

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

847



FORM APPROVED COUNTY COUNSEL
BY: PATRICIA MUNROE DATE: 12/11/13
Departmental Concurrence

FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
December 23, 2013

SUBJECT: Fifth Amendment to Lease – Department of Public Social Services/Public Authority- 5 year Renewal, District 5, CEQA Exempt [\$1,384,827]; 49% Federal, 51% State

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 Fifth 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: [Signature] 12/29/13

[Signature]

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	\$ 220,799	\$ 276,763	\$ 1,384,828	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: 49% Federal, 51% State
Budget Adjustment: No
For Fiscal Year: 2013/14

C.E.O. RECOMMENDATION:

APPROVE

BY: [Signature]
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

By: [Signature]
Susan Loew
Director of Public Social Services

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

Prev. Agn. Ref.: 3.47 of 8/28/12

District: 5/5

Agenda Number:

3-23

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

Economic Development Agency/Facilities Management

FORM 11: Fifth Amendment to Lease – Department of Public Social Services/Public Authority- 3 year Renewal, District 5/5, CEQA Exempt [\$0]

DATE: December 5, 2013

Page 2 of 3

BACKGROUND:

Summary

On May 3 2005 the County entered into a lease agreement on behalf of the Department of Public Social Services (DPSS) Public Authority (PA) for the facility located at 12125 Day Street, Suite S101, Moreno Valley. This Fifth Amendment to Lease represents a five year extension, expansion of 2,173 square feet and tenant improvements. The expansion and improvements are required as PA has recently expanded its scope of responsibility to include management of the PA Call Center. Currently, eleven staff and one supervisor are responsible for responding to a daily average of 700 calls typically received from PA providers. The staff and supervisor assigned to the Call Center are temporarily located at the Hole Street office until the current PA staff office suite can accommodate the additional staff. Centralization of all PA staff is essential to provide premium management oversight and maximize staffing resources.

Lessor: Canyon Springs Investment Trust
26371 Avery Parkway, Suite B
Mission Viejo, California

Location: 12125 Day Street, Suite S101
Moreno Valley, California

Size: Expanding 2,173 sq. ft. from 8,143 sq. ft. to 10,316 sq. ft.

Term: Five (5) years

Rent:	Current	New
	\$1.62 per sq. ft.	\$1.62 per sq. ft.
	\$13,153.68 per month	\$16,711.92 per month
	\$157,844.16 per year	\$200,543.04 per year

New rent of \$13,153.68 will commence October 1, 2013, expansion rent of \$16,711.92 shall commence upon completion and acceptance of tenant improvements which are anticipated to be completed March 2014.

Rent Adjustment: Two and one half (2.5 %) percent every October.

Utilities: Electricity and telephone paid by County, all others provided by Lessor

Custodial: Provided by Lessor

Improvements: Not to exceed \$143,392.76 to be paid in three annual installments.

RCIT: \$23,530.00

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

Impact on Residents and Businesses

There will be not 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: Fifth Amendment to Lease – Department of Public Social Services/Public Authority- 5 year
Renewal, District 5, CEQA Exempt [\$1,384,827]; 49% Federal, 51% State

DATE: December 23, 2013

Page 3 of 3

SUPPLEMENTAL:

Additional Fiscal Information

DPSS/PA has budgeted these costs in FY 2013/14 and will reimburse the Economic Development Agency (EDA) for their lease costs on a monthly basis. If needed, EDA will request a budget adjustment during the second quarter of FY 2013/14.

Contract History and Price Reasonableness

Original contract was executed on May 3, 2005. Lease rate is consistent with market rates for the area.

Attachments:

Fifth Amendment to Lease

Exhibit A

Exhibit B

Exhibit C

Exhibit A

Department of Public Social Services Lease Cost Analysis FY 2013/14 12125 Day Street, Suite S101, Moreno Valley, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 8,143 SQFT
Proposed New Office 10,316 SQFT

Approximate Cost per SQFT Oct - Feb) \$ 1.62
Approximate Cost per SQFT (Mar - June) \$ 1.62

Lease Cost per Month (Oct - Feb) \$ 13,153.68
Lease Cost per Month (Mar - June) \$ 16,711.92

Total Lease Cost (Oct - Feb) \$ 65,768.40
Total Lease Cost (Mar - June) \$ 66,847.68
Total Estimated Lease Cost for FY 2013/14 \$ **132,616.08**

Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12
Total Estimated Utility Cost \$ 9,837.48

Tenant Improvement Costs 1/3 Annually = \$47,797.58 \$47,797.58
RCIT Costs \$23,530.00
EDA Lease Management Fee (Based @ 3.89%) \$ 7,018.09

TOTAL ESTIMATED COST FOR FY 2013/14 \$ **220,799.23**

TOTAL COUNTY COST 0% \$ -

Exhibit B

Department of Public Social Services Lease Cost Analysis FY 2014-15 12125 Day Street, Suite S101, Moreno Valley, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	10,316	SQFT	
Approximate Cost per SQFT (July - Oct)	\$	1.62	
Approximate Cost per SQFT (Nov - Jun)	\$	1.66	
Lease Cost per Month (July - Sept)		\$	16,711.92
Lease Cost per Month (Oct - June)		\$	17,129.72
Total Lease Cost (July - Sept)		\$	50,135.76
Total Lease Cost (Oct - June)		\$	154,167.46
Total Estimated Lease Cost for FY 2014/15		\$	204,303.22

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>1,237.92</u>
Total Estimated Utility Cost		\$	14,855.04
Tenant Improvement Costs 1/3 Annually = \$47,797.58			\$47,797.58
EDA Lease Management Fee (Based @ 3.89%)		\$	<u>9,806.72</u>
TOTAL ESTIMATED COST FOR FY 2014/15		\$	<u>276,762.56</u>
TOTAL COUNTY COST 0%		\$	-

Exhibit C

Department of Public Social Services Lease Cost Analysis FY 2015/16 thru FY 2018/19
12125 Day Street, Suite S101, Moreno Valley, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

10,316 SQFT

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
Approximate Cost per SQFT (July - Sept)	\$ 1.66	\$ 1.70	\$ 1.74	\$ 1.79
Approximate Cost per SQFT (Oct - Jun)	\$ 1.70	\$ 1.74	\$ 1.79	\$ -
Lease Cost per Month (July - Sept)	\$ 17,129.72	\$ 17,557.96	\$ 17,996.91	\$ 18,446.83
Lease Cost per Month (Oct - June)	\$ 17,557.96	\$ 17,996.91	\$ 18,446.83	\$ -
Tenant Improvement Costs 1/3 Annually = \$47,797.58	\$47,797.58			
Total Lease Cost (July - Sept)	\$ 51,389.15	\$ 52,673.88	\$ 53,990.73	\$ 55,340.50
Total Lease Cost (Oct - June)	\$ 158,021.65	\$ 161,972.19	\$ 166,021.49	\$ -
Total Estimated Lease Cost for FY 2015/16 to FY 2017/18	\$257,208.38	\$ 214,646.07	\$ 220,012.22	\$ 55,340.50

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 1,237.92	\$ 1,237.92	\$ 1,237.92	\$ 1,237.92
Total Estimated Utility Cost	\$ 14,855.04	\$ 14,855.04	\$ 14,855.04	\$ 3,713.76
EDA Lease Management Fee (Based @ 3.89%)	\$ 10,005.41	\$ 8,349.73	\$ 8,558.48	\$ 2,152.75
TOTAL ESTIMATED COST FOR FY 2015/16 to FY 2018/19	\$ 282,068.83	\$ 237,850.84	\$ 243,425.74	\$ 61,207.00
TOTAL COUNTY COST 0	\$ -	\$ -	\$ -	\$ -
TOTAL REMAINING COST:				\$ -

1 **FIFTH AMENDMENT TO LEASE**

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3 **THIS FIFTH AMENDMENT TO LEASE** ("Fifth Amendment"), dated as of
4 _____, 2013, is entered into by and between the **COUNTY OF**
5 **RIVERSIDE**, a political subdivision of the State of California, as Lessor, and **CANYON**
6 **SPRINGS INVESTMENT TRUST**, an irrevocable Trust dated July 9, 2003, as Lessee.

7 **RECITALS**

8 a. Lessor and Lessee have entered into that certain Lease dated May 3,
9 2005, pursuant to which Lessor has agreed to lease to Lessee and Lessee has agreed
10 to lease from Lessor that certain building located at 12125 Day Street, Suite S101,
11 Moreno Valley (the "Building"), as more particularly described in the Lease (the
12 "Original Premises").

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

14 1. The First Amendment to Lease dated September 27, 2005 by and
15 between County of Riverside, and Canyon Springs Investment Trust.

16 2. The Second Amendment to Lease dated November 30, 2010 by
17 and between County of Riverside and Canyon Springs Investment Trust.

18 3. The Third Amendment to Lease dated March 1, 2011 by and
19 between County of Riverside and Canyon Springs Investment Trust.

20 4. The Fourth Amendment to Lease dated August 28, 2012 by and
21 between County of Riverside and Canyon Springs Investment Trust.

22 c. The Parties now desire to amend the Lease to extend the term.

23 1. NOW THEREFORE, for good and valuable consideration the
24 receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

25 2. PREMISES. Section 2.2 of the Lease is hereby amended by
26 adding the following: The Premises shall be expanded by 2,173 sq. ft. from 8,143
27 square feet to 10,316 sq. ft., the "Expansion."
28

1 3. TERM. Section 4 of the Lease is hereby amended by adding the
2 following:

3 The term of this lease shall be extended sixty (60) months commencing
4 on October 1, 2013 and shall expire on September 30, 2018.

5 4. RENT. Section 5.1 of the Lease is hereby amended by adding the
6 following:

7 Effective October 1, 2013 the monthly rent shall be increased from
8 \$12,832.86 per month to \$13,153.68 per month. Upon delivery of the "Expansion" by
9 Lessor, Lessor's completion of items in the Original Scope of Work, or March 1, 2013,
10 whichever is sooner, and County's acceptance of the Expansion Space, the monthly
11 rent shall be increased from \$13,153.68 per month to \$16,711.92 per month. The rent
12 increase shall be contingent upon Lessors delivery and/or completion of the Original
13 Scope of Work and shall not be contingent upon delays caused by Lessee and for
14 additional work/requests of items not included in the Original Scope of Work.

15 5. TENANT IMPROVEMENTS. At Lessors sole cost and expense
16 Lessor shall complete improvements as outlined on Exhibit I, Scope of Work, attached
17 hereto and by this reference made a part of the lease.

18 a. Tenant improvements costs shall not exceed \$143,392.76
19 which includes a \$18, 703.40 contingency to be utilized solely by the County for items
20 that may not be included in the original scope of work.

21 b. Lessor shall provide County with an itemized statement of
22 the cost of improvements within thirty (30) days after completion and acceptance of the
23 improvements. Upon receipt of the itemized statement, County shall pay said
24 \$143,392.76 or the reduced adjusted amount as follows: One third to be paid upon
25 completion and acceptance of tenant improvements by County, one third to be paid
26 twelve (12) months following the first payment, final third to be paid twelve (12) months
27 following the second payment with interest at three percent per annum.

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1 6. FIFTH AMENDMENT TO PREVAIL. The provisions of this Fifth
2 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease.
3 Any capitalized terms shall have the meaning defined in the Lease, unless defined
4 herein or context requires otherwise.

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

10 8. EFFECTIVE DATE. This Fifth Amendment to Lease shall not be
11 binding or consummated until its approval by the Riverside County Board of
12 Supervisors and fully executed by the Parties.

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WITNESS WHEREOF, the parties have executed this Second Amendment to Lease as of the date first written above.

LESSEE:
COUNTY OF RIVERSIDE

LESSOR:
CANYON SPRINGS INVESTMENT TRUST

By: _____
Jeff Stone, Chairman
Board of Supervisors

By:  _____
Natasha Radwan, Co-Trustee
Canyon Springs Investment
Irrevocable Trust
Dated July 9, 2003

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By:  _____
Patricia Munroe
Deputy County Counsel

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**IHSS
12125 Day Street, Suite S101
Moreno Valley, California**

Tenant Improvements

Scope of Work:

- Demo
- H/C Stall & Signage
- Public Women's Restroom ADA Modifications
- Metal Framing
- Drywall
- Framing/Taping
- Sound Insulation Walls and Ceiling
- Acoustical Ceiling
- Doors, Frame & Hardware
- Paint
- Flooring & Base Shaw Shine Tile A#59328 Golden 27150 Multi-Loop Pattern
- Fire Sprinklers
- HVAC
- Electrical
- Alarm System
- Supervision/Clean-up