

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS
 DATE: 9/22/14
 Department of Public Health

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

824



FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
 October 8, 2014

SUBJECT: Second Amendment to Lease, Department of Public Health, Women Infant and Children Clinic, Corona, 5 – Year Lease, District 2/District 2, CEQA Exempt, [\$638,611], 100% Federal USDA WIC Funds

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. Ratify the attached Lease Agreement and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk upon approval of the project.

BACKGROUND:

Summary (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Esteban Hernandez 10/7/14

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	\$ 121,896	\$ 124,737	\$ 638,611	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: 100% Federal USDA WIC Funds				Budget Adjustment: No	
				For Fiscal Year: 2014/15 – 18/19	

C.E.O. RECOMMENDATION:

APPROVE
 BY: *Rohini Dasika*
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

Susan D. Harrington
 Susan D. Harrington
 M.S., R.D., Director of Public Health

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

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 Public Health, Women Infant and Children Clinic, Corona, 5 – Year Lease, District 2 / District 2, CEQA Exempt, [\$638,611], 100% Federal USDA WIC Funds

DATE: October 8, 2014

PAGE: 2 of 3

BACKGROUND:

Summary

On September 28, 2010, the Board of Supervisors approved Agenda item 3.26 authorizing the Economic Development Agency (EDA), Real Estate Division, to amend the Lease and to extend the term of the Lease for five additional years. This office space continues to meet the requirements for the Department of Public Health (DOPH) for its Women Infant and Children Clinic (WIC).

In an effort to assist DOPH in achieving their goals of improving the overall aesthetics of the clinic and keeping the office as cost effective as possible, the Real Estate Division has negotiated a new five year Lease with the tenant improvements amortized in the monthly rent over the term of the lease. In addition the annual escalator has been reduced from three percent to two and a half percent.

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.

The Lease is summarized below:

Lessor: New Exchange, Inc.
1109 Westwood Blvd.
Los Angeles, CA 90024

Premises Location: 1307 W. Sixth Street #124
Suite 124
Corona, CA 91720

Size: 5,733 square feet

Rent:	Current:	New:
	\$ 1.51 per square feet	\$ 1.59 per square feet
	\$ 8,639.95 per month	\$ 9,115.47 per month
	\$103,679.40 per year	\$109,385.64 per year

Term: July 1, 2014 thru June 30, 2019

Annual Increase: Two and one half percent

Custodial: Landlord

Maintenance: Landlord

RCIT: None

Improvements: Included in rent. Improvements consist of new carpet, paint, VCT, cove base, corner guards, Dutch door shelf, replace damaged laminate counter tops at receptionist area.

(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 Public Health, Women Infant and Children Clinic, Corona, 5 – Year Lease, District 2 / District 2, CEQA Exempt, [\$638,611], 100% Federal USDA WIC Funds

DATE: October 8, 2014

PAGE: 3 of 3

BACKGROUND:

Summary (Continued)

The attached Lease has been approved by County Counsel as to form.

Impact on Citizens and Businesses

DOPH remaining at this site will continue to provide a positive overall economic impact to the community. The construction phase will provide jobs through construction completion. The long term tenancy of DOPH in this region will benefit the community by providing a positive impact to local residents through the programs provided.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibit A, B & C. The DOPH has budgeted these costs in FY 2014/15 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a five year lease renewal. The rate has increased slightly due to the addition of the improvements which have been added to the rent. The rental rate is offset by the reduced annual increase from three percent to two and a half percent. Therefore, the rate is deemed competitive.

Attachments:

Exhibits A, B & C

Lease

Notice of Exemption

Exhibit A

FY 2014/15

Department of Public Health/WIC Cost Analysis
1307 W. Sixth Street, Corona, CA 91720

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	5,733	SQFT	
Approximate Cost per SQFT (July - June)	\$	1.59	
Lease Cost per Month (July - June)		\$	9,115.47
Total Lease Cost (July - June)			\$ 109,385.64
Total Estimated Lease Cost for FY 2014/15			\$ 109,385.64

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>687.96</u>
Total Estimated Utility Cost			\$ 8,255.52
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee - 3.89%			\$ <u>4,255.10</u>
TOTAL ESTIMATED COST FOR FY 2014/15			\$ <u>121,896.26</u>

Exhibit B

FY 2015/16

Department of Public Health/WIC Cost Analysis
1307 W. Sixth Street, Corona, CA 91720

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	5,733	SQFT	
Approximate Cost per SQFT (July - June)	\$	1.63	
Lease Cost per Month (July - June)		\$	9,343.36
Total Lease Cost (July - June)			\$ 112,120.28
Total Estimated Lease Cost for FY 2015/16			\$ 112,120.28

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>687.96</u>
Total Estimated Utility Cost			\$ 8,255.52
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee - 3.89%			\$ <u>4,361.48</u>
TOTAL ESTIMATED COST FOR FY 2015/16			\$ <u>124,737.28</u>

Exhibit C

FY 2016/17 to FY 2018/19

Department of Public Health/WIC Cost Analysis
1307 W. Sixth Street, Corona CA 91720

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 5,733 SQFT

	FY 2016/17	FY 2017/18	FY 2018/19
Approximate Cost per SQFT (July - June)	\$ 1.67	\$ 1.71	\$ 1.76
Lease Cost per Month (July - June)	\$ 9,576.94	\$ 9,816.36	\$ 10,061.77
Total Lease Cost (July - June)	\$ 114,923.29	\$ 117,796.37	\$ 120,741.28
Total Estimated Lease Cost for FY 2016/17 to FY 2018/19	\$ 114,923.29	\$ 117,796.37	\$ 120,741.28

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 687.96	\$ 687.96	\$ 687.96
Total Estimated Utility Cost	\$ 8,255.52	\$ 8,255.52	\$ 8,255.52
RCIT	\$ -	\$ -	\$ -
Tenant Improvement	\$ -	\$ -	\$ -
EDA Lease Management Fee - 3.89%	\$ 4,470.52	\$ 4,582.28	\$ 4,696.84
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2018/19	\$ 127,649.32	\$ 130,634.17	\$ 133,693.64

F11: Cost - Total Cost \$ 638,610.67
F11: Net County Cost - Total Cost \$ -

1 SECOND AMENDMENT TO LEASE
2 Department of Public Health
3 1307 W. Sixth Street,
4 Corona, CA 91720

5 THIS **SECOND AMENDMENT TO LEASE** ("Second Amendment") dated as of
6 _____, is entered by and between **COUNTY OF RIVERSIDE**, a political
7 subdivision of the State of California ("County") and, **NEW EXCHANGE, INC.**, a
8 California Corporation ("Lessor"). County and Lessor are hereinafter collectively
9 referred to as the "Parties."

10 RECITALS

11 A. County and Lessor have entered into a lease, dated October 21, 2003
12 ("Lease") pursuant to which County has agreed to Lease from Lessor and Lessor has
13 agreed to lease to County that certain building located at 1307 W. Sixth Street, Suites
14 123 – 126, Corona, California, as more particularly described in Exhibit A of the Lease.

15 B. On or about September 28, 2010 the Parties entered into a First Amendment to
16 Lease which extended the lease by five (5) years commencing July 1, 2009.

17 C. The term of the Lease, as previously amended, expired on June 30, 2014 and
18 the Lease has become a month to month tenancy.

19 D. The Parties now desire to further amend the Lease to extend the term and
20 change the rental rate, among other things.

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. The recitals above are true and correct and are incorporated herein by
24 this reference.

25 2. TERM. The Lease will continue as a month to month tenancy on the
26 same terms and conditions until July 1, 2014, at which time the term of this Lease shall
27 be extended for five (5) years commencing on July 1, 2014 and terminating on June
28 30, 2019.

1 3. **RENT.** Section 5 of the Lease shall be deleted and replaced as follows:
2 Commencing on July 1, 2014 County shall pay the sum of \$9,115.47 per month to
3 Lessor as rent for the leased premises, payable, in advance, on the first day of the
4 month or as soon thereafter as a warrant can be issued in the normal course of
5 County's business. Rent shall be increased annually by two percent and a half percent
6 (2.5%) on the anniversary date of the lease term. The first such increase shall occur
7 on July 1, 2015.

8 4. **TENANT IMPROVEMENTS.** Lessor at its sole cost and expense shall
9 move existing desks and systems furniture in order to provide the following tenant
10 improvements: apply new paint, carpet and VCT, and replace with new cove base
11 throughout the facility. Lessor shall replace existing desks and systems furniture upon
12 completion of the tenant improvements. Lessor and Department of Public Health shall
13 coordinate scheduling the Tenant Improvements as more particularly shown on Exhibit
14 "B" attached hereto and by this reference made a part of the Amendment. County
15 shall not be entitled to an abatement of rent or any other consideration or
16 compensation for any interruption in business caused by Lessor's work described in his
17 paragraph.

18 5. **TIMELINE.** Lessor shall provide County a construction timeline for the
19 improvements to provide the Department of Public Health the allotted time to
20 coordinate closure, or rescheduling the clinic during the construction phase.

21 6. **SECOND AMENDMENT TO PREVAIL.** The provisions of this Second
22 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease
23 or First Amendment to Lease.

24 7. County acknowledges that Lessor has fully performed all of its obligations
25 under the Lease and First Amendment including, but not limited to, Landlord's work
26 required under the Lease and First Amendment.

27 8. **MISCELLANEOUS.** Except as amended or modified herein, all the
28 terms of the Lease shall remain in full force and effect and shall apply with the same

1 force and effect. Lessor shall not be bound by this Amendment until Lessor has
2 executed and delivered this Amendment to Lessee, notwithstanding Lessee's
3 execution and delivery of this Amendment to Lessor. Time is of the essence in this
4 Amendment and the Lease and each and all of their respective provisions. Subject to
5 the provisions of the Lease as to assignment, the agreements, conditions and provision
6 herein contained shall apply to and bind their heirs, executors, administrators,
7 successors and assigns of the parties hereto. If any provisions of this Amendment or
8 the Lease shall be determined to be illegal or unenforceable, such determination shall
9 not affect any other provision of the Lease and all such other provisions shall remain in
10 full force and effect. The language in all parts of the Lease shall be construed
11 according to its normal and usual meaning and not strictly for or against either Lessor
12 or Lessee. Neither the Amendment, or the Lease, or First Amendment, nor any notice
13 nor memorandum regarding the terms hereof, shall be recorded by Lessee. Any such
14 unauthorized recording shall give Lessor the right to declare a breach of the lease and
15 pursue the remedies provided for in the Lease.

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17
18 (Continued on the Following Page)
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1 9. 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

5 IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the
6 date first written above.
7

8 LESSEE:
9 COUNTY OF RIVERSIDE,
10 a political subdivision of the State
11 of California

12 By: _____
13 Jeff Stone, Chairman
14 Board of Supervisors

LESSOR:
NEW EXCHANGE INC.
a California Corporation
BY: CAL-AMERICAN Corporation
As its Agent

15 By:  _____
16 Jacqueline S. Miller,
17 Its President

18 ATTEST:
19 Kecia Harper-Ihem
20 Clerk of the Board

21 By: _____
22 Deputy

23 APPROVED AS TO FORM:
24 Gregory P. Priamos, County Counsel

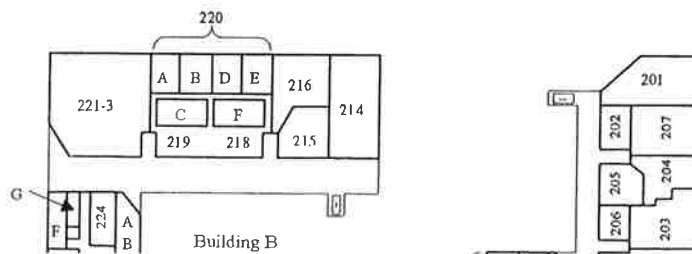
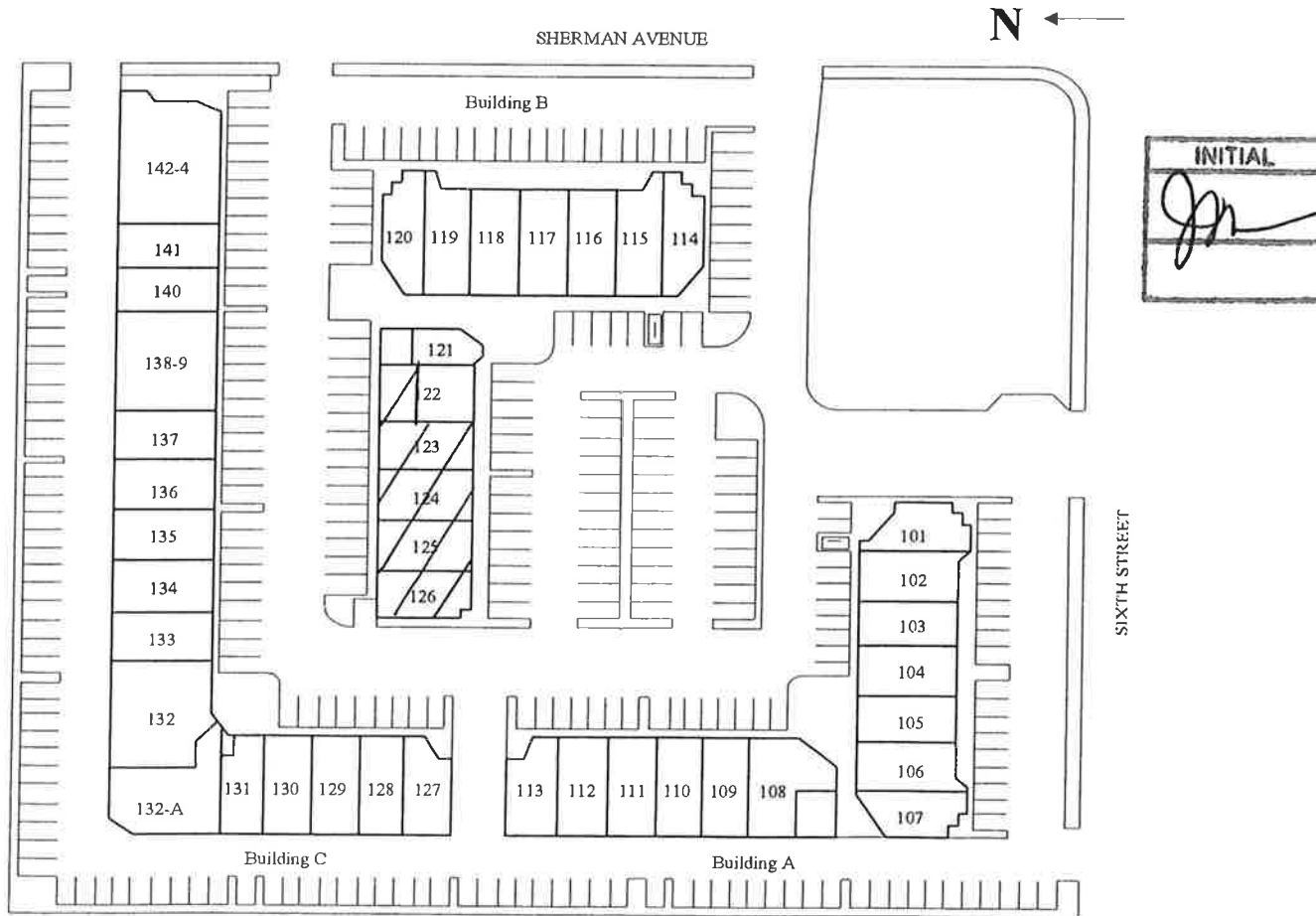
25 By:  _____
26 Patricia Munroe
27 Deputy County Counsel

28 CC:ra/081914/CR018/17.111 S:\Real Property\TYPING\Docs-17.000 to 17.499\17.111.doc

THE NEW EXCHANGE
1307 West Sixth Street
Corona, California 92882

Exhibit "A"

This Exhibit forms a part of the Lease between New Exchange, Inc., Landlord, and County of Riverside, Tenant, dated September 12, 2003.





Southern California Services

P.O. Box 311
Rialto, CA 92377

EXHIBIT "B"

Estimate

Date	Estimate #
7/16/2014	6600

Name / Address
CAL-AMERICAN CORPORATION 1307 WEST SIXTH STREET SUITE #132A CORONA, CA 92882

Rep
OMAR

Apt. #	Description	Class	Total
CORONA WIC OFFICE	<p>REMOVE EXISTING DESKS AND CUBICLES TO SEPARATE LOCATION IN ORDER TO ACCESS FLOORING PAINT ALL AREAS RETAINING SAME COLORS AND ACCENT WALLS REMOVE EXISTING CARPET PREP FLOOR FOR NEW CARPET PROVIDE AND INSTALL NEW COMMERCIAL GLUE DOWN CARPET PREP FLOOR FOR NEW VCT TILE PROVIDE AND INSTALL NEW VCT TILE IN RECEPTIONIST AREA, PRINTER ROOM, WEIGHT/MEASURE AREA AND IN MAIN REPLACE EXISTING CRACKED OR CHIPPED VCT TILES HALLWAYS SURROUNDING CUBICLES STRIP, WAX AND SEAL NEW AND EXISTING VCT PROVIDE AND INSTALL NEW COVE BASE TO MATCH EXISTING REPAIR LAMINATE COUNTER TOP IN RECEPTIONIST AREA AND ON DUTCH DOOR SHELF RE-INSTALL ALL EXISTING DESKS AND CUBICLES PROVIDE AND INSTALL NEW CLEAR CORNER GUARDS TO EVERY EXPOSED RIGHT ANGLE WALL.</p> <p>**NOTE** ANY REPAIRS AND/OR EXTRAS OTHER THAN WHAT IS LISTED ABOVE WILL NOT BE INCLUDED IN THIS PRICE AND IF NEEDED WILL REQUIRE A CHANGE ORDER.</p>	CONSTRUCTION	29,695.00
ALL ESTIMATES ARE GOOD FOR 60 DAYS, THANK YOU!		Total	\$29,695.00

Phone #	Fax #	E-mail
909-888-9336	909-888-3369	alfajrinc@aol.com


Signature _____

Corona WIC Tis

5/21/2014

1. New Paint – Retain the same colors and accent walls.
2. Replace the cove base throughout the facility and retain the same color and type.
3. New VCT in the receptionist area, print room, weight/measure area, and in the main hallways surrounding the cubicles.
 - a. Utilize the same floor design found in the lobby and classroom for the new areas.
 - b. Inspect and replace existing cracked or chipped tiles,
 - c. Strip/Wax/Seal the new and existing VCT following installation.
4. Apply corner guards to every exposed right angle wall.
 - a. Corner Guards – Clear Acrylic
<http://www.globalindustrial.com/p/building-materials/handrails-and-wall-protection/corner-guards/polycarbonate-surface-mounted-135-corner-guard-2-1-2-inch-wing-4-foot-h-clear-taped>
 - b. Conduct walk-through to establish locations for corner guards.
5. Replace the existing carpet with the following product;
 - a. <http://shawfloors.com/carpetdetails/succession tile ii 54695-dark earth>


Succession Tile II



About Succession Tile II

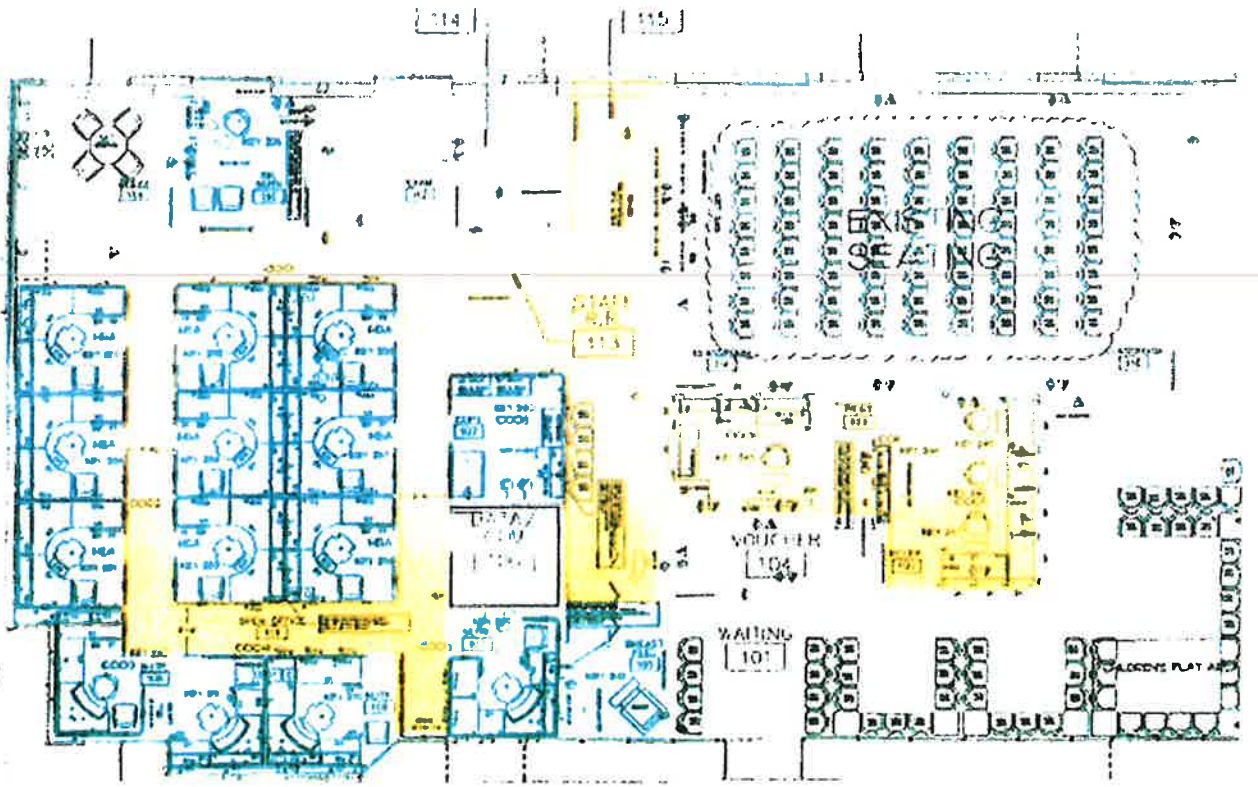
Style	54695
Collection	Indoor Outdoor Collection
Fiber	100% Olefin
Fiber Brand	Unbranded
Width	24" X 24"
Style Type	Loop
Face Weight	39.7 lb./sq. yd.
Backing	EcoWorx

GREEN CARE



All Shaw carpet and an independent, verifiable chemical emissions Institute's Green Label Plus program

- b.
6. Fix the chipped laminate counter tops in the receptionist area and on the Dutch door shelf.



New VCT



New Carpet