

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

127



FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
March 13, 2014

SUBJECT: Fourth Amendment to Lease – Cooperative Extension, Five Year Renewal, District 4, CEQA Exempt, [\$659,364], 100% General Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities; and
2. Ratify the attached Fourth 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 3/13/14

[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	\$ 72,728	\$ 126,714	\$ 659,364	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 72,728	\$ 126,714	\$ 659,364	\$ 0	

SOURCE OF FUNDS: 100% General Fund

Budget Adjustment: No
For Fiscal Year: 2013/14

C.E.O. RECOMMENDATION:

APPROVE

BY: Rohini Dasika
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Ashley 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 25, 2014
xc: EDA

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

Prev. Agn. Ref.: 3.10 of 4/8/08; 3.7 of 11/15/11 District: 4/4 Agenda Number:

3-5

Reviewed by FORM APPROVED COUNTY COUNSEL
 CIP TEAM BY Patricia Munroe
 SERENA WREN
 2-5-14
 Etiferahu Takele
 Director
 Departmental Concurrence
 3/13/14
 DATE

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

Economic Development Agency/Facilities Management

FORM 11: Fourth Amendment to Lease – Cooperative Extension, Five Year Renewal, District 4, CEQA Exempt, [\$659,364], 100% General Fund

DATE: March 13, 2014

Page 2 of 2

BACKGROUND: Summary

On April 8, 2008, the Board of Supervisors approved a lease agreement on behalf of Cooperative Extension for office space located at 81-077 Indio Blvd., Suites H, I, & J, Indio. This facility continues to meet the needs and requirements of Cooperative Extension and this Fourth Amendment to Lease represents a five year renewal. Tenant improvements will be completed at the Landlord’s sole cost and expense which include the installation of a secured parking area and replacement of carpet. The carpet replacement portion of the tenant improvements will be completed on the second anniversary of the lease renewal. Although the rate is increasing by three percent, it is still below the market rate for this facility. Ratification is due to lengthy negotiations in order to reduce the rental rate.

Lessor: Spectra Novae, Ltd
7828 SW 32nd Avenue
Portland, Oregon 92716

Premises: 81-077 Indio Blvd., Suites H, I, & J
Indio, California 92201

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

Size: 5,760 square feet

Rent:	Current	New
	\$1.57 per sq. ft.	\$1.62 sq. ft.
	\$9,063.52 per month	\$9,335.42 per month
	\$108,762.24 per year	\$112,025.04 per year

Rental Adjustment: Three percent

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

Maintenance: Provided by Lessor

Custodial: Provided by Lessor

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

Impact on Residents and Businesses

Cooperative Extension provides valuable training and consulting for growers in the area.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B & C

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.

Attachments: Exhibits A, B, C and Fourth Amendment to Lease

Exhibit A

FY 2013/14

Cooperative Extension Lease Cost Analysis
81-077 Indio Blvd., Suites H, I & J, Indio, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 5,760 SQFT

Approximate Cost per SQFT (July -Nov) 3rd Amendment \$ 1.57
Approximate Cost per SQFT (Dec - June) 4th Amendment \$ 1.62

Lease Cost per Month (July -Nov) 3rd Amendment \$ 9,063.52
Lease Cost per Month (Dec - June) 4th Amendment \$ 9,335.42

Total Lease Cost (July -Nov) 3rd Amendment \$ 45,317.60
Total Lease Cost (Dec - June) 4th Amendment \$ 65,347.94
Total Estimated Lease Cost for FY 2013/14 \$ 110,665.54

Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs per Month (July - Nov) 3rd Amendment \$ 3,456.00
Estimated Utility Costs per Month (Dec - June) 4th Amendment \$ 4,838.40
Total Estimated Utility Cost \$ 8,294.40

RCIT \$ -

Tenant Improvement \$ -

EDA Lease Management Fee - 3.89% 3rd Amendment \$ 1,762.85
EDA Lease Management Fee - 3.89% 4th Amendment \$ 2,542.03
Total EDA Lease Management Fee \$ 4,304.89

TOTAL ESTIMATED COST FOR FY 2013/14 \$ 123,264.83

Amount Previously approved in 3rd Amendment \$ 50,536.45

Amount of FY13/14 for 4th Amendment \$ 72,728.37

TOTAL COUNTY COST 100.00% \$ 72,728.37

Exhibit B

FY 2014/15

Cooperative Extension Lease Cost Analysis
81-077 Indio Blvd., Suites H, I & J, Indio, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	5,760	SQFT		
Approximate Cost per SQFT (July -Nov)	\$	1.62		
Approximate Cost per SQFT (Dec - June)	\$	1.67		
Lease Cost per Month (July -Nov)			\$	9,335.42
Lease Cost per Month (Dec - June)			\$	9,615.48
Total Lease Cost (July -Nov)			\$	46,677.10
Total Lease Cost (Dec - June)			\$	67,308.38
Total Estimated Lease Cost for FY 2014/15			\$	113,985.48

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			<u>\$</u>	<u>691.20</u>
Total Estimated Utility Cost			\$	8,294.40
RCIT			\$	-
Tenant Improvement			\$	-
EDA Lease Management Fee - 3.89%			\$	4,434.04
TOTAL ESTIMATED COST FOR FY 2014/15			\$	126,713.91
TOTAL COUNTY COST 100.00%			\$	126,713.91

Exhibit C

FY 2015/16 to FY 2018/19
Cooperative Extension Lease Cost Analysis
81-077 Indio Blvd., Suites H, I & J, Indio, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

5,760 SQFT

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19		
Approximate Cost per SQFT (July -Nov)	\$ 1.67	\$ 1.72	\$ 1.77	\$ 1.82		
Approximate Cost per SQFT (Dec - June)	\$ 1.72	\$ 1.77	\$ 1.82			
Lease Cost per Month (July -Nov)	\$ 9,615.48	\$ 9,903.95	\$ 10,201.07	\$ 10,507.10	Annual incr	3%
Lease Cost per Month (Dec - June)	\$ 9,903.95	\$ 10,201.07	\$ 10,507.10	\$ -	3%	
Total Lease Cost (July -Nov)	\$ 48,077.41	\$ 49,519.74	\$ 51,005.33	\$ 52,535.49	# of Months	5
Total Lease Cost (Dec - June)	\$ 69,327.63	\$ 71,407.46	\$ 73,549.68	\$ -	7	
Total Estimated Lease Cost for FY 2015/16 to FY 2018/19	\$ 117,405.04	\$ 120,927.19	\$ 124,555.01	\$ 52,535.49		
Estimated Additional Costs:						
Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12		
Estimated Utility Costs per Month	\$ 691.20	\$ 691.20	\$ 691.20	\$ 691.20		
Total Estimated Utility Cost	\$ 8,294.40	\$ 8,294.40	\$ 8,294.40	\$ 3,456.00	Make sure to update this cell with # of months	
RCIT	\$ -	\$ -	\$ -	\$ -		
Tenant Improvement	\$ -	\$ -	\$ -	\$ -		
EDA Lease Management Fee - 3.89%	\$ 4,567.06	\$ 4,704.07	\$ 4,845.19	\$ 2,043.63	3.89%	
TOTAL ESTIMATED COST FOR FY 2015/16 to FY 2018/19	\$ 130,266.50	\$ 133,925.66	\$ 137,694.60	\$ 58,035.12		
TOTAL COUNTY COST 100.00%	\$ 130,266.50	\$ 133,925.66	\$ 137,694.60	\$ 58,035.12		

\$ 659,364.17 F11: Cost - Total Cost
 \$ 659,364.17 F11: Net County Cost - Total Cost

1 **FOURTH AMENDMENT TO LEASE**

2
3 **THIS FOURTH AMENDMENT TO LEASE** ("Fourth Amendment"), dated as of
4 March 25, 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 H, I, J,,
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 2. The Second Amendment to Lease dated June 14, 2011 by and
17 between County of Riverside and Spectra Novae, Ltd.

18 3. The Third Amendment to Lease dated November 15, 2011 by and
19 between County of Riverside and Spectra Novae, Ltd.

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

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

23 2. TERM. Section 4.1 of the Lease is hereby amended by adding the
24 following:

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

27 3. RENT. Section 5.1 of the Lease is hereby amended by adding the
28 following:

1 Effective December 1, 2013 the monthly rent shall be \$9,335.42 per
2 month. The monthly rent shall be increased on each anniversary of this Lease by an
3 amount equal to three percent (3%) of such monthly rental.

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

9 5. FOURTH AMENDMENT TO PREVAIL. The provisions of this
10 Fourth Amendment shall prevail over any inconsistency or conflicting provisions of the
11 Lease. Any capitalized terms shall have the meaning defined in the Lease, unless
12 defined herein or context requires otherwise.

13 6. MISCELLANEOUS. Except as amended or modified herein, all
14 terms of the Lease shall remain in full force and effect. If any provisions of this
15 Amendment shall be determined to be illegal or unenforceable, such determination
16 shall not affect any other provision of the Lease. Neither this Amendment nor the
17 Lease shall be recorded by the County.

18 7. EFFECTIVE DATE. This Fourth Amendment to Lease shall not be
19 binding or consummated until its approval by the Riverside County Board of
20 Supervisors and fully executed by the Parties.

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1 WITNESS WHEREOF, the parties have executed this Fourth 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: K. Huntington
13 Deputy

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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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