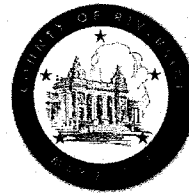


SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

315



SUBMITTAL DATE:

April 18, 2013

FROM: Economic Development Agency / Facilities Management

SUBJECT: First Amendment to Lease – Probation Department, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First Amendment to Lease and authorize the Chairman to execute the same on behalf of the County;
2. Approve and direct the Auditor-Controller to adjust the Economic Development Agency's FY 2012-13 budget as outlined on Schedule A; and
3. Find that the project is exempt from The California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED

PAUL ANGIOLO, CPA, AUDITOR-CONTROLLER

BY: Isatte Rose 4/17/13

Robert Field

Assistant County Executive Officer/EDA

FINANCIAL
DATA

Current F.Y. Total Cost: \$ 314,910
Current F.Y. Net County Cost: \$ 96,048
Annual Net County Cost: \$ 83,153

In Current Year Budget: No
Budget Adjustment: Yes
For Fiscal Year: 2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: General Fund 30.5%; AB109 13.30%; Pretrial Services 3.20%; CCPIA 6.30%; JJCPA 3.85%; YOBG 4.85%; State Funds 32.74%; Federal Funds 5.26%

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: Jennifer L. Sargent
Jennifer L. Sargent

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: April 30, 2013
xc: EDA, Probation, EO, Auditor

Kecia Harper-Ihem
Clerk of the Board

By: Kecia Harper-Ihem
Deputy

3-6

Prev. Agn. Ref.: 3.15 of 5/1/12

District: 1/1

Agenda Number:

BACKGROUND:

On December 13, 2011, the Board of Supervisors approved an In-Principle Form 11 for the Economic Development Agency (EDA), Real Estate Division, to locate additional suitable office space to meet the Probation's office space requirement as a result of AB 109/117 and the 118 Criminal Justice Realignment.

The Real Estate Division issued a Request for Proposal and received multiple submittals from area landlords. The 12,397 square foot facility located at 1201 Research Park Drive, Riverside, met the departmental requirements and provides efficient use of space to support Probation's new staff and expansion of Probation's infrastructure.

The adjacent suite 100 has become available, and will provide an additional 4,850 square feet. The additional space will be leased and used for a training facility, which includes a mat room and locker room for training purposes, and a vault room. The County shall reimburse Landlord for these improvements upon receipt of an itemized statement and approval of said improvements. The department will take immediate occupancy upon completion of the tenant improvements.

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.

Location: 1201 Research Park Drive, Suite 100
Riverside, California 92507

Lessor: J.D. Guthrie, LLC

Size: Current Premises: 12,397 square feet
Expansion Premises: 4,850 square feet
Total New Premises: 17,247 square feet

Rent:	Current Space	Current/Expansion Rent
	\$ 1.00 per sq. ft.	\$ 1.14 per sq. ft.
	\$ 12,397.00 per month	\$ 19,721.00 per month
	\$148,764.00 per year	\$ 236,652.00 per year

Increases: Three percent annually

Term: As set forth in the Original Lease, expiring April 30, 2017

Utilities: County pays for phone and electric, Lessor pays for all other utility services

Custodial: Lessor shall provide and pay for custodial services

Maintenance: Lessor shall provide and pay for maintenance services

Improvements: Not to exceed \$279,350.00; this amount includes a 10% contingency fee

(Continued)

BACKGROUND: (Continued)

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

FINANCIAL DATA:

All associated costs for this First Amendment to Lease will be fully funded through the Probation Department's budget. Probation has budgeted these costs in FY 2012/13. While EDA will front the costs for the First Amendment to Lease with the property owners, Probation will reimburse EDA for all associated costs. However EDA will require a budget adjustment to its FY 2012/13 budget to cover related transactional costs with the property owners.

Attachments:

Exhibit A

Exhibit B

Schedule A

First Amendment to Lease

SCHEDULE A

Increase Appropriations:

47220-7200400000-526700	Rent-Lease Buildings	\$21,972
47220-7200400000-522410	Tenant Improvements	\$279,350

Increase Estimated Revenue:

47220-7200400000-777330	Leasing Services	\$21,972
47220-7200400000-781360	Other Misc Revenue	\$279,350

Exhibit A

Probation Lease Cost Analysis FY 2012/13 1201 Research Park Drive, Riverside, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office: 12,397 SQFT
Total Expected Lease Cost for FY 2012/13 \$ 148,764.00

ACTUAL AMOUNTS

Current Office: 12,397 SQFT
Proposed Office: 17,247 SQFT

Approximate Cost per SQFT (July - March) \$ 1.00
Approximate Cost per SQFT (April - June) \$ 1.14

Lease Cost per Month (July - March) \$ 12,397.00
Lease Cost per Month (April - June) \$ 19,721.00

Total Lease Cost (July - March) \$ 111,573.00
Total Lease Cost (April - June) \$ 59,163.00
Total Actual Lease Cost for FY 2012/13 \$ 170,736.00
Total Lease Cost Variance for FY 2012/13 \$ 21,972.00

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs per Month (July - June) \$ 1,487.64

Total Estimated Utility Cost for FY 2012/13 \$ 17,851.68

RCIT \$ -

Tenant Improvements \$ -

EDA Lease Management Fee (Based @ 3.93%) \$ 5,846.43
Total Estimated Expected Cost for FY 2012/13 \$ 23,698.11

ACTUAL AMOUNTS

Utility Cost per Square Foot \$ 0.12
Costs per Month (July - March) \$ 1,487.64
Costs per Month (April - June) \$ 2,069.64
Total Estimated Actual Utility Cost for FY 2012/13 \$ 19,597.68

RCIT \$ -

Tenant Improvements \$ 279,350.00

EDA Lease Management Fee (Based @ 3.93%) \$ 17,688.38
Total Estimated Actual Cost for FY 2012/13 \$ 316,636.06

Total Estimated Cost Variance for FY 2012/13 \$ 292,937.95

TOTAL ESTIMATED COST FOR FY 2012/13 \$ 314,909.95

TOTAL COUNTY COST: 30.5% \$ 96,047.54

Exhibit B

Probation Lease Cost Analysis FY 2013/14 1201 Research Park Drive, Riverside, California

Current Square Feet Occupied:

Current Office:	17,247	SQFT	
Approximate Cost per SQFT (July -March)	\$	1.14	
Approximate Cost per SQFT (April -June)	\$	1.18	
Lease Cost per Month (July - March)		\$	19,721.00
Lease Cost per Month (April - June)		\$	20,312.63
Total Lease Cost (July - March)			\$ 177,489.00
Total Lease Cost (April - June)			\$ 60,937.89
Total Expected Lease Cost for FY 2013/14			\$ 238,426.89

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>2,069.64</u>
Total Estimated Utility Cost for FY 2013/14			\$ 24,835.68
EDA Lease Management Fee (Based @ 3.93%)			<u>\$ 9,370.18</u>
TOTAL ESTIMATED COST FOR FY 2013/14			<u>\$ 272,632.75</u>
TOTAL COUNTY COST: 30.5%			\$ 83,152.99

1 **FIRST AMENDMENT TO LEASE**

2 THIS FIRST AMENDMENT TO LEASE ("First Amendment") dated as of
3 April 30, 2013, is entered by and between **COUNTY OF RIVERSIDE**, a political
4 subdivision of the State of California ("County") and, **J.D. GUTHRIE, LLC**, a Limited
5 Liability Company, ("Lessor"). County and Lessor are hereinafter collectively referred
6 to as the "Parties" or individually as a "Party."

7 **RECITALS**

8 A. County and Lessor entered into a lease, dated May 1, 2012, ("Lease") pursuant
9 to which County has agreed to lease and Lessor has agreed to lease to County that
10 certain building located at 1201 Research Park Drive, Suite 400, Riverside, California
11 92507, as more particularly described in Exhibit A of the Lease; and

12 B. County exercised the "Right of First Refusal to Lease Additional Space" as set
13 forth in section 6.1 of the Lease, and desires to lease the adjacent premises. The
14 Parties now desire to amend the Lease to add the additional premises, modify the
15 monthly rental, and specify the dollar amount of the tenant improvements.

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

18 1. **EXPANSION OF LEASED PREMISES.** The existing leased premises of 12,397
19 square feet is hereby expanded to include the adjacent expansion leased premises in
20 the amount of 4,850 square feet as shown in Exhibit A to this amendment for a total
21 new premises (the Expanded Premises), square footage of 17,247 square feet.

22 2. **RENT.** The current monthly rent for the existing leased premises is \$12,397.00
23 per month. The monthly rent for the expansion premises is \$7,324.00 per month. The
24 new total rent for the premises shall be \$19,721.00 per month and shall commence
25 April 1, 2013. The monthly rent for the existing leased premises shall be increased by
26 three (3%) on May 1, 2013. The monthly rent for the existing and expansion premises
27 shall increase three (3%) percent on April 1, 2014. Thereafter during the lease term,
28 the monthly rent for both the existing and expansion premises shall be increased three

1 (3%) percent on April 1st of each year. As set forth in section 5.1, the monthly rent shall
2 be payable, in advance, on the first day of the month.

3 3. TERM. The term of the lease shall be as set forth in Section 4.1 of the original
4 lease and shall expire on April 30, 2017.

5 4. TENANT IMPROVEMENTS: Lessor to complete the tenant improvements in
6 the Expansion Premises, as set forth in Exhibit A and in plans to be approved in writing
7 by the County. The improvements are as follows:

8
9 a. Construct the floor plan as show on the plans including but not limited to
10 construction of the mat room, locker rooms, storage closets, offices,
11 restrooms, and open areas.

12 b. Install all operating systems including but not limited to HVAC, electrical,
13 plumbing safety/security and other systems. Landlord shall not provide
14 telephone, computer cabling and security/safety equipment. Landlord will
15 provide the conduit and the County shall complete its own wiring and
16 installation. Landlord shall include the outlets for the televisions.

17 c. Finish premises in standard finishes consistent with the existing leased
18 premises subject to approval by County. County will provide and install mats
19 in mat room on floors and walls. Lessor will not provide flooring in mat room,
20 but will polish concrete. Lessor will polish concrete floors outside the mat
21 room or lay carpet depending on County's preference. Lessor will provide
22 flooring in restrooms per County specifications.

23 d. In addition, Lessor to construct a gun vault and workroom in the existing
24 leased premises, as shown on Exhibit A.

25 5. TENANT IMPROVEMENTS, PAYMENT: Upon completion and acceptance of
26 the premises, County shall reimburse Lessor for the cost of the tenant improvements in
27 the amount of \$279,350.00 within sixty (60) days of invoice including supporting
28 documentation by County Warrant.

1 6. PARKING: Lessor represents that there is adequate parking to accommodate
2 the parking requirements for the expanded leased premises usage by County.

3 7. FIRST AMENDMENT TO PREVAIL. The provisions of this First
4 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease.

5 8. MISCELLANEOUS. Except as amended or modified herein, all the terms of the
6 Lease shall remain in full force and effect and shall apply with the same force and
7 effect. If any provisions of this Amendment or the Lease shall be determined to be
8 illegal or unenforceable, such determination shall not affect any other provision of the
9 Lease and all such other provisions shall remain in full force and effect.

10 9. EFFECTIVE DATE. This First Amendment to Lease shall not be binding or
11 consummated until its approval by the Riverside County Board of Supervisors and fully
12 executed by the Parties.

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

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4 Dated: _____

5 COUNTY OF RIVERSIDE:

LESSOR:

6
7
8 By: _____

John J. Benoit, Chairman
Board of Supervisors

By: _____

J.D. Guthrie, Partner

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12 ATTEST:

Kecia Harper-Ihem
Clerk of the Board

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14 By: _____

Deputy

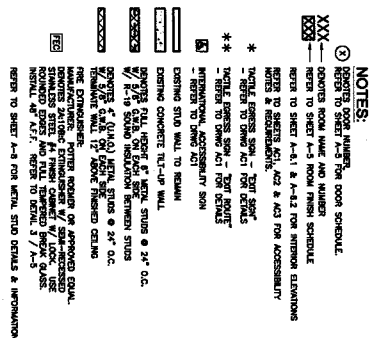
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17 APPROVED AS TO FORM:

Pamela J. Walls
County Counsel

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20 By: _____

Patricia Munroe
Deputy County Counsel

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Sheet 2
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