

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

643



FORM APPROVED COUNTY COUNSEL  
BY: Patricia Munroe DATE

**FROM:** Economic Development Agency/Facilities Management

**SUBMITTAL DATE:**  
March 6, 2014

**SUBJECT:** Second Amendment to Lease – Agricultural Commissioner, 5 Year Renewal, CEQA Exempt, District 4, [\$496,246], State Contracts / Local Fees 80%, General Fund 20%

**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 Second 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 3/6/14

Robert Field  
Robert Field  
Assistant County Executive Officer/EDA

FINANCIAL DATA	Estimated	Actual	Approved	Available	Unencumbered
<b>COST</b>	\$ 55,771	\$ 96,649	\$ 496,246	\$ 0	0
<b>NET COUNTY COST</b>	\$ 11,154	\$ 19,330	\$ 99,249	\$ 0	0

**SOURCE OF FUNDS:** State Contracts / Local Fees 80%; General Fund 20%  
Budget Adjustment: No  
For Fiscal Year: 2013/14

**C.E.O. RECOMMENDATION:**  
Reviewed by CIP TEAM  
APPROVE BY: Imelda Delos Santos 3/11/2014  
County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Benoit, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Stone, Benoit and Ashley  
Nays: None  
Absent: Tavaglione  
Date: March 18, 2014  
xc: EDA | EHS: 21

Kecia Harper-Ihem  
Clerk of the Board  
By: [Signature]  
Deputy

Prev. Agn. Ref.: 3.9 of 4/8/08; 3.28 of 7/13/10 | District: 4/4 | Agenda Number:

3-11

By: John Snyder  
John Snyder  
Agricultural Commissioner  
Agricultural Commission  
Departmental Concurrence

- 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:** Second Amendment to Lease – Agricultural Commissioner, 5 Year Renewal, CEQA Exempt, District 4, [\$496,246], State Contracts / Local Fees 80%, General Fund 20%

**DATE:** March 6, 2014

Page 2 of 2

**BACKGROUND:**

**Summary**

On July 13, 2010, the Board of Supervisors approved a lease agreement on behalf of the Agricultural Commissioner for office space located at 81-077 Indio Blvd., Suites K & L, Indio. This facility continues to meet the needs and requirements of the Agricultural Commissioner and this First Amendment to Lease represents a five year renewal. Tenant improvements will be completed at the Landlord's sole cost and expense which includes the installation of a secured parking area and carpet replacement. The carpet replacement portion of the tenant improvements will be completed on the second anniversary of the renewal which will occur in 2015. Although the rate is increasing by two percent, it is still below market for this facility.

Lessor: Spectra Novae, Ltd.  
7828 SW 32<sup>nd</sup> Avenue  
Portland, Oregon 92716

Premises: 81-077 Indio Blvd., Suites K & L  
Indio, California

Term: Five years commencing December 1, 2013 and terminating November 30, 2018

Size: 4,417 square feet

Rent:	Current	New
	\$1.57 per sq. ft.	\$1.62 per sq. ft.
	\$6,950.26 per month	\$7,158.76 per month
	\$83,403.12 per month	\$85,905.12 per year

Rental Adjustment: Two percent

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

Maintenance: Provided by Lessor

Custodial: Provided by Lessor

This Second Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

**Impact on Residents and Businesses**

The Agricultural Commissioner provides various programs, information and assistance to growers in the area. Annual Crop Report, Master Gardner Programs, Crop Disaster Assistance, Pest Control Information, etc.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

See attached Exhibit A, B & C  
Second Amendment to Lease

**Contract History and Price Reasonableness**

The original lease agreement was executed on April 8, 2008, and subsequent amendments executed thereafter. The lease rate is a competitive fair market rental rate.

# Exhibit A

FY 2013/14

**Agricultural Commissioner Lease Cost Analysis**  
**81-077 Indio Blvd., Suite K & L, Indio, California**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office:	4,417 SQFT		
Approximate Cost per SQFT (July -Nov) 1st Amendment	\$	1.57	
Approximate Cost per SQFT (Dec - Jun) 2nd Amendment	\$	1.62	
Lease Cost per Month (July -Nov) 1st Amendment	\$	6,950.26	
Lease Cost per Month (Dec - Jun) 2nd Amendment	\$	7,158.76	
Total Lease Cost (July -Nov) 1st Amendment	\$		34,751.30
Total Lease Cost (Dec - Jun) 2nd Amendment	\$		50,111.32
<b>Total Estimated Lease Cost for FY 2013/14</b>	<b>\$</b>		<b>84,862.62</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - Nov)	\$	2,650.20	
Estimated Utility Costs per Month (Dec - June)	\$	3,710.28	
Total Estimated Utility Cost	\$		6,360.48
RCIT	\$		-
Tenant Improvement	\$		-
EDA Lease Management Fee - 3.89% (July - Nov) 1st Amendment	\$	1,351.83	
EDA Lease Management Fee - 3.89% (Dec - June) 2nd Amendment	\$	1,949.33	
Total EDA Lease Management Fee	\$		3,301.16
<b>TOTAL ESTIMATED COST FOR FY 2013/14</b>	<b>\$</b>		<b>94,524.26</b>
Amount Previously approved in 1st Amendment	\$		38,753.33
Amount of FY13/14 for 2nd Amendment	\$		55,770.93
<b>TOTAL COUNTY COST 20.00%</b>	<b>\$</b>		<b>11,154.19</b>

# Exhibit B

FY 2014/15

## Agricultural Commissioner Lease Cost Analysis

81-077 Indio Blvd., Suite K & L, Indio, California

### **ESTIMATED AMOUNTS**

#### **Total Square Footage to be Leased:**

Current Office:	4,417	SQFT	
Approximate Cost per SQFT (July -Nov)	\$	1.62	
Approximate Cost per SQFT (Dec - Jun)	\$	1.65	
Lease Cost per Month (July -Nov)		\$	7,158.76
Lease Cost per Month (Dec - Jun)		\$	7,301.94
Total Lease Cost (July -Nov)		\$	35,793.80
Total Lease Cost (Dec - Jun)		\$	51,113.55
<b>Total Estimated Lease Cost for FY 2014/15</b>		<b>\$</b>	<b>86,907.35</b>

#### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	530.04
Total Estimated Utility Cost		\$	6,360.48
RCIT		\$	-
Tenant Improvement		\$	-
EDA Lease Management Fee - 3.89%		\$	3,380.70
<b>TOTAL ESTIMATED COST FOR FY 2014/15</b>		<b>\$</b>	<b>96,648.52</b>
<b>TOTAL COUNTY COST 20.00%</b>		<b>\$</b>	<b>19,329.70</b>

# Exhibit C

**FY 2015/16 to FY 2018/19**  
**Agricultural Commissioner Lease Cost Analysis**  
**81-077 Indio Blvd., Suite K & L, Indio, California**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office:

4,417 SQFT

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	
Approximate Cost per SQFT (July -Nov)	\$ 1.65	\$ 1.69	\$ 1.72	\$ 1.75	
Approximate Cost per SQFT (Dec - Jun)	\$ 1.69	\$ 1.72	\$ 1.75	\$ -	
					Annual increase %
Lease Cost per Month (July -Nov)	\$ 7,301.94	\$ 7,447.97	\$ 7,596.93	\$ 7,748.87	
Lease Cost per Month (Dec - Jun)	\$ 7,447.97	\$ 7,596.93	\$ 7,748.87	\$ -	2%
					# of Months
Total Lease Cost (July -Nov)	\$ 36,509.68	\$ 37,239.87	\$ 37,984.67	\$ 38,744.36	5
Total Lease Cost (Dec - Jun)	\$ 52,135.82	\$ 53,178.53	\$ 54,242.10	\$ -	7
<b>Total Estimated Lease Cost for FY 2015/16 to FY 2018/19</b>	<b>\$ 88,645.49</b>	<b>\$ 90,418.40</b>	<b>\$ 92,226.77</b>	<b>\$ 38,744.36</b>	

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 530.04	\$ 530.04	\$ 530.04	\$ 530.04	
<b>Total Estimated Utility Cost</b>	<b>\$ 6,360.48</b>	<b>\$ 6,360.48</b>	<b>\$ 6,360.48</b>	<b>\$ 2,650.20</b>	Make sure to update this cell with # of months
RCIT	\$ -	\$ -	\$ -	\$ -	
Tenant Improvement	\$ -	\$ -	\$ -	\$ -	
EDA Lease Management Fee - 3.89%	\$ 3,448.31	\$ 3,517.28	\$ 3,587.62	\$ 1,507.16	3.89%
<b>TOTAL ESTIMATED COST FOR FY 2015/16 to FY 2018/19</b>	<b>\$ 98,454.28</b>	<b>\$ 100,296.16</b>	<b>\$ 102,174.87</b>	<b>\$ 42,901.72</b>	
<b>TOTAL COUNTY COST 20.00%</b>	<b>\$ 19,690.86</b>	<b>\$ 20,059.23</b>	<b>\$ 20,434.97</b>	<b>\$ 8,580.34</b>	

\$ 496,246.48 F11: Cost - Total Cost  
 \$ 99,249.30 F11: Net County Cost - Total Cost

1 **SECOND AMENDMENT TO LEASE**

2  
3 **THIS SECOND AMENDMENT TO LEASE** ("Second Amendment"), dated as of  
4 March 18, 2014, is entered into by and between the **COUNTY OF**  
5 **RIVERSIDE** ("County"), a political subdivision of the State of California, and **SPECTRA**  
6 **NOVAE LTD.** ("Lessor").

7 **RECITALS**

8 a. Lessor and County have entered into that certain Lease dated April 8,  
9 2008, pursuant to which Lessor has agreed to lease to County and County has agreed  
10 to lease from Lessor that certain building located at 81-077 Indio Blvd., Suites K & L,  
11 Indio, as more particularly described in the Lease.

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

13 1. The First Amendment to Lease dated July 13, 2010 by and  
14 between County of Riverside and Spectra Novae, LTD. as successor in interest to  
15 Madison Commerce Center, LLC.

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

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

19 2. **TERM.** Section 4.1 of the Lease is hereby amended by adding the  
20 following:

21 The term of this lease shall be extended sixty (60) months commencing  
22 on December 1, 2013 and shall expire on November 30, 2018.

23 3. **RENT.** Section 5.1 of the Lease is hereby amended by adding the  
24 following:

25 Effective December 1, 2013 the monthly rent shall be \$7,158.76 per  
26 month. The monthly rent shall be increased on each anniversary of this Lease by an  
27 amount equal to three percent (3%) of such monthly rental.  
28

1           4.     TENANT IMPROVEMENTS.  At Lessor's sole cost and expense  
2 Lessor shall install secured parking along the entire rear area of the building.  Lessor  
3 will use its best efforts to have the secured parking substantially complete within 90  
4 days from final execution of the lease.  Lessor at its sole cost and expense shall  
5 install new carpet throughout the suite on the second anniversary of the lease in 2015.

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

10          6.     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          7.     EFFECTIVE DATE.  This Second Amendment to Lease shall not  
16 be 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 Lease as  
2 of the date first written above.

3 LESSEE:  
4 COUNTY OF RIVERSIDE

LESSOR:  
SPECTRA NOVAE, LTD.

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

By: Edward Lilly  
Edward Lilly, Manager

8  
9  
10 ATTEST:  
11 Kecia Harper-Ihem  
Clerk of the Board

12 By: Opie E. E. E.  
13 Deputy

14  
15 APPROVED AS TO FORM:  
16 Pamela J. Walls  
17 County Counsel

18 By: Patricia Munroe  
19 Patricia Munroe  
Deputy County Counsel

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