parties have executed this Amendment as of the date first
5 written above.

6 Dated: _____

LESSOR:

7
8 **BV/CIP SBC, LLC,**
9 A Delaware limited liability company

10 By: CIP Summit Equity, LLC,
11 a Delaware limited liability company,
12 its Manager

13 By:  _____


14 Name: Eric C. Smyth
15 Its: Authorized Signatory

16 **ATTEST:**
17 Kecia Harper-Ihem
18 Clerk of the Board

COUNTY OF RIVERSIDE

19 By: _____
20 John Tavaglione, Chairman
21 Board of Supervisor

22
23 **APPROVED AS TO FORM:**
24 Pamela J. Walls
25 County Counsel

26 By:  _____
27 Cynthia M. Gunzel
28 Deputy County Counsel

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Main entrance:



Energy Entrance:

ENERGY DIVISION

