

702



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

FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
November 26, 2013

SUBJECT: Second Amendment to Lease – District Attorney – 3 Year Renewal, CEQA Exempt, District 3, [\$907,573]; 100% General Fund

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. Ratify the attached Second Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND:
Summary

(Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Paul Angulo 12/2/13

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	\$ 308,695	\$ 300,632	\$ 907,573	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 308,695	\$ 300,632	\$ 907,573	\$	
SOURCE OF FUNDS: District Attorney's Budget				Budget Adjustment: No	
				For Fiscal Year: 2013/14	

C.E.O. RECOMMENDATION:

APPROVE

BY: Rohini Dasika
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY: Patricia Munroe 11/19/13
DATE

Departmental Concurrence

Jeffrey Van Wagener
Assistant District Attorney

By:

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

Prev. Agn. Ref.: 3.23 of 10/27/09 | District: 3/3 | Agenda Number:

3-7

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

Economic Development Agency/Facilities Management

FORM 11: Second Amendment to Lease – District Attorney – 3 Year Renewal CEQA Exempt, District 3, [\$907,573]; 100% General Fund

DATE: November 26, 2013

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BACKGROUND:

Summary (continued)

The County entered into a lease agreement on behalf of the District Attorney's Victims' Witness and Investigation divisions on June 28, 2005, for the facility located at 30045 Technology Drive, Murrieta. This location continues to meet the needs and requirements of the District Attorney (DA) and this Second Amendment to Lease represents a 3-year renewal. The rate per square foot has increased due to improving economic conditions in Southwest Riverside County; however the new rate is still below the market rate for similar facilities in the area. Also, the Landlord at its sole cost and expense will be replacing the carpet in the entire suite including costs for moving of furniture. In addition, tenant improvement costs which were suspended pursuant to the rent decrease in the First Amendment in the amount of \$95,325.00 will be reimbursed as follows: A lump sum payment of \$12,500.00 will be paid upon final execution of this Second Amendment to Lease by the Board of Supervisors. Thereafter, in addition to the monthly base rent of \$19,550.70 per month, tenant improvement rent will be paid in the amount of \$2,300.69 per month over the thirty six month extension.

Lessor: Valley View Commerce Center, LLC
41623 Margarita Road, Suite 100
Temecula, California

Premises: 30045 Technology Drive
Murrieta, California

Term: Three years commencing January 1, 2013 and expiring December 31, 2015

Size: 14,482 square feet

Rent:	Current	New
	\$1.07 per sq. ft.	\$1.35 per sq. ft.
	\$15,484.64 per month	\$19,550.70 per month
	\$185,815.68 per year	\$234,608.40 per year

Suspended T.I. Rent Total outstanding \$95,325.00, a \$12,500.00 lump sum payment in addition to an additional monthly T.I. payment of \$2,300.69 per month for thirty (36) months.

Rental Adjustment: Two percent

Improvements: New carpet installed at Landlords sole cost and expense

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

Impact on Residents and Businesses

There will be no foreseeable impact on residents and local businesses.

(Continued)

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

Economic Development Agency/Facilities Management

FORM 11: Second Amendment to Lease – District Attorney – 3 Year Renewal, District 3/3, CEQA Exempt
[\$907,573]

DATE: November 14, 2013

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SUPPLEMENTAL:

Additional Fiscal Information

The DA has budgeted these costs in FY 2013/14 and will reimburse the Economic Development Agency (EDA) for their lease costs on a monthly basis. The total cost of \$907,573 includes FY 2012/13 cost of \$146,688.

Attachments:

Second Amendment to Lease

Exhibit A

Exhibit B

Exhibit C

Exhibit A

FY 2013/14

**District Attorney Lease Cost Analysis
30045 Technology Drive, Murrieta, California**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	14,482	SQFT		
Approximate Cost per SQFT (July - Dec)	\$	1.35		
Approximate Cost per SQFT (Jan - Jun)	\$	1.38		
Lease Cost per Month (July - Dec)			\$	19,550.70
Lease Cost per Month (Jan - June)			\$	19,941.71
Total Lease Cost (July - Dec)			\$	117,304.20
Total Lease Cost (Jan - June)			\$	119,650.28
Total Estimated Lease Cost for FY 2013/14			\$	236,954.48

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July - June)			\$	1,737.84
Total Estimated Utility Cost			\$	20,854.08
RCIT			\$	-
Tenant Improvements			\$	40,108.28
EDA Lease Management Fee (Based @ 3.89%)			\$	10,777.74
TOTAL ESTIMATED COST FOR FY 2013/14			\$	308,694.59
TOTAL COUNTY COST 100%			\$	308,694.59

Exhibit B

FY 2014/15

District Attorney Lease Cost Analysis
30045 Technology Drive, Murrieta, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	14,482	SQFT	
Approximate Cost per SQFT (July - Dec)	\$	1.38	
Approximate Cost per SQFT (Jan - Jun)	\$	1.40	
Lease Cost per Month (July - Dec)		\$	19,941.71
Lease Cost per Month (Jan - June)		\$	20,340.55
Total Lease Cost (July - Dec)		\$	119,650.28
Total Lease Cost (Jan - June)		\$	122,043.29
Total Estimated Lease Cost for FY 2014/15		\$	241,693.57

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	1,737.84
Total Estimated Utility Cost		\$	20,854.08
RCIT		\$	-
Tenant Improvements		\$	27,608.28
EDA Lease Management Fee (Based @ 3.89%)		\$	10,475.84
TOTAL ESTIMATED COST FOR FY 2014/15		\$	300,631.78
TOTAL COUNTY COST 100%		\$	300,631.78

Exhibit C

FY 2015/16

**District Attorney Lease Cost Analysis
30045 Technology Drive, Murrieta, California**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 14,482 SQFT

FY 2015/16

Approximate Cost per SQFT (July - Dec)	\$ 1.40
Approximate Cost per SQFT (Jan - Jun)	\$ -
Lease Cost per Month (July - Dec)	\$ 20,340.55
Lease Cost per Month (Jan - June)	\$ -
Total Lease Cost (July - Dec)	\$ 122,043.29
Total Lease Cost (Jan - June)	\$ -
Total Estimated Lease Cost for FY 2015/16	\$ 122,043.29

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 1,737.84
Total Estimated Utility Cost	\$ 10,427.04
RCIT	\$ -
Tenant Improvements	\$ 13,804.14
EDA Lease Management Fee (Based @ 3.89%)	\$ 5,284.47
TOTAL ESTIMATED COST FOR FY 2015/16	\$ 151,558.93
TOTAL COUNTY COST 100%	\$ 151,558.93

1 **SECOND AMENDMENT TO LEASE**

2
3 **THIS SECOND AMENDMENT TO LEASE** ("Second Amendment"), dated as of
4 _____, 2013, is entered into by and between **VALLEY VIEW**
5 **COMMERCE CENTER, LLC**, a California limited liability company, Lessor and the
6 **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, as Lessee,
7 sometimes collectively referred to as the "Parties."

8 **RECITALS**

9 a. Lessor and Lessee have entered into that certain Lease dated June 28,
10 2005, and its subsequent amendments, (collectively referred to as the "Lease")
11 pursuant to which Lessor has agreed to lease to Lessee and Lessee has agreed to
12 lease from Lessor that certain building located at 30045 Technology Drive, Murrieta, as
13 more particularly described in the Lease (the "Original Premises").

14 b. The amendments of the Lease are summarized as follows:

15 1. The First Amendment to Lease dated October 27, 2009 by and
16 between County of Riverside, a political subdivision of the State of California, Lessee,
17 and Valley View Commerce Center, LLC, a California limited liability company, Lessor,
18 as successor in interest to Valley View Partners, LLC, Fred Grimes, Managing
19 Member.

20 c. The Parties now desire to amend the Lease.

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

23 1. TERM. Section 4.1 of the Lease is hereby amended by adding the
24 following: The term of this lease shall be extended thirty six (36) months commencing
25 on January 1, 2013 and shall expire on December 31, 2015.

26 2. RENT. Section 5.1 and 5.2 of the Lease is hereby amended by adding the
27 following:

28

1 (a) Commencing January 1, 2013 rent shall be \$19,550.70 per month. The
2 monthly rent shall be increased on each anniversary of this Lease by an amount equal
3 to two percent (2%) of such monthly rent.

4 3. Section 5 of the Lease is hereby amended by adding the following: The
5 balance of tenant improvement costs for improvements completed pursuant to the
6 original lease were suspended per the rent decrease in the amount of \$95,325.00
7 effective January 1, 2010. Reimbursement will be paid per the following schedule:
8 Lump sum payment of \$12,500.00 shall be paid within thirty (30) days from the final
9 execution of this Second Amendment by the Board of Supervisors, leaving a balance
10 of \$82,825.00. Thereafter, in addition to the base rent of \$19,550.70 per month, tenant
11 improvement rent shall be paid in the amount of \$2,300.67 per month for the thirty six
12 (36) month extension.

13 4. TENANT IMPROVEMENTS. Lessor, at its sole cost and expense, shall
14 provide new carpet throughout the suite pursuant to Exhibit F, Architectural
15 Requirements, Floors, of the Lease Agreement. Cost shall include the moving of
16 furniture.

17 5. SECOND AMENDMENT TO PREVAIL. The provisions of this Second
18 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease.
19 Any capitalized terms shall have the meaning defined in the Lease, unless defined
20 herein or context requires otherwise.

21 6. MISCELLANEOUS. Except as amended or modified herein, all terms of
22 the Lease shall remain in full force and effect. If any provisions of this Amendment
23 shall be determined to be illegal or unenforceable, such determination shall not affect
24 any other provision of the Lease. Neither this Amendment nor the Lease shall be
25 recorded by the Lessee.

26 ///

27 ///

28 ///

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

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

6 LESSOR:
7 COUNTY OF RIVERSIDE

LESSEE:
VALLEY VIEW COMMERCE CENTER,
LLC

8
9 By: _____
10 John J. Benoit, Chairman
11 Board of Supervisors

By:  _____
Fred D. Grimes,
Managing Member

12 ATTEST:
13 Kecia Harper-Ihem
14 Clerk of the Board

15 By: _____
16 Deputy

17 APPROVED AS TO FORM:
18 Pamela J. Walls
19 County Counsel

20 By:  _____
21 Patricia Munroe
22 Deputy County Counsel