

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

271



FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
November 13, 2014

SUBJECT: Fourth Amendment to Lease, Department of Public Social Services, Riverside, 6-year lease extension, CEQA Exempt, District 2/District 2, [\$3,935,445 total] [\$634,042 + 3% annually]; 46.28% Federal, 28.60% State, 2.64% County DPSS, 8.01% Realign, 14.47% Realign 2011

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 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 Hernández 11/12/14

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	\$ 632,257	\$ 634,042	\$ 3,935,445	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 16,692	\$ 16,739	\$ 103,896	\$ 0	

SOURCE OF FUNDS: 46.28% Federal, 28.60% State, 2.64% County DPSS, 8.01% Realign, 14.47% Realign 2011
Budget Adjustment: No
For Fiscal Year: 2014/15-2019/20

C.E.O. RECOMMENDATION:

APPROVE
BY:
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, 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: November 24, 2014
 xc: EDA

Kecia Harper-Ihem
 Clerk of the Board
 By:
 Deputy

3-34

FORM APPROVED COUNTY COUNSEL
BY:
GREGORY P. PRIAMOS
DATE: 11/16/14
Departmental Concurrence

rBy:
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: Fourth Amendment to Lease, Department of Public Social Services, Riverside, 6-year lease extension, CEQA Exempt, District 2/District 2, [\$3,935,445 total] [\$634,042 + 3% annually]; 46.28% Federal, 28.60% State, 2.64% County DPSS, 8.01% Realign, 14.47% Realign 2011

DATE: November 13, 2014

PAGE: 2 of 3

BACKGROUND:

Summary

The County of Riverside has been under lease with B.H. Central, LLC, at this location since December 1999. The Department of Public Social Services (DPSS) has occupied this office for use by their Children's Services Division and it continues to meet the requirements of DPSS. This Fourth Amendment to lease extends the lease until 2020. In addition, Suite 300 will be expanded by 4,897 square feet to accommodate additional staffing, and includes tenant improvements to be paid by Lessor. The expansion space was proposed for DPSS' consideration near the expiration date of the lease. For efficiency, both the lease renewal and expansion were incorporated into one lease amendment. Therefore, the lease has been on a month to month basis while a space design and corresponding cost estimate was completed by the Lessor.

Lessor: B. H. Central LLC
11111 Santa Monica Blvd.
Suite 1800
Los Angeles, CA 90025

Premises Location: 3610 Central Avenue
Suites 300, 500 & 600
Riverside, CA 92506

Size: Increasing from 23,643 square feet to 28,540 square feet.

Rent:	<u>Current</u>	<u>New</u>
	\$1.82 per sq. ft. modified gross	\$1.65 per sq. ft. modified gross
	\$43,046.82 per month	\$47,091.00 per month
	\$516,561.84 per year	\$565,092.00 per year

Term: Extended six years commencing March 1, 2014 and ending February 29, 2020.

Rental Adjustment: 3% annually effective March, 2016.

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

Utilities: County to pay electric. Lessor to pay all other utilities.

Custodial: Included in rent.

Interior/Exterior Maintenance: Included in rent.

Improvements: To be paid by Lessor.

RCIT: \$59,170.00

(Continued)

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DATE: November 13, 2014

PAGE: 3 of 3

Impact on Citizens and Businesses

The public benefit continues with this location serving children in the Region with mandated programs provided by DPSS which include the investigation of allegations of child abuse and neglect.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C

DPSS budgeted these costs in FY2014/15 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a 6 year lease extension. The lease rate is very competitive based on the current market.

Attachments:

Exhibits A, B & C

Amendment

Exhibit A

FY 2014/15

DPSS Lease Cost Analysis

3610 Central Avenue, Suites 300, 500 & 600, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	23,643	SQFT	
New Office:	28,540	SQFT	
Approximate Cost per SQFT (July - Oct)	\$	1.82	
Approximate Cost per SQFT (Nov - Feb)	\$	1.65	
Approximate Cost per SQFT (Mar - June)	\$	1.65	
Lease Cost per Month (July - Oct)		\$	43,046.82
Lease Cost per Month (Nov - Feb)		\$	39,010.95
Lease Cost per Month (Mar - June)		\$	47,091.00
Total Lease Cost (July - Oct)		\$	172,187.28
Total Lease Cost (Nov - Feb)		\$	156,043.80
Total Lease Cost (Mar - June)		\$	188,364.00
Total Estimated Lease Cost for FY 2014/15		\$	516,595.08

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - Feb)		\$	2,837.16
Estimated Utility Costs per Month (Mar - June)		\$	3,424.80
Total Estimated Utility Cost			\$ 36,396.48
RCIT			\$ 59,170.00
Tenant Improvements			\$ -
EDA Lease Management Fee - 3.89%			\$ 20,095.55
TOTAL ESTIMATED COST FOR FY 2014/15		\$	632,257.11
TOTAL COUNTY COST 2.64%		\$	16,691.59

Exhibit B

FY 2015/16

DPSS Lease Cost Analysis

3610 Central Avenue, Suites 300, 500 & 600, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	28,540	SQFT	
Approximate Cost per SQFT (July - Feb)	\$	1.65	
Approximate Cost per SQFT (Mar - June)	\$	1.70	
Lease Cost per Month (July - Feb)		\$	47,091.00
Lease Cost per Month (Mar - June)		\$	48,503.73
Total Lease Cost (July - Feb)		\$	376,728.00
Total Lease Cost (Mar - June)		\$	194,014.92
Total Estimated Lease Cost for FY 2015/16		\$	570,742.92

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimate Utility Costs per Month (July - June)		\$	<u>3,424.80</u>
Total Estimated Utility Cost		\$	41,097.60
RCIT		\$	-
Tenant Improvements		\$	-
EDA Lease Management Fee - 3.89%		\$	<u>22,201.90</u>
TOTAL ESTIMATED COST FOR FY 2015/16		\$	<u>634,042.42</u>
TOTAL COUNTY COST 2.64%		\$	16,738.72

Exhibit C

FY 2016/17 to FY 2019/20

DPSS Lease Cost Analysis

3610 Central Avenue, Suites 300, 500 & 600, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 28,540 SQFT

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Approximate Cost per SQFT (July -Feb)	\$ 1.70	\$ 1.75	\$ 1.80	\$ 1.86
Approximate Cost per SQFT (Mar - June)	\$ 1.75	\$ 1.80	\$ 1.86	\$ -
Lease Cost per Month (July - Feb)	\$ 48,503.73	\$ 49,958.84	\$ 51,457.61	\$ 53,001.34
Lease Cost per Month (Mar - June)	\$ 49,958.84	\$ 51,457.61	\$ 53,001.34	
Total Lease Cost (July - Feb)	\$ 388,029.84	\$ 399,670.74	\$ 411,660.86	\$ 424,010.68
Total Lease cost (Mar - June)	\$ 199,835.37	\$ 205,830.43	\$ 212,005.34	\$ -
Total Estimated Lease Cost for FY 2016/17 to FY 2019/20	\$ 587,865.21	\$ 605,501.16	\$ 623,666.20	\$ 424,010.68

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimate Utility Costs per Month (July - June)	\$ 3,424.80	\$ 3,424.80	\$ 3,424.80	\$ 3,424.80
Total Estimated Utility Cost	\$ 41,097.60	\$ 41,097.60	\$ 41,097.60	\$ 27,398.40
RCIT	\$ -	\$ -	\$ -	\$ -
Tenant Improvements		\$ -	\$ -	\$ -
EDA Lease Management Fee - 3.89%	\$ 22,867.96	\$ 23,554.00	\$ 24,260.62	\$ 16,494.02
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2019/20	\$ 651,830.76	\$ 670,152.76	\$ 689,024.41	\$ 467,903.10
TOTAL COUNTY COST 2.64%	\$ 17,208.33	\$ 17,692.03	\$ 18,190.24	\$ 12,352.64

F11: Cost - Total Cost FY13/14	\$ 190,234.01
F11: Net County Cost - Total Cost FY13/14	\$ 5,022.18
F11: Cost - Total Cost FY14/15	\$ 632,257.11
F11: Net County Cost - Total Cost FY14/15	\$ 16,691.59
F11: Cost - Total Cost FY15/16	\$ 634,042.42
F11: Net County Cost - Total Cost FY15/16	\$ 16,738.72
F11: Cost - Total Cost FY16/17-FY19/20	\$ 2,478,911.04
F11: Net County Cost - Total Cost FY16/17-FY19/20	\$ 65,443.25

F11: Cost - Total Cost \$ 3,935,444.57
F11: Net County Cost - Total Cost \$ 103,895.74

1 **FOURTH AMENDMENT TO LEASE**

2 (Department of Public Social Services,

3 3610 Central Avenue, Suites 300, 500 & 600, Riverside, California)

4
5 This FOURTH AMENDMENT to Lease ("Fourth Amendment") is made as of
6 November 24, 2014, by and between the **COUNTY OF RIVERSIDE**, a political
7 subdivision of the State of California ("County"), and **B.H. CENTRAL, L.L.C.**, a
8 California limited liability company ("Lessor").

9 **1. Recitals**

10 a. B.H. Properties, LLC, as Lessor, and County, have entered into
11 that certain Lease dated December 21, 1999, ("Original Lease") pertaining to the
12 premises located at 3610 Central Avenue, Suites 300, 500 & 600, Riverside, California,
13 as more particularly described in the Original Lease.

14 b. The Original Lease has been amended by:

15 i. That certain First Amendment to Lease dated, April 21, 2001,
16 by and between County of Riverside and B.H. Central, LLC, ("First Amendment").

17 ii. That certain Second Amendment to Lease dated January 10,
18 2006, by and between County of Riverside and B.H. Central, LLC, ("Second
19 Amendment").

20 iii. That certain Third Amendment to Lease dated March 1,
21 2011, by and between County of Riverside and B.H. Central, LLC ("Third
22 Amendment").

23 c. The Original Lease, as amended, shall hereafter be referred to as
24 the "Lease."

25 d. County and Lessor desire to further amend the Lease by extending
26 the term, modifying the rent and expanding into additional space including tenant
27 improvements.

NOV 24 2014 334

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

3 **1. Description.** Section 1 of the Lease shall be amended by adding the
4 following:

5 Upon completion of the tenant improvements in Suite 300 referenced in
6 Section 5 of this Fourth Amendment, the premises leased will increase from 23,643
7 square feet to 28,540 square feet located as follows – Suite 300, 12,500 square feet;
8 Suite 500, 3,540 square feet; Suite 600, 12,500 square feet.

9 **2. Term.** Section 4(a) of the Lease shall be amended by adding the
10 following:

11 The term of this Lease shall be extended commencing March 1, 2014,
12 and expiring February 29, 2020 (the "Extended Term").

13 **3. Rent.** Section 5(b) of the Lease shall be deleted and replaced as follows:
14 County shall pay to Lessor the monthly sum as rent for the Leased premises during the
15 Extended Term as indicated below:

16 a. Effective March 1, 2014, the monthly rent payable shall be
17 \$43,046.82.

18 b. Effective November 1, 2014, the monthly rent payable shall be
19 \$39,010.95.

20 c. Effective upon completion and acceptance by County of the tenant
21 improvements in the expansion area of Suite 300 as set forth in paragraph 9(i) in
22 Section 5 of this Fourth Amendment to Lease, the monthly rent shall be adjusted to
23 \$47,091.00 and shall be payable through February 28, 2016.

24 d. Commencing March 1, 2016, the monthly rent shall be increased
25 on each anniversary by an amount equal to three percent (3%) of such monthly rental
26 of the preceding Lease year.

27 **4. Option.** Section 4 of the Lease shall be deleted and replaced as follows:
28

1 **Option to Extend.** Lessor grants to County one (1) option to extend the
2 Lease term ("Extension Option"). The Extension Option shall be for a period of two (2)
3 years subject to:

4 a. The Extension Option shall be exercised by County delivering to
5 Lessor written notice thereof no later than ninety (90) days prior to expiration of the
6 Extended Term, as defined in Section 4(a).

7 b. The rent payable by County during the Extension Option term shall be
8 increased three (3%) annually on each anniversary.

9 **5. Improvements by Lessor.** Section 9 of the Lease shall be amended to
10 add subsections (i) and (j) as follows:

11 (i) Lessor, at its expense shall construct those certain leasehold
12 improvements which are shown in Exhibit "E" attached hereto ("Additional
13 Improvements"). The Additional Improvements shall be constructed generally in
14 accordance with the provisions of Exhibit "C" of the Lease (to the extent applicable).

15 (j) Lessor, at its sole cost and expense, not subject to reimbursement by
16 County, shall install new carpet in all sections currently carpeted and replace hard-
17 surface flooring where needed. Lessor's responsibility shall include lifting of
18 workstations utilizing Shaw furniture jacks, removal of existing carpet, installation of
19 Shaw carpet, #59343 Emotion tile, color #40500 Stealing Beauty in Suites 300 and
20 500, and #59563 Transparent tile, color #62500 Moonstone in Suite 600 and new top
21 set base. In addition, Lessor shall repaint the interior premises using Dunn Edwards
22 paint, color selected by County. County's responsibility shall include packing of files,
23 moving of files and hard walled office furniture and removal of art, etc. on walls. All
24 work stated herein shall be completed in phases, after hours or on weekends. Work to
25 commence within sixty (60) days upon County's request during the Extended Term.

26 **6. Fire Alarm Monitoring.** Lessor shall be responsible for the transfer,
27 incorporation, and monitoring of the fire alarm system currently in place, including the
28 fire and life safety system within suite 300, and all associated costs.

1 **7. Fourth Amendment to Prevail.** The provisions of this Fourth
2 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
3 and shall supplement the remaining provisions thereof. Unless defined herein or the
4 context requires otherwise, all capitalized terms herein shall have the meaning defined
5 in the Lease.

6 **8. Miscellaneous.** Except as amended or modified herein, all the terms of
7 the Lease shall remain in full force and effect and shall apply with the same force and
8 effect. If any provisions of this Amendment or the Lease shall be determined to be
9 illegal or unenforceable, such determination shall not affect any other provision of the
10 Lease and all such other provisions shall remain in full force and effect. The language
11 in all parts of the Lease shall be construed according to its normal and usual meaning
12 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the
13 Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded
14 by Lessee.

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

4
5 LESSOR:
6 COUNTY OF RIVERSIDE

LESSEE:
B.H. CENTRAL, L.L.C.,
a California limited liability company

7
8 By: Jeff Stone
9 Jeff Stone, Chairman
Board of Supervisors

By: Steve Gozini
Steve Gozini, Manager

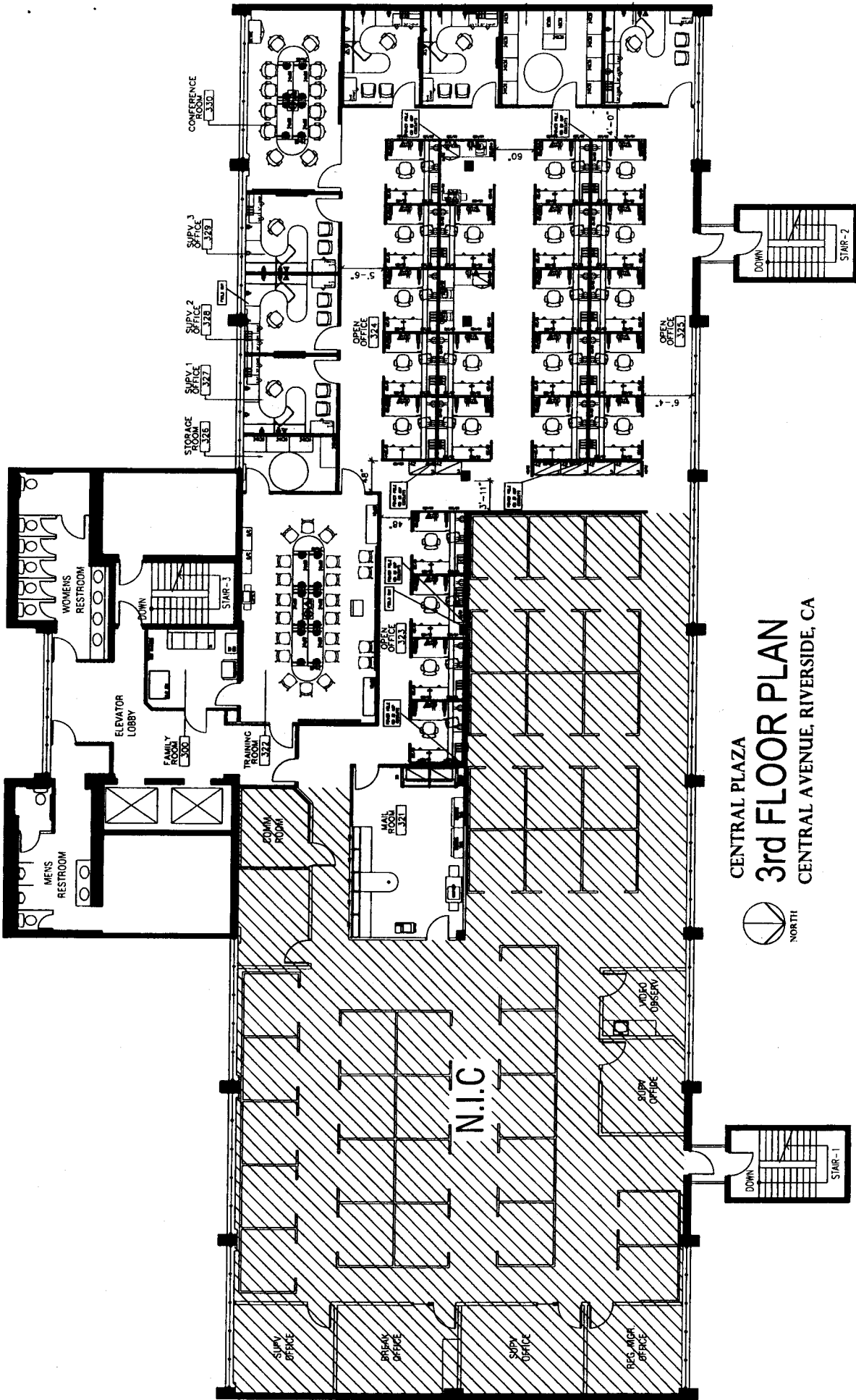
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11
12 ATTEST:
13 Kecia Harper-Ihem
Clerk of the Board

14
15 By: Kecia Harper-Ihem
16 Deputy

17
18 APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

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20 By: Patricia Munroe
21 Patricia Munroe
22 Deputy County Counsel

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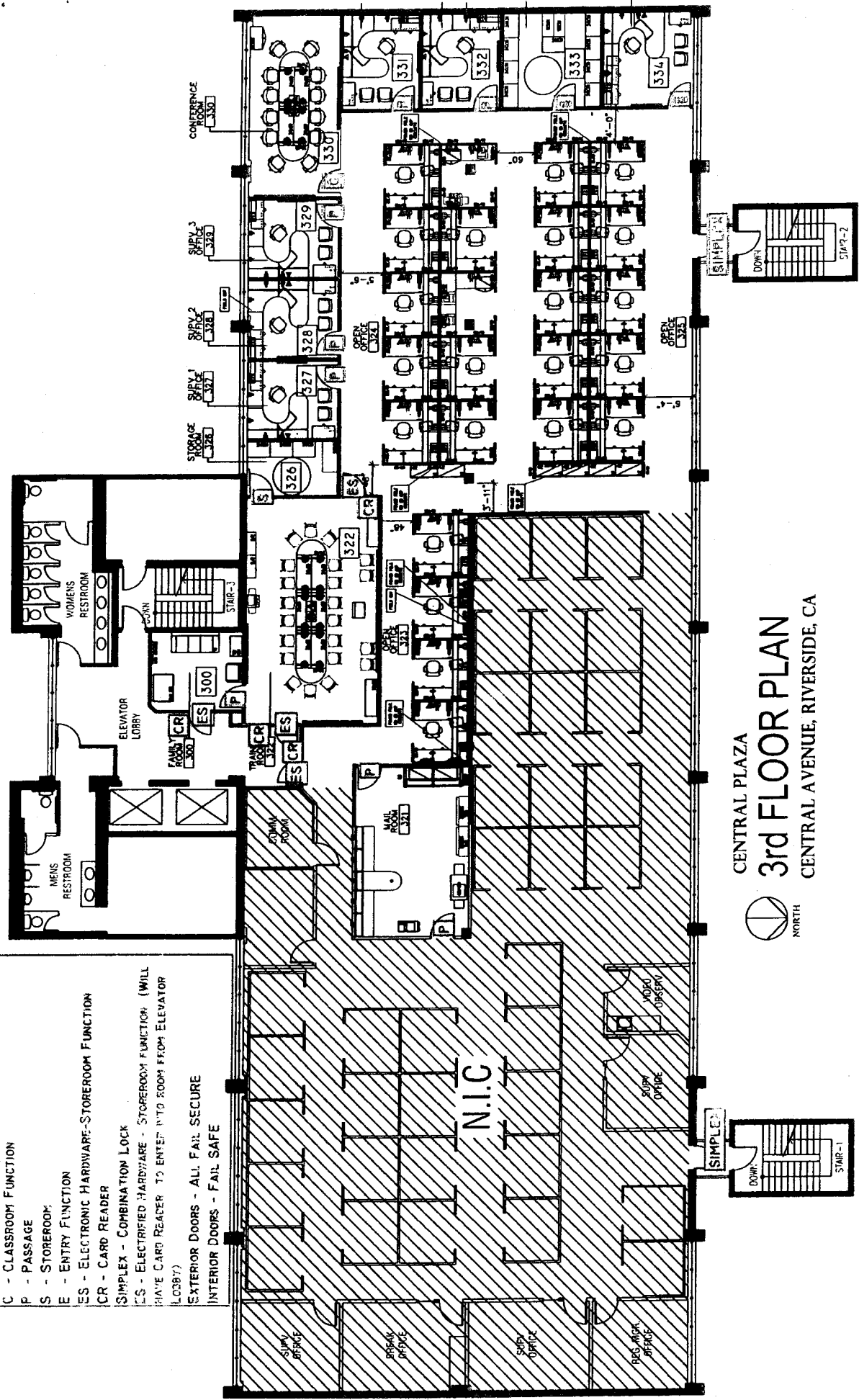


CENTRAL PLAZA
3rd FLOOR PLAN
 CENTRAL AVENUE, RIVERSIDE, CA



LEGEND

C - CLASSROOM FUNCTION
 P - PASSAGE
 S - STOREROOM
 E - ENTRY FUNCTION
 ES - ELECTRONIC HARDWARE-STOREROOM FUNCTION
 CR - CARD READER
 SIMPLEX - COMBINATION LOCK
 ES - ELECTRIFIED HARDWARE - STOREROOM FUNCTION (WILL HAVE CARD READER TO ENTER INTO ROOM FROM ELEVATOR LOCKBY)
 EXTERIOR DOORS - ALL FAIL SECURE
 INTERIOR DOORS - FAIL SAFE

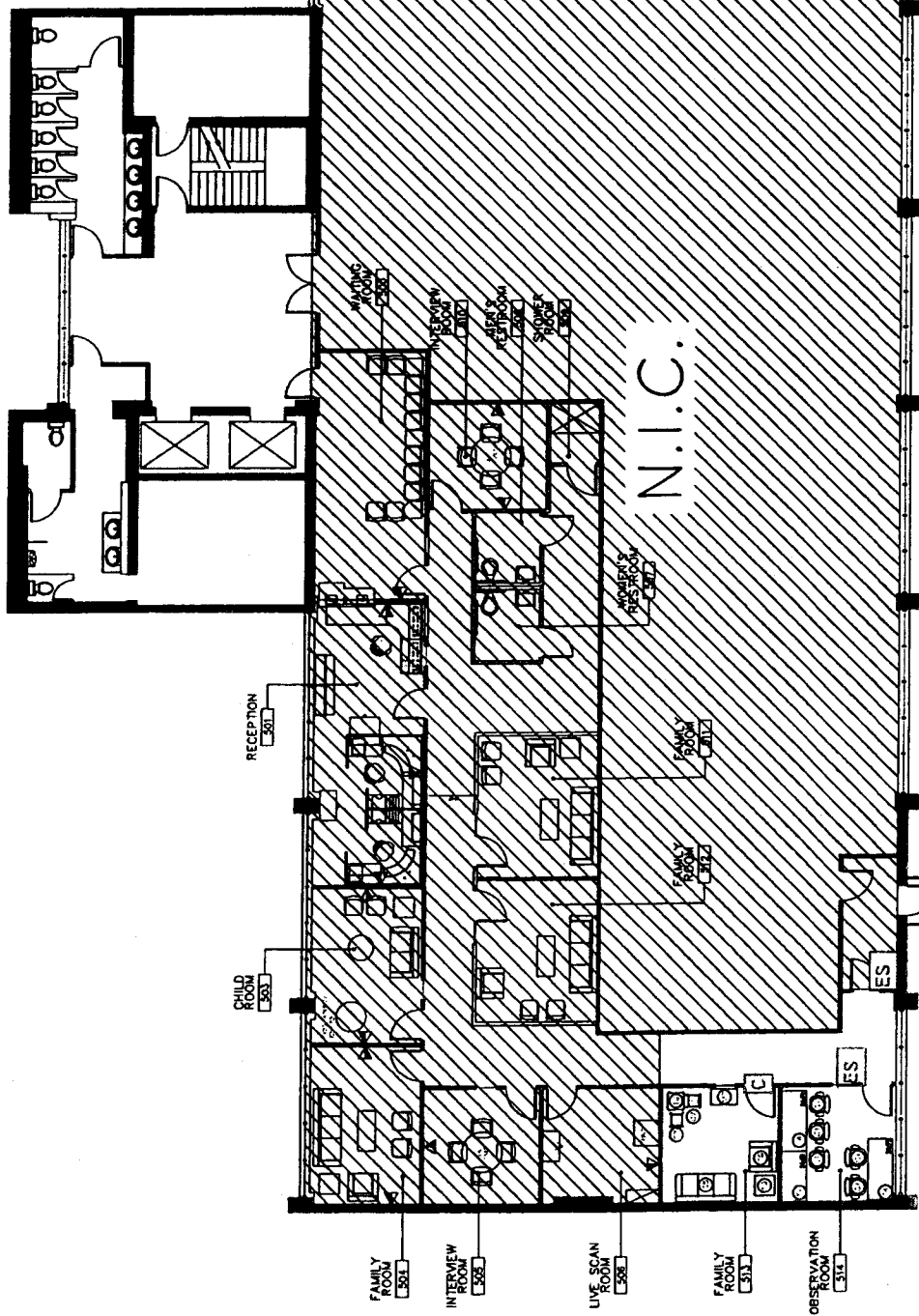


CENTRAL PLAZA
3rd FLOOR PLAN
 CENTRAL AVENUE, RIVERSIDE, CA



EXHIBIT E

- LEGEND**
- C - CLASSROOM FUNCTION
 - E - PASSAGE
 - S - STOREROOM
 - E - ENTRY FUNCTION
 - ES - ELECTRONIC HARDWARE STOP/STATION FUNCTION
 - CR - CARD READER
 - SIMPLEX - COMBINATION LOCK
 - ALL ELECTRONIC HARDWARE - STOP/STATION FUNCTION ONLY
 - MAJOR CARD READER - IN ENTRY AREA (FOR E. ENTRANCE LOBBY)
 - EXTERIOR DOORS - ALL FAIL SAFE
 - INTERIOR DOORS - FAIL SAFE



METRO CPS - 5TH FLOOR

METRO CPS – Comm Room requirements for VoIP (3rd Floor Comm Room)

□ Modified/Added Areas

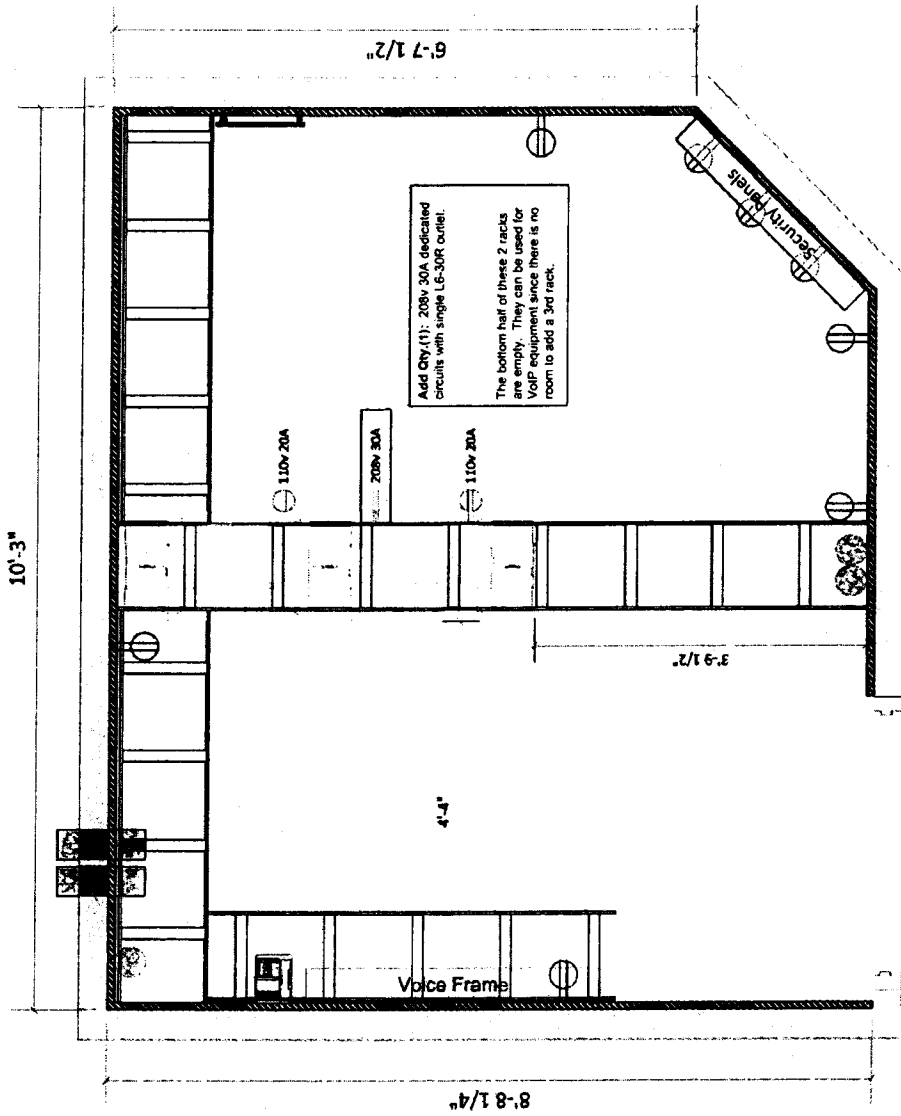


EXHIBIT E

METRO CPS – Comm Room requirements for VoIP (Primary Comm Room – 6th Floor)

Modified/Added Areas

