

FORM APPROVED COUNTY COUNSEL
 BY: PATRICIA MUNROE
 DATE: 6/19/14
 Departmental Concurrence

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

946



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

July 2, 2014

SUBJECT: Second Amendment to Lease, Department of Public Social Services, Riverside, 3-year lease extension, District 1/District 1, CEQA Exempt [\$544,094] 50.69% Federal, 46.23% State, 3.08% County DPSS Budget

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. Approve the attached Second Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and
3. Approve reimbursement to EDA/Real Estate Division for costs incurred for negotiating and processing the attached Second Amendment to Lease.

BACKGROUND: Summary

(Commences on Page 2)

FISCAL PROCEDURES APPROVED
 PAUL ANGILO, CPA, AUDITOR-CONTROLLER
 BY: Esteban Hernandez 7/1/14

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	\$ 10,838	\$ 173,632	\$ 544,094	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 334	\$ 5,348	\$ 16,758	\$ 0	
SOURCE OF FUNDS: 50.69% Federal, 46.23% State, 3.08% County DPSS Budget				Budget Adjustment: No	
				For Fiscal Year: 2013/14 - 2016/17	

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 Tavaglione 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: July 15, 2014
 xc: EDA

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

Prev. Agn. Ref.: 3-11 of 7/31/07; 3-16 of 4/09/2013

District: 1/1

Agenda Number:

3-24

By: *Susan von Zabern*
 Susan von Zabern, Director
 Department of Public Social Services

- 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, Department of Public Social Services, Riverside, 3-year lease, District 1/District 1, CEQA Exempt, [\$544,094], 50.69% Federal, 46.23% State, 3.08% County DPSS Budget

DATE: July 2, 2014

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BACKGROUND:

Summary

The County has been under lease with Mission Grove Office Park 11, L.P. since June, 2008, occupying a 7,086 square foot office located at 7888 Mission Grove Parkway South, Suite 120, Riverside, CA.

The Department of Public Social Services (DPSS) has utilized this location for the MediCal staff of their Self Sufficiency Division. While the MediCal staff has relocated to the recently completed regional office in Perris, this office space will continue to be utilized for other related program services operations. A three year lease renewal is being presented for approval.

Lessor: Mission Grove Office Park 11, L.P.
1875 Century Park East, Suite 1350
Los Angeles, CA 90067

Premises Location: 7888 Mission Grove Parkway South, Suite 120
Riverside, CA

Size: 7,086 square feet.

Rent:	<u>Current</u>	<u>New</u>
	\$2.25 per sq. ft., modified gross	\$1.85 per sq. ft., modified gross
	\$15,950.70 per month	\$13,109.10 per month
	\$191,408.40 per year	\$157,309.20 per year

Term: Three years commencing June 9, 2014, and expiring June 30, 2017.

Rental Adjustment: 2.5% annually.

Options to Extend: One, one-year option to renew.

Utilities: County to pay for telephone, electricity, and gas. Lessor pays all other utilities.

Custodial: Included in rent.

Interior/Exterior Maintenance: Included in rent.

Improvements: None.

Impact on Residents and Businesses

This location will continue with non-public, general office use for internal operations of DPSS program services staff. The programs benefit and assist the residents of the community and the occupancy of this building provides a positive economic impact to area businesses as County employees' frequent local businesses.

(Continued)

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Economic Development Agency / Facilities Management

FORM 11: Second Amendment to Lease, Department of Public Social Services, Riverside, 3-year lease, District 1/District 1, CEQA Exempt, [\$544,094], 50.69% Federal, 46.23% State, 3.08% County DPSS Budget

DATE: July 2, 2014

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SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibit A, B, & C

DPSS will budget these costs in FY2014/15 and will reimburse EDA for all lease costs.

Contract History and Price Reasonableness

This is a three year lease renewal. The lease rate is deemed competitive based upon the current market.

Attachments:

Exhibits A, B & C

Lease

Exhibit A

FY 2013/14

DPSS Lease Cost Analysis

7888 Mission Grove Parkway, Suite 120, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 7,086 SQFT

Approximate Cost per SQFT (July-June 8) 1st Amendment \$ 2.25

Approximate Cost per SQFT (June 9) 2nd Amendment \$ 1.85

Lease Cost per Month (July-June 8) 1st Amendment \$ 15,950.70

Lease Cost per Month (June 9) 2nd Amendment \$ 13,109.10

Total Lease Cost (July-June 8) 1st Amendment \$ 179,711.22

Total Lease Cost (June 9) 2nd Amendment \$ 9,613.34

Total Estimated Lease Cost for FY 2013/14 \$ 189,324.56

Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month (July - May) \$ 9,353.52

Estimated Utility Costs per Month (June) \$ 850.32

Total Estimated Utility Cost \$ 10,203.84

RCIT \$ -

Tenant Improvement \$ -

EDA Lease Management Fee - 3.89% 1st Amendment \$ 6,990.77

EDA Lease Management Fee - 3.89% 2nd Amendment \$ 373.96

Total EDA Lease Management Fee \$ 7,364.73

TOTAL ESTIMATED COST FOR FY 2013/14 \$ 206,893.13

Amount Previously approved in 1st Amendment \$ 196,055.51

Amount of FY13/14 for 2nd Amendment \$ 10,837.62

TOTAL COUNTY COST 3.08% \$ 333.80

Exhibit B

FY 2014/15

DPSS Lease Cost Analysis

7888 Mission Grove Parkway, Suite 120, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 7,086 SQFT

Approximate Cost per SQFT (July - June) \$ 1.85

Lease Cost per Month (July - June) \$ 13,109.10

Total Lease Cost (July - June) \$ 157,309.20

Total Estimated Lease Cost for FY 2014/15 \$ 157,309.20

Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month \$ 850.32

Total Estimated Utility Cost \$ 10,203.84

RCIT \$ -

Tenant Improvement \$ -

EDA Lease Management Fee - 3.89% \$ 6,119.33

TOTAL ESTIMATED COST FOR FY 2014/15 \$ 173,632.37

TOTAL COUNTY COST 3.08% \$ 5,347.88

Exhibit C

FY 2015/16 to FY 2016/17

DPSS Lease Cost Analysis

7888 Mission Grove Parkway, Suite 120, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

7,086 SQFT

	FY 2015/16	FY 2016/17
Approximate Cost per SQFT (July - June)	\$ 1.90	\$ 1.94
Lease Cost per Month (July - June)	\$ 13,436.83	\$ 13,772.75
Total Lease Cost (July - June)	\$ 161,241.96	\$ 165,273.00
Total Estimated Lease Cost for FY 2015/16 to FY 2016/17	\$ 161,241.96	\$ 165,273.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 850.32	\$ 850.32
Total Estimated Utility Cost	\$ 10,203.84	\$ 10,203.84
RCIT	\$ -	\$ -
Tenant Improvement	\$ -	\$ -
EDA Lease Management Fee - 3.89%	\$ 6,272.31	\$ 6,429.12
TOTAL ESTIMATED COST FOR FY 2015/16 to FY 2016/17	\$ 177,718.11	\$ 181,905.96
TOTAL COUNTY COST 3.08%	\$ 5,473.72	\$ 5,602.70

F11: Cost - Total Cost \$ 544,094.06
F11: Net County Cost - Total Cost \$ 16,758.10

1 **5.1 Rent.** Commencing June 9, 2014, County shall pay the sum of
2 \$13,109.10 per month to Lessor as rent for the Leased Premises, payable, in advance,
3 on the first day of the month or soon thereafter as a warrant can be issued in the
4 normal course of County's business.

5 **5.2 Percentage Increase.** Notwithstanding the provisions of Section 5.1
6 herein, commencing July 1, 2015, the monthly rent shall be increased on each
7 anniversary of this Second Amendment to Lease by an amount equal to two and ½
8 percent (2.5%) of such monthly rental for the preceding Lease year.

9 **4. Option.**

10 **6.1. Option to Extend Term.** Section 6.1 through 6.1.2 shall be deleted
11 and replaced as follows: Lessor grants to County one (1) option to extend the Lease
12 term ("Extension Option"). The Extension Option shall be for a period of two (2) years
13 ("Extension Option Term"), subject to the conditions described in this Section 6.1.

14 **6.1.1 Exercise of Option.** The Extension Option shall be exercised by
15 County delivering to Lessor written notice thereof no later than ninety (90) days prior to
16 expiration of the current Extension Term.

17 **6.1.2 Option Rent.** The rent payable by County during the Extension
18 Option Term shall be increased two and ½ percent (2.5%) annually on each
19 anniversary.

20 **5. Second Amendment to Prevail.** The provisions of this Second
21 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
22 as heretofore amended, and shall supplement the remaining provisions thereof.
23 Unless defined herein or the context requires otherwise, all capitalized terms herein
24 shall have the meaning defined in the Lease, as heretofore amended.

25 **6. Miscellaneous.** Except as amended or modified herein, all the terms of
26 the Lease shall remain in full force and effect and shall apply with the same force and
27 effect. If any provisions of this Amendment or the Lease shall be determined to be
28 illegal or unenforceable, such determination shall not affect any other provision of the

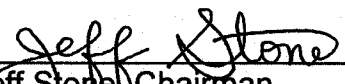
1 Lease and all such other provisions shall remain in full force and effect. The language
2 in all parts of the Lease shall be construed according to its normal and usual meaning
3 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the
4 Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded
5 by Lessee.

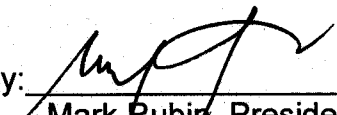
6 **7. Effective Date.** This Second Amendment to Lease shall not be binding
7 or consummated until its approval by the County's Board of Supervisors and fully
8 executed by the Parties.

10 LESSEE:
11 COUNTY OF RIVERSIDE

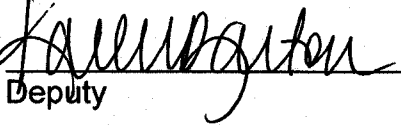
LESSOR:
MISSION GROVE OFFICE PARK II, L.P., a
limited partnership

By: AMF Industries, Inc., a California
corporation

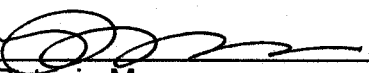
14
15 By: 
16 Jeff Stone, Chairman
Board of Supervisors

By: 
Mark Rubin, President

17
18 ATTEST:
19 Kecia Harper-Ihem
Clerk of the Board

20 By: 
21 Deputy

22
23 APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

24 By: 
25 Patricia Munroe
26 Deputy County Counsel