

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

934



SUBMITTAL DATE:
August 29, 2012

FROM: Economic Development Agency / Facilities Management

SUBJECT: Fifth Amendment to Lease - RCIT

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Fifth Amendment to Lease;
2. Authorize the chairman of the Board to execute the same on behalf of the County;
3. Approve and direct the Auditor-Controller to adjust the Economic Development Agency's FY 2012/13 budget as outlined on Schedule A; and

(Continued)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Samuel Wong 8/28/12
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 403,569	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: RCIT Budget

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

C.E.O. RECOMMENDATION: APPROVE

BY Jennifer L. Sargent
Jennifer L. Sargent

County Executive Office Signature

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

Prev. Agn. Ref.: 3.33 of 6/5/01; 3.34 of 6/5/01; 3.22 of 5/7/02; 3.20 of 11/28/06; 3.35 of 2/28/12

District: 1/1

Agenda Number:

3.20

RECOMMENDED MOTION: (Continued)

4. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities.

BACKGROUND:

The County of Riverside entered into this Lease agreement on June 5, 2001, on behalf of Riverside County Information Technology (RCIT), for the facility located at 6147 Rivercrest, Suite A, Riverside. This facility continues to meet the needs and requirements of RCIT and the Real Estate Division of the Economic Development Agency (EDA) has negotiated an extension. The Fifth Amendment represents a six month extension effective July 1, 2012. This extension is only for six months as EDA is working with RCIT to relocate and consolidate staff into one facility.

Pursuant to the California Environmental Quality Act (CEQA), the Lease Amendment was reviewed and determined to be categorically exempt from CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Lease Amendment, is the letting of property involving existing facilities and not expansion of an existing use will occur.

Lessor:	MSP Rivercrest Plaza, LLC c/o Muller Company 18881 Von Karman, Suite 400 Irvine, California
Premises Location:	6147 Rivercrest, Suite A Riverside, California
Term:	Six months commencing July 1, 2012
Rent:	\$2.19 per square foot \$61,483.50 per month \$737,802.00 per year
Utilities:	County pays electric and telephone, Lessor pays all others
Maintenance:	Provided by Lessor
Custodial:	Provided by Lessor
Improvements:	N/A
RCIT:	N/A

(Continued)

BACKGROUND: (Continued)

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 RCIT. RCIT has budgeted these costs in FY 2012/13. While EDA will front the costs for the Fifth Amendment to Lease with the property owners, RCIT will reimburse EDA for all associated lease costs.

Attachment:
Fifth Amendment
Schedule A
Exhibit A

SCHEDULE A

Increase Appropriations:

47220-7200400000-526700 Rent-Lease Buildings \$368,901

Increase Estimated Revenue:

47220-7200400000-777330 Leasing Services \$368,901

Exhibit A

RCIT Lease Cost Analysis FY 2012/13 6147 Rivercrest, Suite A, Riverside, CA

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office: 28,014 SQFT
Total Expected Lease Cost for FY 2012/13 \$ -

ACTUAL AMOUNTS

Current Office: 28,014 SQFT

Approximate Cost per SQFT (July - Jun) \$ 2.19

Lease Cost per Month (July - Jun) \$ 61,483.50

Total Lease Cost (July - Jun) \$ 368,901.00

Total Actual Lease Cost for FY 2012/13 \$ 368,901.00

Total Lease Cost Variance for FY 2012/13 \$ 368,901.00

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month (July - June) \$ 3,361.68

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

EDA Lease Management Fee (Based @ 3.93%) \$ -

Total Estimated Expected Cost for FY 2012/13 \$ -

ACTUAL AMOUNTS

Utility Cost per Square Foot \$ 0.12

Costs per Month (July - Jun) \$ 3,361.68

Total Estimated Actual Utility Cost for FY 2012/13 \$ 20,170.08

EDA Lease Management Fee (Based @ 3.93%) \$ 14,497.81

Total Estimated Actual Cost for FY 2012/13 \$ 34,667.89

Total Estimated Cost Variance for FY 2012/13 \$ 34,667.89

TOTAL ESTIMATED COST FOR FY 2012/13 \$ 403,568.89

1 **FIFTH AMENDMENT TO LEASE**

2
3 **THIS FIFTH AMENDMENT TO LEASE** ("Fifth Amendment"), dated as of
4 August 14, 2012, is entered by and between the **COUNTY OF RIVERSIDE**, a
5 political subdivision of the State of California, as Lessee, and **MSP RIVERCREST**
6 **PLAZA, LLC**, a Delaware limited liability company, Lessor, as successor in interest to
7 **MEF REALTY, LLC**, sometimes collectively referred to as the "Parties."

8
9 **RECITALS**

10 A. Lessor and Lessee have entered into that certain Lease, dated June 5, 2001,
11 (the "Original Lease") pursuant to which Lessor has agreed to lease to Lessee and
12 Lessee has agreed to lease from Lessor a portion of the first floor of that certain
13 building located at 6147 Rivercrest Drive, Suite A (the "Building"), as more particularly
14 described in the Lease (the "Original Premises").

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

16 1. The First Amendment to Lease dated June 5, 2001 by and between Feta
17 Hunter, Inc., and The County of Riverside, the Parties amended the Lease to extend
18 the term period, expand the square footage, adjust the rental amount, complete tenant
19 improvements and provide for early termination due to loss of funding.

20 2. The Second Amendment to Lease dated May 7, 2002 by and between F-
21 H Rivercrest L.P., et. al., successor in interest to Feta Hunter, Inc., and the County of
22 Riverside, the Parties amended the Lease to complete tenant improvements.

23 3. The Third Amendment to Lease dated November 28, 2006 by and
24 between Rivercrest Plaza, LLC, as successor in interest to F-H Rivercrest, L.P., et. al.
25 and the County of Riverside, the Parties amended the Lease to extend the term,
26 reduce the square footage, adjust the rent and complete tenant improvement.

1 4. The Fourth Amendment to lease dated February 28, 2012 by and
2 between MEF Realty, LLC as successor in interest to Rivercrest Plaza, LLC and the
3 County of Riverside, the Parties amended the Lease to extend the term, and adjust the
4 rent.

5 C. The Original Lease, together with the above-referenced amendments, are
6 collectively referred to as the "Lease."

7 D. Parties now desire to amend the Lease to extend the lease term.

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

10 1. TERM. Section 1.3 of the Lease is hereby amended by adding the
11 following:

12 The term of this Lease shall be extended for six (6) months commencing on July
13 1, 2012 and terminating on December 31, 2012.

14 2. FIFTH AMENDMENT TO PREVAIL. The provisions of this Fifth
15 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease.

16 3. MISCELLANEOUS. Except as amended or modified herein, all the terms
17 of the Lease shall remain in full force and effect and shall apply with the same force
18 and effect. Time is of the essence in the Lease and each and all of its respective
19 provisions. If any provisions of the Lease or this Fifth Amendment shall be determined
20 to be illegal or unenforceable, such determination shall not affect any other provision of
21 the Lease and all such other provisions shall remain in full force and effect. The
22 language in all parts of the Lease shall be construed according to its normal and usual
23 meaning and not strictly for or against either Lessor or Lessee. Neither this Fifth
24 Amendment, nor the Lease, nor any notice nor memorandum regarding the terms
25 hereof, shall be recorded by Lessee.

26 //

27 //

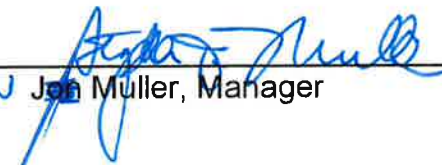
28 //

1
2 4. EFFECTIVE DATE. This Fifth Amendment to Lease shall not be binding
3 or consummated until its approval by the Riverside County Board of Supervisors and
4 fully executed by the Parties.

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

7 LESSOR:

8
9 MSP RIVERCREST PLAZA, LLC, a
Delaware limited liability company

10
11 By:  _____
STEPHEN John Muller, Manager

12
13 ATTEST:

14 Kecia Harper-Ihem
15 Clerk of the Board

16 LESSEE:

17 COUNTY OF RIVERSIDE

18 By: _____
19 Deputy

20 By: _____
21 John Tavaglione, Chairman
22 Board of Supervisors

23 (SEAL)

24 APPROVED AS TO FORM:

25 Pamela J. Walls
26 County Counsel

27 By:  _____
28 Patricia Munroe
Deputy County Counsel

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