

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

222



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
July 24, 2014

SUBJECT: Third Amendment to Lease, Treasurer/Tax Collector, Temecula, 5 Year Lease Renewal, District 3/District 3, CEQA Exempt, [\$209,815], Treasurer/Tax Collector Budget 93.66%, NCC 6.34%

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. Approve the attached Third 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: Susana Garcia-Bocanegra 7/22/14
Susana Garcia-Bocanegra

[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	\$ 26,445	\$ 40,410	\$ 209,815	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 1,677	\$ 2,562	\$ 13,302	\$ 0	
SOURCE OF FUNDS: Treasurer/Tax Collector Budget – 93.66%; NCC – 6.34%				Budget Adjustment: No	
				For Fiscal Year: 14/15 – 19/20	

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 7/16/14
DATE: 7/16/14
Patricia Munroe
Departmental Concurrence

By: Don Kent
Don Kent
Treasurer-Tax Collector

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

Prev. Agn. Ref.: 3.34 of 4/2/02; 3.33 of 9/29/09 | **District:** 3/3 | **Agenda Number:**

3-15

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

Economic Development Agency / Facilities Management

FORM 11: Third Amendment to Lease, Treasurer/Tax Collector, Temecula, 5 Year Lease Renewal, District 3/District 3, CEQA Exempt, [\$209,815], Treasurer/Tax Collector Budget 93.66%, NCC 6.34%

DATE: July 24, 2014

PAGE: 2 of 3

BACKGROUND:

Summary

The County of Riverside entered into a lease agreement on April 2, 2002, for the Treasurer/Tax Collector for the facility located at 40935 County Center Drive, Suite C, in Temecula. This Third Amendment to Lease will extend the Lease for a period of five years effective as of November 1, 2014. This facility continues to meet the department's office space requirements. The Real Estate Division has renegotiated the rent to stay the same at \$1.69 per square foot with 3% annual increases. The rent includes the replacement of carpet throughout the entire suite, painting of the lobby, touchup paint throughout the suite necessary, and replacement of the rollup door with a wall and window to the exterior.

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 with minor tenant improvement alterations and no expansion of an existing use will occur.

The Third Amendment to Lease is summarized below:

- Lessor: Heritage Partners Temecula Properties, LLC
PO Box 309
El Cajon, California 92022
- Premises Location: 40935 County Center Drive, Suite C
Temecula, California 92591
- Size: Approximately 1,764 square feet
- Term: Five year lease extension effective as of
November 1, 2014
- Rent:

<u>Current</u>	<u>New</u>
\$ 1.69 per square foot	\$ 1.69 per square foot
\$ 2,978.10 per month	\$ 2,978.10 per month
\$35,737.20 per year	\$35,737.20 per year
- Rental Adjustments: Three percent annual increase starting November 1, 2015
- Utilities: County pays electric
- Custodial: Lessor pays for custodial services
- Maintenance: Lessor pays for maintenance services
- Improvements: Lessor shall install new carpet throughout the entire suite, paint the lobby, touchup paint throughout the office and back area where necessary, and replace the rollup door with a wall and window to the exterior.

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

(Continued)

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

Economic Development Agency / Facilities Management

FORM 11: Third Amendment to Lease, Treasurer/Tax Collector, Temecula, 5 Year Lease Renewal, District 3/District 3, CEQA Exempt, [\$209,815], Treasurer/Tax Collector Budget 93.66%, NCC 6.34%

DATE: July 24, 2014

PAGE: 3 of 3

Impact on Residents and Businesses

The Treasurer/Tax Collector's continued occupancy of this office space provides a positive impact on the local residents and businesses. This facility is centrally located and provides convenience to County residents.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibit A, B & C. Treasurer/Tax Collector has budgeted these costs in FY2014/15 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a Third Amendment to Lease. The Lease rate is a fair rate.

Attachments:

Exhibits A, B, & C

Third Amendment to Lease

Exhibit A

FY 2014/15

Treasurer/Tax Collector Lease Cost Analysis
40935 County Center Drive, Suite C, Temecula, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	1,764	SQFT	
Approximate Cost per SQFT (July -Oct) - 2nd Amendment	\$	1.69	
Approximate Cost per SQFT (Nov -Jun) - 3rd Amendment	\$	1.69	
Lease Cost per Month (July -Oct) - 2nd Amendment	\$	2,978.10	
Lease Cost per Month (Nov - June) - 3rd Amendment	\$	2,978.10	
Total Lease Cost (July -Oct) - 2nd Amendment	\$		11,912.40
Total Lease Cost (Nov-June) - 3rd Amendment	\$		23,824.80
Total Estimated Lease Cost for FY 2014/15	\$		35,737.20

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - Oct) - 2nd Amendment	\$	846.72	
Estimated Utility Costs per Month (Nov - June) - 3rd Amendment	\$	1,693.44	
Total Estimated Utility Cost	\$		2,540.16
RCIT	\$		-
Tenant Improvement	\$		-
EDA Lease Management Fee - 3.89% (July - Oct) - 2nd Amendment	\$	463.39	
EDA Lease Management Fee - 3.89% (Nov - June) - 3rd Amendment	\$	926.78	
Total EDA Lease Management Fee	\$		1,390.18
TOTAL ESTIMATED COST FOR FY 2014/15	\$		39,667.54
Amount Previously approved in 2nd Amendment	\$		13,222.51
Amount of FY14/15 for 3rd Amendment	\$		26,445.02
TOTAL COUNTY COST 6.34%	\$		1,676.61

Exhibit B

FY 2015/16

Treasurer/Tax Collector Lease Cost Analysis

40935 County Center Drive, Suite C, Temecula, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	1,764	SQFT	
Approximate Cost per SQFT (July -Oct)	\$	1.69	
Approximate Cost per SQFT (Nov -Jun)	\$	1.74	
Lease Cost per Month (July -Oct)	\$	2,978.10	
Lease Cost per Month (Nov - June)	\$	3,067.44	
Total Lease Cost (July -Oct)			\$ 11,912.40
Total Lease Cost (Nov-June)			\$ 24,539.54
Total Estimated Lease Cost for FY 2015/16			\$ 36,451.94

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - Oct) - 2nd Amendment			<u>\$ 211.68</u>
Total Estimated Utility Cost			\$ 2,540.16
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee - 3.89%			<u>\$ 1,417.98</u>
TOTAL ESTIMATED COST FOR FY 2015/16			<u>\$ 40,410.08</u>
TOTAL COUNTY COST 6.34%			\$ 2,562.00

Exhibit C

FY 2016/17 to FY 2019/20

Treasurer/Tax Collector Lease Cost Analysis

40935 County Center Drive, Suite C, Temecula, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 1,764 SQFT

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Approximate Cost per SQFT (July -Oct)	\$ 1.74	\$ 1.79	\$ 1.84	\$ 1.90
Approximate Cost per SQFT (Nov -Jun)	\$ 1.79	\$ 1.84	\$ 1.90	\$ -
Lease Cost per Month (July -Oct)	\$ 3,067.44	\$ 3,159.47	\$ 3,254.25	\$ 3,351.88
Lease Cost per Month (Nov - June)	\$ 3,159.47	\$ 3,254.25	\$ 3,351.88	\$ -
Total Lease Cost (July -Oct)	\$ 12,269.77	\$ 12,637.87	\$ 13,017.00	\$ 13,407.51
Total Lease Cost (Nov-June)	\$ 25,275.73	\$ 26,034.00	\$ 26,815.02	\$ -
Total Estimated Lease Cost for FY 2016/17 to FY 2019/20	\$ 37,545.50	\$ 38,671.87	\$ 39,832.02	\$ 13,407.51

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 211.68	\$ 211.68	\$ 211.68	\$ 211.68
Total Estimated Utility Cost	\$ 2,540.16	\$ 2,540.16	\$ 2,540.16	\$ 846.72
RCIT	\$ -	\$ -	\$ -	\$ -
Tenant Improvement	\$ -	\$ -	\$ -	\$ -
EDA Lease Management Fee - 3.89%	\$ 1,460.52	\$ 1,504.34	\$ 1,549.47	\$ 521.55
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2019/20	\$ 41,546.18	\$ 42,716.36	\$ 43,921.65	\$ 14,775.78
TOTAL COUNTY COST 6.34%	\$ 2,634.03	\$ 2,708.22	\$ 2,784.63	\$ 936.78

F11: Cost - Total Cost \$ 209,815.09
 F11: Net County Cost - Total Cost \$ 13,302.28

1 **THIRD AMENDMENT TO LEASE**
2 **40935 County Center Drive, Suite C**
3 **Temecula, California**
4

5 This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of
6 _____, 2014 by and between the **COUNTY OF RIVERSIDE**, a
7 political subdivision of the State of California ("County"), as Lessee, and **HERITAGE**
8 **PARTNERS TEMECULA PROPERTIES, LLC**, a California Limited Liability Company
9 ("Lessor") and, sometimes collectively referred to as the Parties.

10 **RECITALS**

11 **A.** Lessor and County entered into that certain Lease dated August 27, 2002
12 and its subsequent amendments (collectively referred to as "Lease") pursuant to which
13 County leased the premises located at 40935 County Center Drive, Suite C, Temecula,
14 California ("Leased Premises").

15 **B.** The amendments of the Lease are summarized as follows:

16 1. The First Amendment to Lease ("First Amendment") dated March 11,
17 2008, by and between Lessor and County; the Parties amended the Lease to extend
18 the term, modify the rent, and provide the County the option to extend the Lease.

19 2. The Second Amendment to Lease ("Second Amendment") dated
20 September 29, 2009, by and between Lessor and County; the Parties amended the
21 Lease to extend the term.

22 **C.** The Parties now desire to amend the Lease to extend the lease term,
23 modify the rent, and make improvements to the Leased Premises.

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

26 **1. Term.** Section 4.1 of the Lease shall be amended as follows: The term
27 of this Lease is hereby extended for 5 (five) years, commencing November 1, 2014 and
28 expiring October 31, 2019.

1 **2. Rent.**

2 a. Section 5.1 of the Lease shall be amended as follows: County
3 shall pay the sum of \$ 2,978.10 per month to Lessor as rent for the Leased Premises.

4 b. Section 5.2 of the Lease shall be amended as follows: The
5 monthly rent shall be increased by 3 percent (3%) annually, starting November 1,
6 2015.

7 **3. Improvements.** At the Lessor's expense, the following improvements
8 shall be made to the Leased Premises: Replace the carpet throughout the entire suite,
9 paint the lobby, and touchup paint throughout the remainder of the suite where
10 necessary. Replace the rollup door with fixed glass to the exterior as shown in Exhibit
11 A attached.

12 **4. Third Amendment to Prevail.** The provisions of this Third Amendment
13 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore
14 amended, and shall supplement the remaining provisions thereof. Unless defined
15 herein or the context requires otherwise, all capitalized terms herein shall have the
16 meaning defined in the Lease, as heretofore amended.

17 **5. Miscellaneous.** Except as amended or modified herein, all the terms of
18 the Original Lease shall remain in full force and effect and shall apply with the same
19 force and effect. If any provisions of this Amendment or the Lease shall be determined
20 to be illegal or unenforceable, such determination shall not affect any other provision of
21 the Lease and all such other provisions shall remain in full force and effect. The
22 language in all parts of the Lease shall be construed according to its normal and usual
23 meaning and not strictly for or against either Lessor or Lessee. Neither this
24 Amendment, nor the Original Lease, nor any notice nor memorandum regarding the
25 terms hereof, shall be recorded by Lessee.

26 **6. Effective Date.** This Third Amendment to Lease shall not be binding or
27 consummated until its approval by the Riverside County Board of Supervisors and fully
28 executed by the Parties.

1 **IN WITNESS WHEREOF**, the Parties have executed this Amendment as of the
2 date first written above.

3 LESSOR:

4 Heritage Partners Temecula
5 Properties, LLC

6 By: 
7 Kyle P. Nelson, Manager

LESSEE:

County Of Riverside

By: _____
Jeff Stone, Chairman
Board of Supervisors

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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26 CE:ra/062614/TM024/16.994 S:\Real Property\TYPING\Docs-16.500 to 16.999\16.994.doc

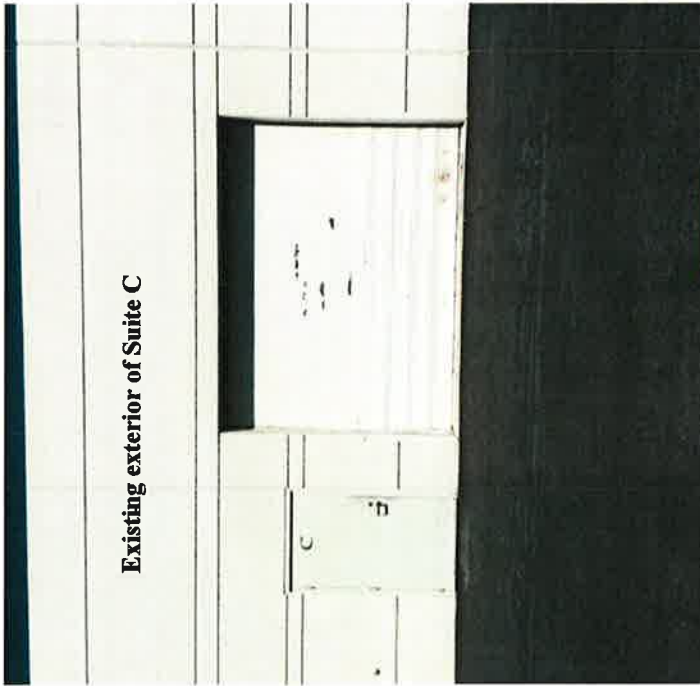
EXHIBIT "A"

**Highlands Business Center
Suite C
40395 County Center Road
Temecula, Ca. 92590**

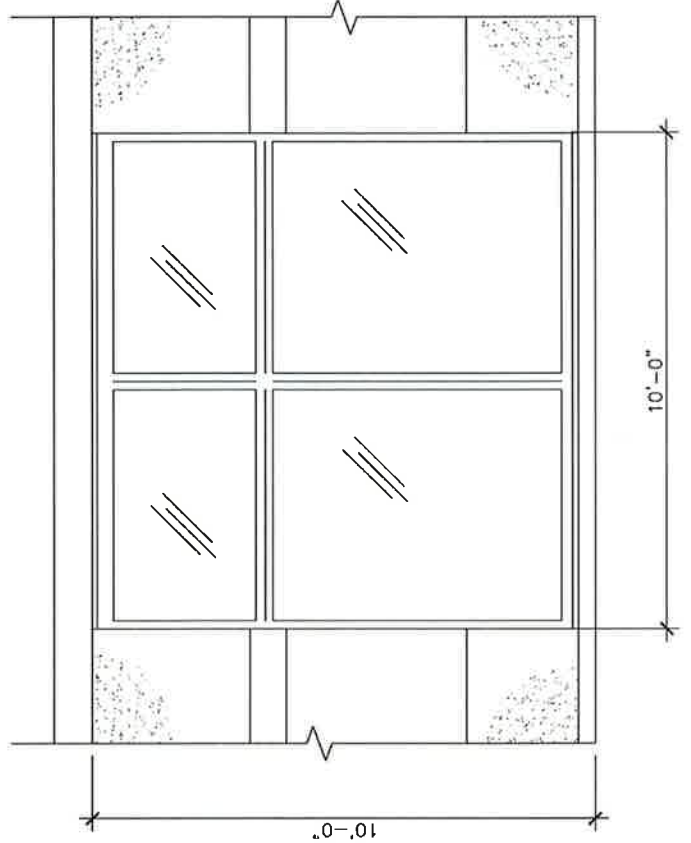
Add fixed glass, to replace current exterior roll up door.

**Provide 10' x 10' +/- tinted glass for exterior of building.
Glazing to match existing at adjacent office.**

**Provide all necessary, demo, electrical, drywall, patching
and painting to complete job.**



Rendering of proposed window system with dimensions.



THIRD AMENDMENT TO LEASE
40935 County Center Drive, Suite C
Temecula, California

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RECITALS

A. Lessor and County entered into that certain Lease dated August 27, 2002 and its subsequent amendments (collectively referred to as "Lease") pursuant to which County leased the premises located at 40935 County Center Drive, Suite C, Temecula, California ("Leased Premises").

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

1. The First Amendment to Lease ("First Amendment") dated March 11, 2008, by and between Lessor and County; the Parties amended the Lease to extend the term, modify the rent, and provide the County the option to extend the Lease.

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4 Heritage Partners Temecula
5 Properties, LLC

6 By: 
7 Kyle P. Nelson, Manager

LESSEE:

County Of Riverside

By: _____
Jeff Stone, Chairman
Board of Supervisors

10 ATTEST:

11 Kecia Harper-Ihem
12 Clerk of the Board

By: _____
Deputy

15 APPROVED AS TO FORM:

16 Pamela J. Walls
17 County Counsel

By: 
18 Patricia Munroe
19 Deputy County Counsel

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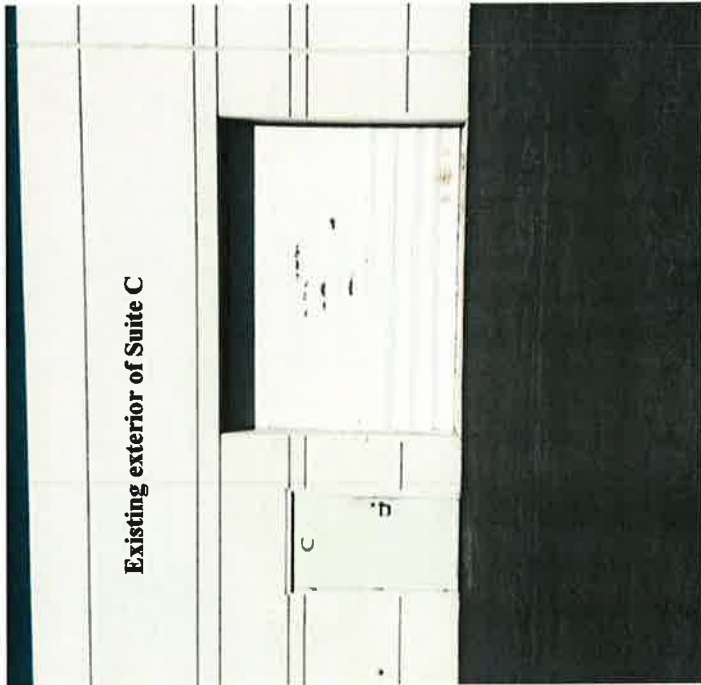
**Highlands Business Center
Suite C
40395 County Center Road
Temecula, Ca. 92590**

Add fixed glass, to replace current exterior roll up door.

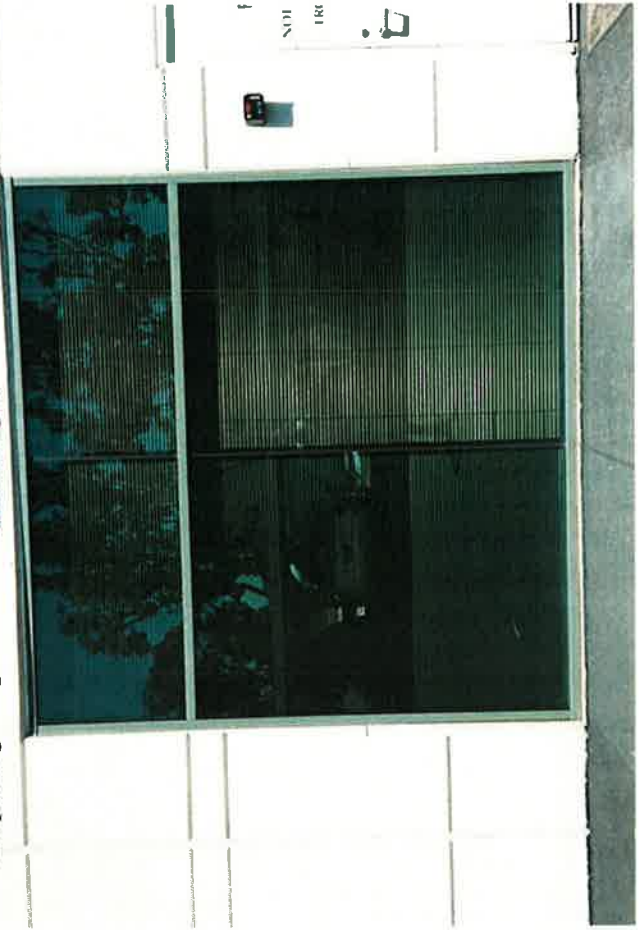
**Provide 10' x 10' +/- tinted glass for exterior of building.
Glazing to match existing at adjacent office.**

**Provide all necessary, demo, electrical, drywall, patching
and painting to complete job.**

EXHIBIT "A"



Proposed glazing for exterior of building to match current suites



Rendering of proposed window system with dimensions.

