

FORM APPROVED COUNTY COUNSEL
DATE 2/28/14
BY: PATRICIA MUNROE

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

644



FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:

March 6, 2014

SUBJECT: Second Amendment to Lease, Department of Mental Health, Riverside, 2-Year Lease, CEQA Exempt, District 1, [\$47,020], 26% Federal, 62% State, 7% Other, 5% County

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;
2. Approve the attached Second Amendment to Lease; and
3. Authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND:

Summary (Commences on Page 2)

Robert Field

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	\$ 5,785	\$ 23,324	\$ 47,020	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 289	\$ 1,166	\$ 2,351	\$ 0	
SOURCE OF FUNDS: 26% Federal, 62% State, 7% Other, 5% County				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

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: *Esteban Hernandez* 3/16/14

Departmental Concurrence

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

Prev. Agn. Ref.: 3.21 of 3/15/11

District: 1/1

Agenda Number:

3-12

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

Economic Development Agency/Facilities Management

FORM 11: Second Amendment to Lease, Department of Mental Health, Riverside, 2-Year Lease, CEQA Exempt, District 1, [\$47,020], 26% Federal, 62% State, 7% Other, 5% County

DATE: March 6, 2014

Page 2 of 3

BACKGROUND:

Summary

This Second Amendment to Lease represents a request from the Department of Mental Health (DOMH) to extend the lease through March 31, 2016, for its storage facility located at 11681 Sterling, #8F1 and 8G1, Riverside, California. This storage facility continues to meet the requirements of the department. At the request of the DOMH, the Economic Development Agency, Real Estate Division (EDA), has negotiated a two year renewal with a 3% rental rate reduction.

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:	Biltmore Riverside 1, LLC 11860 Magnolia Avenue, Suite I Riverside, California 92503		
Premises Location:	11681 Sterling, Suites 8F1 and 8G1, Riverside, California		
Size:	1,984 Square Feet		
Rent:	Current	New	
	\$ 0.85 per sq. ft.	\$ 0.82 per sq. ft.	
	\$ 1,686.40 per month	\$ 1,626.88 per month	
	\$ 20,236.80 per year	\$ 19,522.56 per year	
Savings:	Per Sq. Ft.	\$ 0.03	
	Per Month	\$ 59.52	
	Per Year	\$714.24	
Term:	April 1, 2014 through March 31, 2016		
Rent Adjustment:	Year 2, \$0.85 per sq. ft. \$1,686.40 per month		
Utilities:	County pays for telephone services, Lessor pays for all other services.		
Option to Terminate:	Termination for any reason providing ninety day advance notice.		

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

(Continued)

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
Economic Development Agency/Facilities Management
FORM 11: Second Amendment to Lease, Department of Mental Health, Riverside, 2-Year Lease, CEQA
Exempt, District 1, [\$47,020], 26% Federal, 62% State, 7% Other, 5% County
DATE: March 6, 2014
Page 3 of 3

FINANCIAL DATA:

Impact on Residents and Businesses

This renewal will ensure storage services to the DOMH.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibit A, B & C

The DOMH has budgeted these costs in FY 2013/2014 and will reimburse EDA for all lease costs on a monthly basis. No budget adjustment is required.

Contract History and Price Reasonableness

This is a two year renewal with a 3% rental rate reduction. This contract has been in place since April 16, 1991.

Attachment:

Exhibits A, B & C

Second Amendment to Lease

Exhibit A

FY 2013/14

Department of Mental Health Lease Cost Analysis 11681 Sterling, #8F1 and #8G1, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	1,984	SQFT	
Approximate Cost per SQFT (July - March) 1st Amendment	\$	0.85	
Approximate Cost per SQFT (April - June) 2nd Amendment	\$	0.82	
Lease Cost per Month (July - March) 1st Amendment	\$	1,686.40	
Lease Cost per Month (April - June) 2nd Amendment	\$	1,626.88	
Total Lease Cost (July - March) 1st Amendment	\$	15,177.60	
Total Lease Cost (April - June) 2nd Amendment	\$	4,880.64	
Total Estimated Lease Cost for FY 2013/14	\$	20,058.24	

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - March) 1st Amendment	\$	2,142.72	
Estimated Utility Costs per Month (April - June) 2nd Amendment	\$	714.24	
Total Estimated Utility Cost			\$ 2,856.96
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee - 3.89% (July - March) 1st Amendment	\$	590.41	
EDA Lease Management Fee - 3.89% (April - June) 2nd Amendment	\$	189.86	
Total EDA Lease Management Fee			\$ 780.27
TOTAL ESTIMATED COST FOR FY 2013/14			\$ 23,695.47
Amount Previously approved in 1st Amendment			\$ 17,910.73
Amount of FY13/14 for 2nd Amendment			\$ 5,784.74
TOTAL COUNTY COST 5.00%			\$ 289.24

Exhibit B

FY 2014/15

Department of Mental Health Lease Cost Analysis 11681 Sterling, #8F1 and #8G1, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 1,984 SQFT

Approximate Cost per SQFT (July - March) \$ 0.82

Approximate Cost per SQFT (April - June) \$ 0.85

Lease Cost per Month (July - March) \$ 1,626.88

Lease Cost per Month (April - June) \$ 1,686.40

Total Lease Cost (July - March) \$ 14,641.92

Total Lease Cost (April - June) \$ 5,059.20

Total Estimated Lease Cost for FY 2014/15 **\$ 19,701.12**

Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month (July - June) \$ 238.08

Total Estimated Utility Cost \$ 2,856.96

RCIT \$ -

Tenant Improvement \$ -

EDA Lease Management Fee - 3.89% \$ 766.37

TOTAL ESTIMATED COST FOR FY 2014/15 **\$ 23,324.45**

TOTAL COUNTY COST 5.00% **\$ 1,166.22**

Exhibit C

FY 2015/16

Department of Mental Health Lease Cost Analysis 11681 Sterling, #8F1 and #8G1, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 1,984 SQFT

FY 2015/16

Approximate Cost per SQFT (July - March)	\$	0.85	
Approximate Cost per SQFT (April - June)	\$	-	
Lease Cost per Month (July - March)	\$	1,686.40	
Lease Cost per Month (April - June)	\$	-	
Total Lease Cost (July - March)			\$ 15,177.60
Total Lease Cost (April - June)			\$ -
Total Estimated Lease Cost for FY 2015/16			\$ 15,177.60

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - March)		\$ 238.08	
Total Estimated Utility Cost			\$ 2,142.72
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee - 3.89%			\$ 590.41
TOTAL ESTIMATED COST FOR FY 2015/16			\$ 17,910.73
TOTAL COUNTY COST 5.00%			\$ 895.54

1 **SECOND AMENDMENT TO LEASE**

2 11681 Sterling, Suites 8F1 and 8G1, Riverside, California

3
4 This **SECOND AMENDMENT TO LEASE** (Second Amendment), dated as of
5 _____, is entered by and between the **COUNTY OF RIVERSIDE**, a political
6 subdivision of the State of California, (County), and **BILTMORE RIVERSIDE I, LLC**, an Arizona
7 limited liability company, (Lessor), sometimes collectively referred to as the "Parties".

8 **1. Recitals.**

9 a. Lessor and County entered into that certain Lease dated March 31, 2008,
10 pursuant to which Lessor agreed to lease to County and County agreed to lease from Lessor a
11 portion of that certain building located at 11681 Sterling, Suites 8F1 and 8G1, Riverside,
12 California, (the "Building"), as more particularly described in the Lease (the "Original Lease").

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

14 1. The First Amendment to Lease dated March 15, 2011 by and between
15 County of Riverside and Biltmore Riverside I, LLC, an Arizona limited liability company.

16 c. The Original Lease, together with the Amendments, is collectively referred to
17 hereinafter as the "Lease."

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

20 2. **Lease Term.** Section 3 subsection (a) of the Lease Agreement is hereby
21 deleted in its entirety and amended by the following:

22 3 (a). The term of this Lease shall be extended for a period of two (2) years
23 effective as of April 1, 2014 and terminating March 31, 2016.

24 3. **Rent.** Section 4 of the Lease is hereby deleted in its entirety and amended by
25 the following: County shall pay to Lessor the monthly sum as rent for the leased premises
26 during the term of this Lease as indicated below:

27 ///

28 ///

Monthly Amount

Year

\$1,626.88

April 1, 2014 to March 31, 2015

\$1,686.40

April 1, 2015 to March 31, 2016

Said monthly sums shall be payable, in advance, on the first day of the month or as soon thereafter as a warrant can be issued in the normal course of County's business.

4. **Option to Terminate:** Section 10 subsection (b) of the Lease is hereby deleted in its entirety and amended by the following:

10 (b) County shall have the right to terminate this Lease for any reason by providing Lessor ninety (90) days advance written notice.

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

6. **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. Neither this Amendment nor the Lease shall be recorded by the Lessee.

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

6 Dated: _____

7
8 COUNTY:
9 COUNTY OF RIVERSIDE, a political
10 Subdivision of the State of California

LESSOR:
BILTMORE RIVERSIDE, I, LLC,
By: Biltmore-Riverside Management, Inc., a
California corporation
Its: Manager

11 By: _____
12 Jeff Stone, Chairman
13 Board of Supervisor

By: 
Name: Michael D. Wilson
Title: President

14 ATTEST:
15 Kecia Harper-Ihem
16 Clerk of the Board

17 By: _____
18 Deputy

19
20 APPROVED AS TO FORM:
21 Pamela J. Walls
22 County Counsel

23 By: 
24 Patricia Munroe
25 Deputy County Counsel

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