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



FROM: Economic Development Agency / Facilities Management

March 7, 2013

SUBJECT: Fourth Amendment to Lease - Department of Public Social Services

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

- 1. Approve the attached Fourth Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County;
- 2. Approve and direct the Auditor Controller to make the budget adjustment as shown on Schedule A, attached; and

3. Find that the project is exempt from The California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities. **BACKGROUND:** (Commences on Page 2) FISCAL PROCEDURES APPROVED PAUL ANGULO, CPA, AUDITOR-CONTROLLER Social Assistant County Executive Officer/EDA BY Samuel W SAMUEL WONG Susan Loew, Director Department of Public Current F.Y. Total Cost: In Current Year Budget: \$ 120.691 No **FINANCIAL Budget Adjustment:** Current F.Y. Net County Cost: Yes \$ 2,836 DATA **Annual Net County Cost:** For Fiscal Year: \$ 15.676 2012/13 COMPANION ITEM ON BOARD AGENDA: No **Positions To Be** SOURCE OF FUNDS: Federal 59.63%; State 38.02%; County 2.35% Deleted Per A-30 Requires 4/5 Vote C.E.O. RECOMMENDATION: APPROVE **County Executive Office Signature** 4

Prev. Agn. Ref.: 3.8 of 5/11/99; 3.6 of 11/9/99; 3.20 of 7/27/10; 3.38 of /16/2011

District: 5/5

ATTACHMENTS FILED

WITH THE CLERK OF THE BOARD

Agenda Number

REVIEWED BY CIPORM APPROVED COUNTY COUNSE

By:

Policy

 $\boxtimes$ 

Consent

Dep't Recomm.:

Consent

Ofc.:

Exec.

Economic Development Agency / Facilities Management Fourth Amendment to Lease – Department of Public Social Services March 7, 2013 Page 2

### **BACKGROUND:**

The County holds a leasehold interest, as Lessee, under a lease between the County and Banning #169, LP, a California limited partnership, for the facility located at 63 South 4<sup>th</sup> Street, Banning.

The Department of Public Social Services (DPSS) has occupied this location for the Self Sufficiency Division since 1999. This office and location continues to meet the needs of DPSS and this Fourth Amendment to Lease represents an expansion of 1,559 square feet and lease extension. Tenant improvements will be completed in both the existing office space and expansion area to provide improved space utilization and to accommodate new staffing scheduled to occupy.

Location:

63 S. Fourth Street Banning, CA 92220

Lessor:

Banning #169, LLC B.A.G. Investments, Inc. 10100 Culver Blvd., Suite D Culver City, CA 90232

Size:

Increasing from 23,136 to 24,695 square feet, upon completion of

improvements, estimated effective June 1, 2013.

Rent:

Current

New

\$ 1.53 per sq. ft. \$ 35,297.52 per month \$ 1.68 per sq. ft. \$ 41,487.60 per month

\$423,570.24 per year

\$497,851.20 per year

Increases:

Annually per a schedule.

Term:

Five year lease extension commencing July 1, 2013.

Tenant Improvements:

Not to exceed \$329,270.00 to be reimbursed in three payments over three fiscal years. In addition, new carpet, tile, and paint throughout the original 19,500 square foot space will be completed at Lessor's

expense and is included in the rent.

RCIT:

\$30,090.00

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

### FINANCIAL DATA:

All associated costs for this lease will be fully funded through the DPSS budget. DPSS has budgeted these costs in FY 2012/13; however, the Economic Development Agency (EDA) requires a budget adjustment to its FY 2012/13 budget to cover related transactional costs with the property owner. While EDA will front the costs for this lease with the property owner, DPSS will reimburse EDA for all associated lease costs.

Attachments: Schedule A, Exhibit A, Exhibit B Fourth Amendment to Lease Economic Development Agency / Facilities Management Fourth Amendment to Lease – Department of Public Social Services March 7, 2013 Page 3

# **SCHEDULE A**

# **Increase Appropriations:**

47220-7200400000-526700	Rent/Lease Buildings	\$ 6,190
47220-7200400000-522410	Tenant Improvements	\$109,757
Increase Estimated Revenue:		
47220-7200400000-777330	Leasing Services	\$ 6,190
47220-7200400000-781360	Misc. Revenue	\$109,757

# Exhibit A

# DPSS Lease Cost Analysis FY 2012/13 63 S. Fourth Street, Banning, California

Total Square Footage to be Leased:  EXPECTED AMOUNTS  Current office:  Total Expected Lease Cost for FY 2012/13		23,136	SQFT	\$	423,570.24		
ACTUAL AMOUNTS Current Office: Proposed Office:			S SQFT S SQFT				
Approximate Cost per SQFT (July - May) Approximate Cost per SQFT (June)	\$ \$	1.53 1.68					
Lease Cost per Month (July - May) Lease Cost per Month ( June)	\$ \$	35,297.52 41,487.60	<b>-</b> j				
Total Lease Cost (July - May) Total Lease Cost (June) Total Actual Lease Cost for FY 2012/13 Total Lease Cost Variance for FY 2012/13			\$ 388,272.72 \$ 41,487.60	_\$	429,760.32	- \$	6,190.08
Estimated Additional Costs:  EXPECTED AMOUNTS  Utility Cost per Square Foot  Estimated Utility Costs per Month (July - June)	\$ \$	0.12 2,776.32					
Total Estimated Utility Cost for FY 2012/13			\$ 33,315.84				
RCIT			\$ 30,090.00				
Tenant Improvements			\$ -				
EDA Lease Management Fee (Based @ 3.93%)  Total Estimated Expected Cost for FY 2012/13			\$ 16,646.31	\$	80,052.15		
ACTUAL AMOUNTS Utility Cost per Square Foot Costs per Month (July - May) Costs per Month (June) Total Estimated Actual Utility Cost for FY 2012/13	\$ \$ _	0.12 2,776.32 2,963.40					
RCIT			\$ 30,090.00				
Tenant Improvements = \$329,270/3yrs			\$ 109,756.67				
EDA Lease Management Fee (Based @ 3.93%)  Total Estimated Actual Cost for FY 2012/13			\$ 21,203.02		194,552.61	<del>-</del>	
Total Estimated Cost Variance for FY 2012/13						\$	114,500.46
TOTAL ESTIMATED COST FOR FY 2012/13						<u>\$</u>	120,690.54
TOTAL COUNTY COST: 2.35%						\$	2,836.23

# Exhibit B

# DPSS Lease Cost Analysis FY 2013/14 63 S. Fourth Street, Banning, California

# **Current Square Feet Occupied:**

Current Office:	24,695	SQFT		
Approximate Cost per SQFT (July - June)	\$ 1.68			
Lease Cost per Month (July - June)		\$ 41,487.60		
Total Lease Cost (July - June)			\$	497,851.20
Total Expected Lease Cost for FY 2013/14			\$	497,851.20
Estimated Additional Costs:				
Utility Cost per Square Foot Estimated Utility Costs per Month (July - June)	\$ 0.12	\$ 2,963.40		
Total Estimated Utility Cost for FY 2013/14 Tenant Improvement (2nd of 3 payments) EDA Lease Management Fee (Based @ 3.93%)			\$ \$ \$	35,560.80 109,756.67 23,878.99
TOTAL ESTIMATED COST FOR FY 2013/14			<u>\$</u>	667,047.66
TOTAL COUNTY COST: 2.35%			\$	15,675.62

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## FOURTH AMENDMENT TO LEASE

(Department of Public Social Services, 63 S. Fourth Street, Banning, California)

This FOURTH AMENDMENT to Lease ("Fourth Amendment") is made as of 2013, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("County"), and BANNING #169, LP, a California limited partnership, ("Lessor").

### Recitals

- BANNING #169, LLC, as Lessor, predecessor-in-interest to a. Banning #169, LP, and County, have entered into that certain Lease dated May 11, 1999, ("Original Lease") pertaining to the premises located at 63 S. Fourth Street, Banning, California, as more particularly described in the Lease.
  - b. The Original Lease has been amended by:
- That certain First Amendment to Lease dated, November 9, 1999, by and between County of Riverside and Banning #169, LLC, ("First Amendment").
- ii. That certain Second Amendment to Lease dated July 27, 2010, by and between County of Riverside and Banning #169, LP, ("Second Amendment").
- iii. That certain Third Amendment to Lease dated August 16, 2011, by and between County of Riverside and Banning #169, LP, ("Third Amendment").
- The Original Lease, as heretofore, currently, or hereafter C. amended, shall hereafter be referred to as the "Lease."
- County and Lessor desire to further amend the Lease by d. increasing the square footage and modifying the premises with tenant improvements defined herein.
- NOW, THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

- 1. **Description.** Section 1(a) shall be amended as follows: Upon completion of the improvements referenced in Section 4 of this Fourth Amendment to Lease, the premises leased will increase to approximately 24,695 square feet, located at 63 South Fourth Street, Banning, California, as more particularly shown on Exhibit "G." attached hereto and by this reference made a part of this Lease.
- 2. Term. Section 3(a) of the Lease shall be amended as follows: The term of this Lease shall be extended for a period of five (5) years commencing July 1, 2013, and expiring June 30, 2018.
- 3. Rent During Extended Term. Section 4 of the Third Amendment to Lease shall be amended as follows:

County shall pay to Lessor the monthly sum as rent for the Leased premises during the extended term of this Lease as indicated below:

- a. Effective July 1, 2012 through June 30, 2013, the monthly rent payable shall be \$35,297.52.
- b. Effective July 1, 2013, the monthly rent payable shall be \$38,868.48 and shall be payable through June 30, 2014.
- (i) Notwithstanding the terms of Section 3(a) or 3(b) of this Fourth Amendment, upon completion and acceptance by County of the tenant improvements in the expansion area as set forth in paragraph 9(k) in Section 4 of this Fourth Amendment to Lease, and not including those improvements set forth in paragraph 9(k.iv), the monthly rent shall be adjusted to \$41,487.60, and shall be payable through June 30, 2014. Rent shall be prorated if completion takes effect in the middle of a month.
- c. Effective July 1, 2014, and continuing until June 30, 2015, the monthly rent payable shall be \$42,243.27.
- d. Effective July 1, 2015, and continuing until June 30, 2016, the monthly rent payable shall be \$43,014.05.

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- e. Effective July 1, 2016, and continuing until June 30, 2017, the monthly rent payable shall be \$43,800.24.
- f. Effective July 1, 2017, and continuing until June 30, 2018, the monthly rent payable shall be \$44,603.16.
- **4. Improvements.** Section 9 shall be amended to add subsection 9 (k) as follows:
- 9 (k). Additional Improvements by Lessor. Lessor, at its expense, subject to reimbursement of the total cost by County, shall complete tenant improvements per the attached Exhibit "G." Remodel work within the existing space shall be performed after hours and on weekends. Tenant improvements in the expansion space can be performed either during regular hours, provided staff is uninterrupted, or after hours, or on weekends. Cost of the tenant improvements as paid for by Lessor shall not exceed \$329,270.00, which includes a County contingency amount of \$5,000.00 for change orders requested and approved by County. completion of the tenant improvements, Lessor shall provide County with updated plans based on field changes during construction. In addition, Lessor shall provide County with an itemized statement of the actual costs incurred accompanied by vendor, contractor, subcontractor, and material man invoices if requested by County. County shall not reimburse Lessor an amount in excess of actual costs, nor in excess of \$329,270.00. County shall reimburse Lessor as follows:
- (i) One Third (1/3) of the reimbursement amount shall be paid within sixty (60) days after completion of the Leasehold Improvements and receipt of invoicing with appropriate backup documents.
- (ii) One half (1/2) of the remaining balance, together with interest thereon at the rate of six percent (6%) per annum, from the date of Substantial Completion until the date of payment, shall be paid no later than the month of October of the County fiscal year following the fiscal year in which the initial payment referenced in Subsection 9 (k) (i) above was paid.

8665 South Wilshire, Suite 302

- County's Representative. Section 19 of the Lease shall be amended as County hereby appoints the Assistant County Executive Officer of the Economic Development Agency as its authorized representative to administer this
- Fourth Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this Fourth Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended,
- Miscellaneous. Except as amended or modified herein, all terms of the Lease shall remain in full force and effect. If any provisions of this Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease. Either this Amendment or the Lease shall be recorded by the

1	<b>9.</b> This Fourth Amendment to	o Lease shall not be binding or consummated
2	until its approval by the County's Board	of Supervisors.
3 4	Dated: 2-28-13	BANNING #169, LP, a California limited
5		partnership
6		Ву:
7		Alan J. Gindi, President of B.A.G. Investments, Inc.
8   9	× ·	General Partner
10		COUNTY OF RIVERSIDE, a political
10		subdivision of the State of California
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13	ATTEST:	By: John J. Benoit, Chairman
14	Kecia Harper-Ihem	Board of Supervisors
15	Clerk of the Board	
16	Ву:	
17	Deputy	
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19	APPROVED AS TO FORM: PAMELA J. WALLS, County Counsel	
20		
21	By: Patricia Munroe, Deputy	
22	atricia Murroe, Deputy	
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26   27	HR:mr/022113/BA019/15.556 H:\Scans Temp Hold\	Fourth Amendment to Lease - 63 S. Fourth Street, Banning;
28	FM042130001900 PM 022113.doc	

# ABRAMSON TEIGER ARCHITECTS

8924 LINBLADE STREET, CULVER CITY, CA 90232 TELEPHONE (310) 838-8998 FAX (310) 838-8332

# 63 SOUTH 4TH STREET Banning, CA 92220

Project Costs 26-Dec-12

Consultant Fees	Cost
Consultants	\$21,000.00
Reimbursables	3,000.00
Sub Total - Consultant Fees	\$24,000.00
Construction Costs	Cost
Permit Fees	\$3,750.00

Construction Costs	Cost
Permit Fees	\$3,750.00
Construction Cost	278,090.00
Fire Protection	3,500.00
Audio Video	By County of Riverside
Security Alarm	By County of Riverside
Tel - Data - PA - Clocks - Belts	By County of Riverside
FF&E - estimated	By County of Riverside
26 A Total Control and Administration A	
Contingency 5%	14,930.00
Sub Total	\$300,270.00

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Total	\$324,270.00

# Preliminary Cost Estimate Gindi Banning Expansion 12/28/2012

Folding wall Contractor fee Contingency Total	Handrail Tint	Fire Extinguishers	Roof	Floor leveling	Carpet	HVAC	Glass	Fire Safety	Fire Sprinklers	T-bar	Paint	Drywall	Insulation	Plumbing	Electrical	Framing	Concrete	Demolition	Structural Steel	Permits	Engineering	Title 24 MEP	Trade
As Specified	Aluminum handrail at new ramp Grafitti film and tint	As Required	Repairs as necessary at new HVAC and old penetrations	Ramp up to tile to be covered at lobby, fill mat location, not recommended	new carpet squares to match latest remodel, 2011	One 5 ton package with zone control, add zone control new offices and supply room	New Storefront 10'x37' Dual Glazed	Per Troy Alarm Quote dated Dec. 5, 2012	Sprinkle new 5000 sq. ft., connect to existing system	New T bar to match latest expansion, 2011, Repair damaged areas	Newly drywalled areas only to match existing	5/8" drywall at walls, orangepeel texture to match	R-30 at roof, R-13 at ext walls, R-11 at interior walls	Connect main line from laundry to supply existing	New drop in fixtures, new circuits to power poles	Metal stud framing, Wood beam to carry folding wall	New Concrete ramp and footings	Concrete wall and floor, Storage Room, Conference Room ceilings, walls	Steel post, U channel	Building, Fire	Structural Calcs and Plans tilt up opening	Title 24, Mechanical, Electrical, Plumbing	Description
12000 44140 13,250 278090	1500	200	4000 2500	2000	20000	20000	13000	6000	36000	11000	3500	7000	3000	1500	21000	5000	10000	21000	5000	5000	3500	2000	Cost











