


FORM APPROVED COUNTY COU
 BY: *[Signature]* 6/25/14
 Executive Office/EDA/MUNROE

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

143 

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
 July 17, 2014

SUBJECT: Fifth Amendment to Lease, Riverside County Regional Medical Center, Human Resources, Moreno Valley, 10 year lease, District 5/District 5, CEQA Exempt, [\$22,700,333], RCRMC Departments-Hospital Enterprise Fund – 72.16%; MISP- 11.84% General Fund; Human Resources and Occupational Health - Operating Budgets – 16%

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. Approve the attached Fifth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County,

By: *[Signature]*
 Michael T. Stock, Assistant County Executive
 Department of Human Resources

BACKGROUND:

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *[Signature]* 7/17/14
 Esteban Hernandez

[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	\$ 2,019,155	\$ 2,047,848	\$ 22,700,333	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 239,068	\$ 242,465	\$ 2,687,719	\$ 0	

SOURCE OF FUNDS: RCRMC Departments-Hospital Enterprise Fund – 72.16%; MISP- 11.84% General Fund; Human Resources and Occupational Health - Operating Budgets – 16%
Budget Adjustment: No
For Fiscal Year: 2014/15-23/24

C.E.O. RECOMMENDATION:

By: *[Signature]*
 Lowell Johnson, Chief Executive Officer
 Riverside County Regional Medical Center
 Department of Concurrence

Reviewed by
CIP TEAM
[Signature]
 APPROVE
 BY: *[Signature]*
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Jeffries 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 29, 2014
 xc: EDA

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

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: 3.19 of 12/23/02; 3.26 of 1/27/09 | **District:** 5/5 | **Agenda Number:**

3-27

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

Economic Development Agency / Facilities Management

FORM 11: Fifth Amendment to Lease, Riverside County Regional Medical Center, Human Resources, Moreno Valley, 10 year lease, District 5/District 5, CEQA Exempt, [\$22,700,333], RCRMC Departments-Hospital Enterprise Fund – 72.16%; MISP- 11.84% General Fund; Human Resources and Occupational Health - Operating Budgets – 16%

DATE: July 17, 2014

Page 2 of 3

BACKGROUND:

Summary

On December 23, 2002, the County of Riverside entered into a lease for 73,770 square feet of office space located at 14375 Nason Street, Moreno Valley, commonly referred to as the Campus Professional Center (“CPC”). Divisions of Riverside County Regional Medical Center (RCRMC), Human Resources, Public Health, have occupied the building adjacent to RCRMC providing services to the public and staffing which support RCRMC operations. RCRMC and Human Resources wish to continue their occupancy and extend the lease. Therefore, this Fifth Amendment to Lease is presented for approval and summarized below:

- Lessor: Campus Medical Center, LLC
7095 Indiana Avenue, Suite 200
Riverside, CA 92506
- Location: 14375 Nason Street, Moreno Valley
- Size: 73,770 square feet.
- Term: Ten years commencing July 1, 2014.
- Rent: New:
\$ 2.08 per sq. ft. modified gross
\$ 153,441.60 per month
\$1,841,299.20 per year
- Rent Adjustment: 1.5% commencing the second anniversary of the lease and 3% annually thereafter.
- Option to Extend: One, five-year option.
- Utilities: County pays for utilities, including electric, gas, water and sewer.
- Custodial: Included in rent.
- Interior/Exterior Maintenance: Included in rent.
- Tenant Improvements: Lessor to provide, at Lessors expense, new flooring throughout occupied areas, paint where needed, an allowance for exterior building and interior signage.

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

Impact on Residents and Businesses

The lease renewal will allow continued services to the residents of the County either directly or as staff support. The continued occupancy of this building provides an economic impact to this area and to local businesses.

(Continued)

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Economic Development Agency / Facilities Management

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DATE: July 17, 2014

Page 3 of 3

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B & C. The occupying departments have budgeted these costs is FY2014/15 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

Original lease was executed on December 23, 2002. The lease rate is consistent with market rates for the building type and location.

Attachments:

Exhibits A, B, & C

Fifth Amendment to Lease

Exhibit A

FY 2014/15

**Campus Medical Center Lease Cost Analysis
14375 Nason Street, Moreno Valley, California**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	73,770 SQFT	
Approximate Cost per SQFT (July - June)	\$ 2.08	
Lease Cost per Month (July - June)	\$ 153,441.60	
Total Lease Cost (July - June)		\$ 1,841,299.20
Total Estimated Lease Cost for FY 2014/15		\$ 1,841,299.20

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 8,852.40	
Total Estimated Utility Cost		\$ 106,228.80
RCIT		\$ -
Tenant Improvement		\$ -
EDA Lease Management Fee - 3.89%		\$ 71,626.54
TOTAL ESTIMATED COST FOR FY 2014/15		\$ 2,019,154.54
TOTAL COUNTY COST 11.84%		\$ 239,067.90

Exhibit B

FY 2015/16

Campus Medical Center Lease Cost Analysis
14375 Nason Street, Moreno Valley, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	73,770 SQFT	
Approximate Cost per SQFT (July - June)	\$ 2.11	
Lease Cost per Month (July - June)	\$ 155,743.22	
Total Lease Cost (July - June)		\$ 1,868,918.64
Total Estimated Lease Cost for FY 2015/16		\$ 1,868,918.64

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 8,852.40	
Total Estimated Utility Cost		\$ 106,228.80
RCIT		\$ -
Tenant Improvement		\$ -
EDA Lease Management Fee - 3.89%		\$ 72,700.94
TOTAL ESTIMATED COST FOR FY 2015/16		\$ 2,047,848.38
TOTAL COUNTY COST 11.84%		\$ 242,465.25

Exhibit C

FY 2016/17 to FY 2023/24
Campus Medical Center Lease Cost Analysis
14375 Nason Street, Moreno Valley, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 73,770 SQFT

	FY 2016/17	FY 2017/18	FY 2018/19 - FY 2023/24
Approximate Cost per SQFT (July - June)	\$ 2.17	\$ 2.24	
Lease Cost per Month (July - June)	\$ 160,415.52	\$ 165,227.98	\$ 1,100,825.18
Total Lease Cost (July - June)	\$ 1,924,986.20	\$ 1,982,735.79	\$ 13,209,902.18
Total Estimated Lease Cost for FY 2016/17 to FY 2023/24	\$ 1,924,986.20	\$ 1,982,735.79	\$ 13,209,902.18

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 8,852.40	\$ 8,852.40	\$ 8,852.40
Total Estimated Utility Cost	\$ 106,228.80	\$ 106,228.80	\$ 637,372.80
RCIT	\$ -	\$ -	\$ -
Tenant Improvement	\$ -	\$ -	\$ -
EDA Lease Management Fee - 3.89%	\$ 74,881.96	\$ 77,128.42	\$ 513,865.19
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2023/24	\$ 2,106,096.96	\$ 2,166,093.01	\$ 14,361,140.18
TOTAL COUNTY COST 11.84%	\$ 249,361.88	\$ 256,465.41	\$ 1,700,359.00

F11: Cost - Total Cost \$ 22,700,333.06
F11: Net County Cost - Total Cost \$ 2,687,719.43

1 **FIFTH AMENDMENT TO LEASE**

2 (Campus Medical Center, L.L.C.,

3 14375 Nason Street, Moreno Valley, California)

4
5 This FIFTH AMENDMENT to Lease (Fifth Amendment) is made as of
6 July 29, 2014, by and between the **COUNTY OF RIVERSIDE**, a political
7 subdivision of the State of California, (County), and **CAMPUS MEDICAL CENTER,**
8 **L.L.C.**, a California limited liability company, (Lessor).

9 **1. Recitals**

10 a. Campus Medical Center, L.L.C, as Lessor, and County, have
11 entered into that certain Lease dated December 23, 2002, (Original Lease) pertaining
12 to the premises located at 14375 Nason Street, Moreno Valley, California, as more
13 particularly described in the Lease.

14 b. The Original Lease has been amended by:

15 i. That certain First Amendment to Lease dated, February 3,
16 2004, by and between County of Riverside and Campus Medical Center, LLC, (First
17 Amendment).

18 ii. That certain Second Amendment to Lease dated February 7,
19 2006, by and between County of Riverside and Campus Medical Center, LLC, (Second
20 Amendment).

21 iii. That certain Third Amendment to Lease dated January 27,
22 2009, by and between County of Riverside and Campus Medical Center, LLC (Third
23 Amendment).

24 iv. That certain Fourth Amendment to Lease dated February
25 23, 2010, by and between County of Riverside and Campus Medical Center, LLC
26 (Fourth Amendment).

27 c. The Original Lease, as heretofore, currently, or hereafter
28 amended, shall hereafter be referred to as the "Lease."

1 d. County and Lessor desire to further amend the Lease by extending
2 the term, modifying the rent and completing tenant improvements.

3 **NOW, THEREFORE**, for good and valuable consideration the receipt and
4 adequacy of which is hereby acknowledged, the parties agree as follows:

5 **2. Term.** Section 4.1 of the Lease shall be amended as follows: The term
6 of this Lease shall be extended for a period of ten (10) years commencing July 1, 2014,
7 and expiring June 30, 2024 (the "First Extension Term").

8 **3. Option.** A new section 4.5 shall be added to the Lease as follows:

9 **4.5. Option to Extend Term.** Lessor grants to County one (1) option to
10 extend the Lease term beyond June 30, 2024, ("Extension Option"). The Extension
11 Option shall be for a period of five (5) years ("Extended Term"), subject to the
12 conditions described herein. The Extension Option shall be exercised by County
13 delivering to Lessor written notice thereof no later than ninety (90) days prior to
14 expiration of the First Extension Term, as outlined in Section 5 of the Lease.

15 The rent payable by County during this Extended Term shall be increased
16 three (3%) annually on each anniversary.

17 **4. Rent.** Section 5 of the Lease shall be amended as follows: County shall
18 pay to Lessor the monthly sum as rent for the Leased premises during the First
19 Extension Term as indicated below:

20	July 1, 2014 – June 30, 2015	\$153,441.60
21	July 1, 2015 – June 30, 2016	\$155,743.22
22	July 1, 2016 – June 30, 2017	\$160,415.52
23	July 1, 2017 – June 30, 2018	\$165,227.99
24	July 1, 2018 – June 30, 2019	\$170,184.83
25	July 1, 2019 – June 30, 2020	\$175,290.37
26	July 1, 2020 – June 30, 2021	\$180,549.08
27	July 1, 2021 – June 30, 2022	\$185,965.55
28	July 1, 2022 – June 30, 2023	\$191,544.52

1 July 1, 2023 – June 30, 2024

\$197,290.86

2 **5. Improvements by Lessor.** Section 11 of the Lease shall be amended to
3 add subsection 11.1.7 as follows:

4 **11.1.7 Additional Improvements by Lessor.** Lessor, at its total cost
5 and expense, not subject to reimbursement by County, shall replace carpet in all
6 sections currently carpeted and replace hard-surface flooring where requested.
7 Lessor's responsibility shall include lifting of workstations utilizing furniture jacks,
8 removal of existing carpet, installation of carpet tiles, new top set base, and hard
9 surface flooring as approved by County. In addition, Lessor shall repaint the interior
10 premises, color selected by County. County's responsibility shall include packing of
11 files, moving of files and hard walled office furniture and removal of art and other
12 related items on walls. All work stated herein shall be completed in phases, after hours
13 or on weekends. Work shall commence upon County's request and completed in
14 phases within 12 months or as soon thereafter as practicable. Lessor shall provide a
15 \$10,000.00 allowance for exterior building signage and a \$5,000.00 allowance for
16 interior building signage. Lessor shall commence revision to the HVAC system,
17 including zoning, in areas that have been repeatedly reported, specifically in suites 208
18 and 212.

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

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

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

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

8 LESSOR:
9 COUNTY OF RIVERSIDE

LESSEE:
10 CAMPUS MEDICAL CENTER, L.L.C,
a California limited liability company

11 By: Jeff Stone
12 Jeff Stone, Chairman
13 Board of Supervisors

By: Robert A. Wolf
14 Robert A. Wolf, Manager

14 ATTEST:
15 Kecia Harper-Ihem
16 Clerk of the Board

17 By: Kallie Boyton
18 Deputy

19
20 APPROVED AS TO FORM:
21 Pamela J. Walls
22 County Counsel

23 By: Patricia Munroe
24 Patricia Munroe
25 Deputy County Counsel

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