

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

725



FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
March 13, 2014

SUBJECT: Fifth Amendment to Lease – Office on Aging – Five Year Renewal, District 1, CEQA Exempt, [\$1,579,421], 73% Federal, 10% State, 17% Local Funding

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: Esteban Hernandez 3/13/14

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	\$ 125,719	\$ 304,602	\$ 1,579,421	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: 73% Federal, 10% State, 17% Local Funding				Budget Adjustment: No	
				For Fiscal Year: 2013/14	

C.E.O. RECOMMENDATION:

APPROVE
Rohini Dasika
BY: Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

Prev. Agn. Ref.: 3.11 of 10/5/93; 3.66 of 9/2/08 **District:** 1/1 **Agenda Number:**

3-4

Reviewed by: Serena Chou
 CIP TEAM
 Departmental Conference
 DATE: 3/6/14
 FORM APPROVED COUNTY COUNSEL
 BY: PATRICIA MINIROE
 Departmental Conference
 DATE: 3/6/14
 Michele Haddock
 Director of Office on Aging
 By: Michele Haddock
 A-30 Positions Added 4/5 Vote
 Change Order

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

Economic Development Agency/Facilities Management

FORM 11: Fifth Amendment to Lease – Office on Aging – Five Year Renewal, District 1, CEQA Exempt, [\$1,579,421], 73% Federal, 10% State, 17% Local Funding

DATE: March 13, 2014

Page 2 of 2

BACKGROUND:

Summary

On October 5, 1993 the County entered into a lease agreement on behalf of the Office on Aging for the facility located at 6296 Rivercrest Drive, Riverside. This facility continues to meet the needs and requirements of the Office on Aging and this Fifth Amendment to Lease represents a five year renewal. A rent decrease was negotiated which results in an annual savings of \$77,431.08. Due to the efforts of the department to thoroughly evaluate all RFP responses, the department requests ratification of this Fifth Amendment to Lease.

Lessor: Rivercrest LLC
1585 Bonnie Bluff Court
Encinitas, California 92024

Location: 6296 Rivercrest Drive
Riverside, California 92507

Size: 17,724 square feet

Term: Five years commencing February 1, 2014 terminating January 31, 2019

Rent:	Current	New
	\$1.61 per sq. ft.	\$1.25 per sq. ft.
	\$28,607.59 per month	\$22,155.00 per month
	\$343,291.08 per year	\$265,860.00 per year

Rental Adjustment: Two and one half percent on each anniversary date of the lease

Utilities: County pays electricity and telephone, Lessor pays all others.

Custodial: Provided by Lessor

Maintenance: Provided by Lessor

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

Impact on Residents and Businesses

The Office on Aging offers a variety of valuable programs for seniors in the County in addition to working with government agencies, professionals and community leaders to provide services to the senior community.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, C

Contract History and Price Reasonableness

The original lease agreement was executed on October 5, 1993, and subsequent amendments executed thereafter. The lease rate is below fair market rental rates.

Attachments: Exhibits A, B, C and Fifth Amendment to Lease

Exhibit A

FY 2013/14

Office on Aging Lease Cost Analysis
6296 Rivercrest Drive, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	17,724	SQFT	
Approximate Cost per SQFT (July - Jan) 4th Amendment	\$	1.61	
Approximate Cost per SQFT (Feb - June) 5th Amendment	\$	1.25	
Lease Cost per Month (July - Jan) 4th Amendment	\$		28,607.59
Lease Cost per Month (Feb - June) 5th Amendment	\$		22,155.00
Total Lease Cost (July - Jan) 4th Amendment			\$ 200,253.13
Total Lease Cost (Feb - June) 5th Amendment			\$ 110,775.00
Total Estimated Lease Cost for FY 2013/14			\$ 311,028.13

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - Jan) 4th Amendment	\$		14,888.16
Estimated Utility Costs per Month (Feb - June) 5th Amendment	\$		10,634.40
Total Estimated Utility Cost			\$ 25,522.56
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee - 3.89% 4th Amendment	\$		7,789.85
EDA Lease Management Fee - 3.89% 5th Amendment	\$		4,309.15
Total EDA Lease Management Fee			\$ 12,098.99
TOTAL ESTIMATED COST FOR FY 2013/14			\$ 348,649.68
Amount Previously approved in 4th Amendment			\$ 222,931.14
Amount of FY13/14 for 5th Amendment			\$ 125,718.55

Exhibit B

FY 2014/15

Office on Aging Lease Cost Analysis
6296 Rivercrest Drive, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	17,724	SQFT	
Approximate Cost per SQFT (July - Jan)	\$	1.25	
Approximate Cost per SQFT Feb - June	\$	1.28	
Lease Cost per Month (July - Jan)		\$	22,155.00
Lease Cost per Month Feb - June		\$	22,708.88
Total Lease Cost (July - Jan)		\$	155,085.00
Total Lease Cost Feb - June		\$	113,544.38
Total Estimated Lease Cost for FY 2014/15		\$	268,629.38

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>2,126.88</u>
Total Estimated Utility Cost		\$	25,522.56
RCIT		\$	-
Tenant Improvement		\$	-
EDA Lease Management Fee - 3.89%		\$	<u>10,449.68</u>
TOTAL ESTIMATED COST FOR FY 2014/15		\$	<u>304,601.62</u>

Exhibit C

FY 2015/16 to FY 2018/19
Office on Aging Lease Cost Analysis
6296 Rivercrest Drive, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

17,724 SQFT

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	
Approximate Cost per SQFT (July - Jan)	\$ 1.28	\$ 1.31	\$ 1.35	\$ 1.38	
Approximate Cost per SQFT (Feb - June)	\$ 1.31	\$ 1.35	\$ 1.38	-	
					Annual increase 2.5 %
Lease Cost per Month (July - Jan)	\$ 22,708.88	\$ 23,276.60	\$ 23,858.51	\$ 24,454.97	
Lease Cost per Month (Feb - June)	\$ 23,276.60	\$ 23,858.51	\$ 24,454.97	-	2.5%
					# of Months
Total Lease Cost (July - Jan)	\$ 158,962.13	\$ 162,936.18	\$ 167,009.58	\$ 171,184.82	7
Total Lease Cost (Feb - June)	\$ 116,382.98	\$ 119,292.56	\$ 122,274.87	-	5
Total Estimated Lease Cost for FY 2015/16 to FY 2018/19	\$ 275,345.11	\$ 282,228.74	\$ 289,284.46	\$ 171,184.82	
Estimated Additional Costs:					
Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	
Estimated Utility Costs per Month	\$ 2,126.88	\$ 2,126.88	\$ 2,126.88	\$ 2,126.88	
Total Estimated Utility Cost	\$ 25,522.56	\$ 25,522.56	\$ 25,522.56	\$ 14,888.16	Make sure to update this cell with # of months
RCIT	\$ -	\$ -	\$ -	\$ -	
Tenant Improvement	\$ -	\$ -	\$ -	\$ -	
EDA Lease Management Fee - 3.89%	\$ 10,710.92	\$ 10,978.70	\$ 11,253.17	\$ 6,659.09	3.89%
TOTAL ESTIMATED COST FOR FY 2015/16 to FY 2018/19	\$ 311,578.59	\$ 318,729.99	\$ 326,060.18	\$ 192,732.07	

\$ 1,579,421.01 F11 Cost - Total Cost

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FIFTH AMENDMENT TO LEASE

THIS FIFTH AMENDMENT TO LEASE ("Fifth Amendment"), dated as of _____, 2014, is entered into by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, County, and **RIVERCREST, LLC.**, Lessor.

RECITALS

a. Lessor and County have entered into that certain Lease dated October 5, 1993, pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor that certain building located at 6296 Rivercrest, Riverside, as more particularly described in the Lease.

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

- 1. The First Amendment to Lease dated March 30, 1999 by and between County of Riverside, and The Betty L. Hutton Company.
- 2. The Second Amendment to Lease dated June 8, 2004 by and between County of Riverside and The Betty L. Hutton Company.
- 3. The Third Amendment to Lease dated April 24, 2007 by and between County of Riverside and The Betty L. Hutton Holding Company, Inc.
- 4. The Fourth Amendment to Lease dated September 2, 2008 by and between County of Riverside and Riverside, LLC as successor in interest to The Betty L. Hutton Holding Company, Inc.

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

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

2. **TERM.** Section 3 (a) of the Lease is hereby amended by adding the following:

The term of this lease shall be extended sixty (60) months commencing on February 1, 2014 and shall expire on January 31, 2019.

1 3. **RENT.** Section 5 (a) of the Lease is hereby amended by adding
2 the following:

3 Effective February 1, 2014 the monthly rent shall be \$22,155.00 per
4 month. The monthly rent shall be increased on each anniversary of this Lease by an
5 amount equal to two percent (2.5%) of such monthly rental.

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

10 5. **MISCELLANEOUS.** Except as amended or modified herein, all
11 terms of the Lease shall remain in full force and effect. If any provisions of this
12 Amendment shall be determined to be illegal or unenforceable, such determination
13 shall not affect any other provision of the Lease. Neither this Amendment nor the
14 Lease shall be recorded by the County.

15 6. **EFFECTIVE DATE.** This Fifth Amendment to Lease shall not be
16 binding or consummated until its approval by the Riverside County Board of
17 Supervisors and fully executed by the Parties.

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

3 LESSEE:
4 COUNTY OF RIVERSIDE

LESSOR:
RIVERCREST, LLC.

5
6 By: _____
7 Jeff Stone, Chairman
8 Board of Supervisors

By:  _____
Vindar Batoosingh
Managing Partner

9
10 ATTEST:
11 Kecia Harper-Ihem
12 Clerk of the Board

13 By: _____
14 Deputy

15 APPROVED AS TO FORM:
16 Pamela J. Walls
17 County Counsel

18 By:  _____
19 Patricia Munroe
20 Deputy County Counsel

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