

FROM: Economic Development Agency / Facilities Management

SUBJECT: Fourth Amendment to Lease - Department of Public Social Services

RECOMMENDED MOTION: That the Board of Supervisors:

- Approve the attached Fourth Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County;
- 2. Approve and direct the Auditor Controller to make the budget adjustment as shown on Schedule A, attached; and
- 3. Find that the project is exempt from The California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities.

	(Commences on Page 2)	(K+ H					
FISCAL PROCEDURES		Robert Field					
BY Hamul No SAMUEL WONG		Assistant Coun	ty Executive Office	er/EDA			
FINANCIAL DATA	Current F.Y. Total Cost:	\$ 120,691	In Current Year E	Budget:	No		
	Current F.Y. Net County Cost:	\$ 2,836	Budget Adjustme	ent:	Yes		
DAIA	Annual Net County Cost:	\$ 15,676	\$ 15,676 For Fiscal Year:				
COMPANION ITE	M ON BOARD AGENDA: N	0					
SOURCE OF FUI	NDS: Federal 59.63%; State	38.02%; County 2	2.35%	Positions Deleted Pe	1 1 1		
				Requires 4/	5 Vote 🖂		
C.E.O. RECOMM	ENDATION: APP	ROVE Amil (1)	Bull 1				

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:

可

 \boxtimes

CIPORM APPROVED COUNTY COUNSE

Jeffries, Tavaglione, Stone, Benoit and Ashley

ATTACHMENTS FILED

WITH THE CLERK OF

Nays: Absent: None None

County Executive Office Signature

Date:

March 19, 2013

XC:

EDA, CIP, Auditor, DPSS &.O.

Kecia Harper-Ihem
Clerk of the Board
By: Deputy

Prev. Agn. Ref.: 3.8 of 5/11/99; 3.6 of 11/9/99; 3.20 of 7/27/10; 3.38 of /16/2011

District: 5/5

Agenda Nymber:

Economic Development Agency / Facilities Management Fourth Amendment to Lease – Department of Public Social Services March 7, 2013 Page 2

BACKGROUND:

The County holds a leasehold interest, as Lessee, under a lease between the County and Banning #169, LP, a California limited partnership, for the facility located at 63 South 4th Street, Banning.

The Department of Public Social Services (DPSS) has occupied this location for the Self Sufficiency Division since 1999. This office and location continues to meet the needs of DPSS and this Fourth Amendment to Lease represents an expansion of 1,559 square feet and lease extension. Tenant improvements will be completed in both the existing office space and expansion area to provide improved space utilization and to accommodate new staffing scheduled to occupy.

Location:

63 S. Fourth Street

Banning, CA 92220

Lessor:

Banning #169, LLC B.A.G. Investments, Inc. 10100 Culver Blvd., Suite D Culver City, CA 90232

Size:

Increasing from 23,136 to 24,695 square feet, upon completion of

improvements, estimated effective June 1, 2013.

Rent:

Current

New \$

\$ 1.53 per sq. ft. \$ 35,297.52 per month \$423,570.24 per year \$ 1.68 per sq. ft. \$ 41,487.60 per month

\$497,851.20 per year

Increases:

Annually per a schedule.

Term:

Five year lease extension commencing July 1, 2013.

Tenant Improvements:

Not to exceed \$329,270.00 to be reimbursed in three payments over three fiscal years. In addition, new carpet, tile, and paint throughout the original 19,500 square foot space will be completed at Lessor's

expense and is included in the rent.

RCIT:

\$30,090.00

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

FINANCIAL DATA:

All associated costs for this lease will be fully funded through the DPSS budget. DPSS has budgeted these costs in FY 2012/13; however, the Economic Development Agency (EDA) requires a budget adjustment to its FY 2012/13 budget to cover related transactional costs with the property owner. While EDA will front the costs for this lease with the property owner, DPSS will reimburse EDA for all associated lease costs.

Attachments:
Schedule A, Exhibit A, Exhibit B
Fourth Amendment to Lease

Economic Development Agency / Facilities Management Fourth Amendment to Lease – Department of Public Social Services March 7, 2013 Page 3

SCHEDULE A

Increase Appropriations:

47220-7200400000-526700	Rent/Lease Buildings	\$ 6,190
47220-7200400000-522410	Tenant Improvements	\$109,757
Increase Estimated Revenue:		
47220-7200400000-777330	Leasing Services	\$ 6,190
47220-7200400000-781360	Misc. Revenue	\$109,757

Exhibit A

DPSS Lease Cost Analysis FY 2012/13 63 S. Fourth Street, Banning, California

	•						
Total Square Footage to be Leased: EXPECTED AMOUNTS							
Current office: Total Expected Lease Cost for FY 2012/13		23,136	SQF	Ŧ	\$ 423,570.24		
ACTUAL AMOUNTS							
Current Office:		23,136	SO	FT			
Proposed Office:		24,695					
Approximate Cost per SQFT (July - May)	\$	1.53					
Approximate Cost per SQFT (June)	\$	1.68					
Lease Cost per Month (July - May)	\$	35,297.52					
Lease Cost per Month (June)	\$	41,487.60	_				
Total Lease Cost (July - May)			\$	388,272.72			
Total Lease Cost (June)			\$	41,487.60			
Total Actual Lease Cost for FY 2012/13					\$ 429,760.32		
Total Lease Cost Variance for FY 2012/13						\$	6,190.08
Estimated Additional Costs:							a region
EXPECTED AMOUNTS							
Utility Cost per Square Foot	\$	0.12					
Estimated Utility Costs per Month (July - June)	\$	2,776.32					
Total Estimated Utility Cost for FY 2012/13			\$	33,315.84			
RCIT			\$	30,090.00			
Tenant Improvements			\$	-3 			
EDA Lease Management Fee (Based @ 3.93%)			\$	16,646.31			
Total Estimated Expected Cost for FY 2012/13					\$ 80,052.15		
ACTUAL AMOUNTS							
Utility Cost per Square Foot	\$	0.12					. (
Costs per Month (July - May)	\$	2,776.32					
Costs per Month (June)	\$	2,963.40	_				
Total Estimated Actual Utility Cost for FY 2012/13			\$	33,502.92			
RCIT			\$	30,090.00			
Tenant Improvements = \$329,270/3yrs			\$	109,756.67			
EDA Lease Management Fee (Based @ 3.93%) Total Estimated Actual Cost for FY 2012/13				21,203.02	\$ 194,552.61		
Total Estimated Cost Variance for FY 2012/13						_\$_	114,500.46
TOTAL ESTIMATED COST FOR FY 2012/13						<u>\$</u>	120,690.54
TOTAL COUNTY COST: 2.35%						\$	2,836.23

Exhibit B

15,675.62

DPSS Lease Cost Analysis FY 2013/14 63 S. Fourth Street, Banning, California

Current Square Feet Occupied:

TOTAL COUNTY COST: 2.35%

Current Office:	24,695	SQFT		
Approximate Cost per SQFT (July - June)	\$ 1.68			
Lease Cost per Month (July - June)		\$ 41,487.60		
Total Lease Cost (July - June)			\$	497,851.20
Total Expected Lease Cost for FY 2013/14			\$	497,851.20
Estimated Additional Costs:				
Utility Cost per Square Foot Estimated Utility Costs per Month (July - June)	\$ 0.12	\$ 2,963.40	·	
Total Estimated Utility Cost for FY 2013/14 Tenant Improvement (2nd of 3 payments) EDA Lease Management Fee (Based @ 3.93%)			\$ \$ \$	35,560.80 109,756.67 23,878.99
TOTAL ESTIMATED COST FOR FY 2013/14			\$	667,047.66

FOURTH AMENDMENT TO LEASE

(Department of Public Social Services, 63 S. Fourth Street, Banning, California)

This FOURTH AMENDMENT to Lease ("Fourth Amendment") is made as of _______, 2013, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("County"), and BANNING #169, LP, a California limited partnership, ("Lessor").

Recitals

- a. BANNING #169, LLC, as Lessor, predecessor-in-interest to Banning #169, LP, and County, have entered into that certain Lease dated May 11, 1999, ("Original Lease") pertaining to the premises located at 63 S. Fourth Street, Banning, California, as more particularly described in the Lease.
 - b. The Original Lease has been amended by:
- i. That certain First Amendment to Lease dated, November 9, 1999, by and between County of Riverside and Banning #169, LLC, ("First Amendment").
- ii. That certain Second Amendment to Lease dated July 27, 2010, by and between County of Riverside and Banning #169, LP, ("Second Amendment").
- iii. That certain Third Amendment to Lease dated August 16, 2011, by and between County of Riverside and Banning #169, LP, ("Third Amendment").
- c. The Original Lease, as heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease."
- d. County and Lessor desire to further amend the Lease by increasing the square footage and modifying the premises with tenant improvements defined herein.
- NOW, THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

- 1. Description. Section 1(a) shall be amended as follows: Upon completion of the improvements referenced in Section 4 of this Fourth Amendment to Lease, the premises leased will increase to approximately 24,695 square feet, located at 63 South Fourth Street, Banning, California, as more particularly shown on Exhibit "G," attached hereto and by this reference made a part of this Lease.
- **2. Term.** Section 3(a) of the Lease shall be amended as follows: The term of this Lease shall be extended for a period of five (5) years commencing July 1, 2013, and expiring June 30, 2018.
- 3. Rent During Extended Term. Section 4 of the Third Amendment to Lease shall be amended as follows:

County shall pay to Lessor the monthly sum as rent for the Leased premises during the extended term of this Lease as indicated below:

- a. Effective July 1, 2012 through June 30, 2013, the monthly rent payable shall be \$35,297.52.
- b. Effective July 1, 2013, the monthly rent payable shall be \$38,868.48 and shall be payable through June 30, 2014.
- (i) Notwithstanding the terms of Section 3(a) or 3(b) of this Fourth Amendment, upon completion and acceptance by County of the tenant improvements in the expansion area as set forth in paragraph 9(k) in Section 4 of this Fourth Amendment to Lease, and not including those improvements set forth in paragraph 9(k.iv), the monthly rent shall be adjusted to \$41,487.60, and shall be payable through June 30, 2014. Rent shall be prorated if completion takes effect in the middle of a month.
- c. Effective July 1, 2014, and continuing until June 30, 2015, the monthly rent payable shall be \$42,243.27.
- d. Effective July 1, 2015, and continuing until June 30, 2016, the monthly rent payable shall be \$43,014.05.

8

13 14

12

15 16

18

17

20

21

19

2223

2425

262728

- e. Effective July 1, 2016, and continuing until June 30, 2017, the monthly rent payable shall be \$43,800.24.
- f. Effective July 1, 2017, and continuing until June 30, 2018, the monthly rent payable shall be \$44,603.16.
- **4. Improvements.** Section 9 shall be amended to add subsection 9 (k) as follows:
- 9 (k) Additional Improvements by Lessor. Lessor, at its expense, subject to reimbursement of the total cost by County, shall complete tenant improvements per the attached Exhibit "G." Remodel work within the existing space Tenant improvements in the shall be performed after hours and on weekends. expansion space can be performed either during regular hours, provided staff is uninterrupted, or after hours, or on weekends. Cost of the tenant improvements as paid for by Lessor shall not exceed \$329,270.00, which includes a County contingency amount of \$5,000.00 for change orders requested and approved by County. completion of the tenant improvements, Lessor shall provide County with updated plans based on field changes during construction. In addition, Lessor shall provide County with an itemized statement of the actual costs incurred accompanied by vendor, contractor, subcontractor, and material man invoices if requested by County. County shall not reimburse Lessor an amount in excess of actual costs, nor in excess of \$329,270.00. County shall reimburse Lessor as follows:
- (i) One Third (1/3) of the reimbursement amount shall be paid within sixty (60) days after completion of the Leasehold Improvements and receipt of invoicing with appropriate backup documents.
- (ii) One half (1/2) of the remaining balance, together with interest thereon at the rate of six percent (6%) per annum, from the date of Substantial Completion until the date of payment, shall be paid no later than the month of October of the County fiscal year following the fiscal year in which the initial payment referenced in Subsection 9 (k) (i) above was paid.

ŀ	l e e e e e e e e e e e e e e e e e e e	
1	9. This Fourth Amendment to	Lease shall not be binding or consummated
2	until its approval by the County's Board o	f Supervisors.
3	Dated: 2-28-13	
4		BANNING #169, LP, a California limited
5		partnership
6		By:
7		Alan/J. Gindi, President of B.A.G.
8		Investments, Inc. General Partner
9		
10		COUNTY OF RIVERSIDE, a political
11		subdivision of the State of California
12		By: John & Benoit
13	ATTEST:	John J. Benøit, Chairman
14	Kecia Harper-Ihem Clerk of the Board	Board of Supervisors
15	1/01/01/10-61/	
16	Ву:	
17	Deputy	
18	APPROVED AS TO FORM:	
19	PAMELA J. WALLS, County Counsel	
20		
21	By: Patricia Munroe, Deputy	
22	T autola Maritoc, Dopaty	
23		
24		
25		
26	HR:mr/022113/BA019/15.556 H:\Scans Temp Hold\F	ourth Amendment to Lease - 63 S. Fourth Street, Banning;
27	FM042130001900 PM 022113.doc	
28		

ABRAMSON TEIGER ARCHITECTS

8924 LINBLADE STREET, CULVER CITY, CA 90232 TELEPHONE (310) 838-8998 FAX (310) 838-8332

63 SOUTH 4TH STREET Banning, CA 92220

Project Costs 26-Dec-12

Consultant Fees					Cost
Consultants					\$21,000.00
Reimbursables					3,000.00
The control of the co					
Sub Total - Consultant Fe	08			10.199	\$24,000.00
Construction Costs					Cost
Permit Fees					\$3,750.00
Construction Cost			*		278,090.0
Fire Protection					3,500.00
Audio Video		- 4			By County of Riverside
Security Alarm					By County of Riverside
Tel - Data - PA - Clocks - Be	elts				By County of Riverside
FF&E - estimated					By County of Riverside
				į	man and the second
Contingency 5%			<u> </u>		14,930.00
Sub Total	حصور موارد در از				\$300,270.00
Total					****

Preliminary Cost Estimate Gindi Banning Expansion 12/28/2012

Total	Contingency	Contractor fee	Folding wall	Tint	Handrail	Fire Extinguishers	Roof	Doors	Floor leveling	Carpet	HVAC	Glass	Fire Safety	Fire Sprinklers	T-bar	Paint	Drywall	Insulation	Plumbing	Electrical	Framing	Concrete	Demolition	Structural Steel	Permits	Engineering	Title 24 MEP	Trade
			As Specified	Grafitti film and tint	Aluminum handrail at new ramp	As Required	Repairs as necessary at new HVAC and old penetrations	Two new interiot to match, one new exterior HM with panic hardware	Ramp up to tile to be covered at lobby, fill mat location, not recommended	new carpet squares to match latest remodel, 2011	One 5 ton package with zone control, add zone control new offices and supply room	New Storefront 10'x37' Dual Glazed	Per Troy Alarm Quote dated Dec. 5, 2012	Sprinkle new 5000 sq. ft., connect to existing system	New T bar to match latest expansion, 2011, Repair damaged areas	Newly drywalled areas only to match existing	5/8" drywall at walls, orangepeel texture to match	R-30 at roof, R-13 at ext walls, R-11 at interior walls	Connect main line from laundry to supply existing	New drop in fixtures, new circuits to power poles	Metal stud framing, Wood beam to carry folding wall	New Concrete ramp and footings	Concrete wall and floor, Storage Room, Conference Room ceilings, walls	Steel post, U channel	Building, Fire	Structural Calcs and Plans tilt up opening	Title 24, Mechanical, Electrical, Plumbing	Description
278090	13 250	44140	12000	5000	1500	200	2500	4000	2000	20000	20000	13000	6000	36000	11000	3500	7000	3000	1500	21000	5000	10000	21000	5000	5000	3500	2000	Cost











