

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS
 DATE: 11/28/14

Reviewed by
 CUP TEAM
 Departmental Concurrence

By: Susan von Zabern
 Director
 Department of Public Social Services

A-30
 4/5 Vote
 Positions Added
 Change Order

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

281



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
 November 12, 2014

SUBJECT: First Amendment to Lease, Department of Public Social Services, Riverside, 7-year extension, CEQA Exempt, District 1/District 1, [\$10,539,885 total] [\$1,371,418 annually]; 46% Federal, 29% State, 3% County DPSS, 8% Realignment, 14% 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. Approve the attached First Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County.

BACKGROUND:

Summary
 (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 PAUL ANGLIO, CPA AUDITOR-CONTROLLER
 BY: Esteban Hernandez 11/12/14

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	\$ 51,932	\$ 58,240	\$ 10,539,885	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 1,558	\$ 1,747	\$ 316,197	\$ 0	

SOURCE OF FUNDS: 46% Federal, 29% State, 3% County DPSS, 8% Realignment, 14% Realign 2011
 Budget Adjustment: No
 For Fiscal Year: 2014/15-24/25

C.E.O. RECOMMENDATION: APPROVE
 BY: *Rohini Dasika*
 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: *Kecia Harper-Ihem*
 Deputy

3-35

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

Economic Development Agency / Facilities Management

FORM 11: First Amendment to Lease, Department of Public Social Services, Riverside, 7-year extension, CEQA Exempt, District 1/District 1, [\$10,539,885 total] [\$1,371,418 annually]; 46% Federal, 29% State, 3% County DPSS, 8% Realignment, 14% Realign 2011

DATE: September 25, 2014

PAGE: 2 of 3

BACKGROUND:

Summary

The County of Riverside has been under lease with Grae La Sierra, LLC, at this location since September, 2007. 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 First Amendment to Lease extends the lease through 2024 and includes a \$400,000.00 allowance provided by Lessor for future improvements requested by County. Also included are Day Porter services and pending tenant improvements to be paid by County to accommodate current staffing requirements.

Lessor: Grae La Sierra, LLC
11911 San Vicente Blvd., Suite 350
Los Angeles, CA 90049

Premises Location: 11070 Magnolia Avenue
Riverside, CA 92505

Size: 52,498 square feet

Rent: \$1.84 per sq. ft.
\$96,848.87 per month
\$1,162,186.44 per year

Term: A seven year lease extension commencing October 1, 2017, and ending September 30, 2024.

Rental Adjustment: 3% annually through September 1, 2016. 2% annually commencing September 1, 2017.

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

Utilities: County pays for interior utilities, including electricity, water, and gas.

Custodial: Included in rent.

Day Porter: \$1,297.50 per month effective October, 2014. To be paid separately in addition to rent.

Interior/Exterior Maintenance: Included in rent.

Improvements: Not to exceed \$116,243.00. County to reimburse Lessor in three equal payments over three fiscal years with first payment being paid at end of fiscal year 2014/15. Second and third payments to include 6% interest.

(Continued)

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

Economic Development Agency / Facilities Management

FORM 11: First Amendment to Lease, Department of Public Social Services, Riverside, 7-year extension, CEQA Exempt, District 1/District 1, [\$10,539,885 total] [\$1,371,418 annually]; 46% Federal, 29% State, 3% County DPSS, 8% Realignment, 14% Realign 2011

DATE: September 25, 2014

PAGE: 3 of 3

Impact on Citizens and Businesses

The public benefit continues with this location serving the safety of 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 seven year lease extension. The lease rate is deemed competitive based upon the current market.

Attachments:

Exhibits A, B, & C

First Amendment to Lease

Exhibit A

FY 2014/15

Department of Public Social Services Lease Cost Analysis

11070 Magnolia Avenue, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	52,498 SQFT	
Approximate Cost per SQFT (July - Aug) Previous Lease	\$ 1.79	
Approximate Cost per SQFT (Sept - June) Previous Lease	\$ 1.84	
Lease Cost per Month (July - Aug) Previous Lease	\$ 94,028.03	
Lease Cost per Month (Sept - June) Previous Lease	\$ 96,848.87	
Total Lease Cost (July - Aug) Previous Lease		\$ 188,056.06
Total Lease Cost (Sept - June) Previous Lease		\$ 968,488.70
Total Estimated Lease Cost for FY 2014/15		\$ 1,156,544.76

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)		\$ 6,299.76
Total Estimated Utility Cost		\$ 75,597.12
Day Porter (Oct - June)		\$ 11,677.50
Tenant Improvement \$116,243.00 / 3 payments		\$ 38,747.67
EDA Lease Management Fee - 3.89%		\$ 46,496.88
TOTAL ESTIMATED COST FOR FY 2014/15		\$ 1,329,063.92
Amount Previously approved in previous lease		\$ 1,277,131.47
Amount of FY14/15 for 1st Amendment		\$ 51,932.45
TOTAL COUNTY COST 3.00%		\$ 1,557.97

Exhibit B

FY 2015/16

Department of Public Social Services Lease Cost Analysis

11070 Magnolia Avenue, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office Space	52,498 SQFT	
Approximate Cost per SQFT (July - Aug) Previous Lease	\$ 1.84	
Approximate Cost per SQFT (Sept - June) Previous Lease	\$ 1.90	
Lease Cost per Month (July - Aug) Previous Lease	\$	96,848.87
Lease Cost per Month (Sept - June) Previous Lease	\$	99,754.34
Total Lease Cost (July - Aug) Previous Lease		\$ 193,697.74
Total Lease Cost (Sept - June) Previous Lease		\$ 997,543.36
Total Estimated Lease Cost for FY 2015/16		\$ 1,191,241.10

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)		<u>\$ 6,299.76</u>
Total Estimated Utility Cost		\$ 75,597.12
Day Porter (July - June)		\$ 15,570.00
Tenant Improvement \$116,243.00 / 3 payments plus 6%		\$ 41,072.53
EDA Lease Management Fee - 3.89%		<u>\$ 47,937.00</u>
TOTAL ESTIMATED COST FOR FY 2015/16		<u>\$ 1,371,417.75</u>
Amount Previously approved in previous lease		\$ 1,313,177.50
Amount of FY15/16 for 1st Amendment		<u>\$ 58,240.25</u>
TOTAL COUNTY COST 3.00%		\$ 1,747.21

Exhibit C

FY 2016/17 to FY 2024/25

Department of Public Social Services Lease Cost Analysis

11070 Magnolia Avenue, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 52,498 SQFT

	FY 2016/17	FY 2017/18		FY 2018/19 - FY 2024/25
Approximate Cost per SQFT (July - Aug)	\$ 1.90	\$ 1.96		
Approximate Cost per SQFT (Sept - June)	\$ 1.96	\$ 2.00		
Lease Cost per Month (July - Aug)	\$ 99,754.34	\$ 102,746.97	\$	779,127.06
Lease Cost per Month (Sept- June)	\$ 102,746.97	\$ 104,801.91	\$	794,709.61
Total Lease Cost (July - Aug)	\$ 199,508.67	\$ 205,493.93	\$	1,558,254.13
Total Lease Cost (Sept - June)	\$ 1,027,469.66	\$ 1,048,019.06	\$	6,863,636.04
Total Estimated Lease Cost for FY 2016/17 to FY 2024/25	\$ 1,226,978.33	\$ 1,253,512.99	\$	8,421,890.17

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$	0.12
Estimated Utility Costs per Month (July - June)	\$ 6,299.76	\$ 6,299.76	\$	6,299.76
Total Estimated Utility Cost	\$ 75,597.12	\$ 75,597.12	\$	472,482.00
Day Porter (July - June)	\$ 15,570.00	\$ 15,570.00	\$	97,312.50
Tenant Improvement \$116,243.00 / 3 payments plus 6%	\$ 41,072.53	\$ -	\$	-
EDA Lease Management Fee - 3.89%	\$ 49,327.18	\$ 48,761.66	\$	327,611.53
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2024/25	\$ 1,408,545.16	\$ 1,393,441.76	\$	9,319,296.19

Amount Previously approved in previous lease	\$ 1,350,304.91	\$ 341,265.63		
Amount of FY16/17 and FY17/18 for 1st Amendment	\$ 58,240.25	\$ 1,052,176.14		
TOTAL COUNTY COST 3.00%	\$ 1,747.21	\$ 31,565.28	\$	279,578.89

F11: Cost - Total Cost \$ 10,539,885.28
F11: Net County Cost - Total Cost \$ 316,196.56

1 **FIRST AMENDMENT TO LEASE**

2 (Department of Public Social Services,
3 11070 Magnolia Avenue, Riverside, California)
4

5 This FIRST AMENDMENT to Lease (First 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 **GRAE LA SIERRA, L.L.C.**, a
8 California limited liability company, (Lessor).

9 **1. Recitals**

10 a. Grae La Sierra, L.L.C, as Lessor, and County, have entered into
11 that certain Lease dated January 30, 2007, (Original Lease) pertaining to the premises
12 located at 11070 Magnolia Avenue, Riverside, California, as more particularly
13 described in the Lease.

14 b. The Original Lease, as heretofore, currently, or hereafter
15 amended, shall hereafter be referred to as the "Lease."

16 c. County and Lessor desire to further amend the Lease by extending
17 the term, modifying the rent, adding Day Porter services, and including future
18 improvements.

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

21 **2. Term.** Section 4.1 of the Lease shall be amended as follows:

22 The current Lease expiration is September 30, 2017. The term of this
23 Lease shall be extended until September 30, 2024 (the "Extension Term") commencing
24 upon Riverside County Board of Supervisors approval.

25 **3. Rent.** Section 5 of the Lease shall be amended as follows:

26 **5.2 Percentage Increase.** Section 5.1 of the Lease shall be amended
27 as follows:
28

1 Commencing September 1, 2017, the monthly rent shall be increased on
2 each anniversary by an amount equal to two percent (2%) of such monthly rental for
3 the preceding Lease year.

4 **4. Option.** Section 6 of the Lease is added to as follows:

5 **6.3. Option to Extend Term.** Lessor grants to County one (1) option to
6 extend the Lease term ("Extension Option"). The Extension Option shall be for a
7 period of two (2) years, subject to the conditions described in this Section 4.1.

8 **6.3.1 Exercise of Option.** The Extension Option shall be exercised
9 by County delivering to Lessor written notice thereof no later than ninety (90) days prior
10 to expiration of the Extension Term as defined in Section 4.1.

11 **6.3.2 Option Rent.** The rent payable by County during the
12 Extension Option shall be increased two (2%) annually on each anniversary.

13 **5. Day Porter Services.** Section 8 of the Lease shall be amended to add
14 subsection 8.3 as follows:

15 Lessor shall provide a Day Porter on site at the premises four (4) hours
16 per day Monday through Friday, 11:00 am – 3:00 pm. The general duties are stated in
17 Exhibit "I" herein. The cost for this service is \$1,297.50 per month and shall be
18 reimbursed by County in the monthly rent payment commencing upon approval of this
19 First Amendment to Lease. If the cost for the Day Porter increases due to wage or
20 operational increases, County will be responsible for the increase once Lessor provides
21 at least thirty (30) days advance notice. Such increase shall not exceed ten (10%)
22 percent per lease year. The Day Porter service contract may be modified or terminated
23 by County upon not less than thirty (30) days advance notice to Lessor. If the number
24 of hours of service increases at County's request, County will pay the related increase
25 without regard to the 10% "cap" mentioned above. The aforementioned monthly cost
26 will not be included in the annual rent increase calculation.

27 **6. Improvements by Lessor.** Section 11 of the Lease shall be amended to
28 add subsection 11.1.9 and a new subsection 11.4 as follows:

1 **6. Improvements by Lessor.** Section 11 of the Lease shall be amended to
2 add subsection 11.1.9 and a new subsection 11.4 as follows:

3 **11.1.9 Additional Improvements by Lessor (not subject to**
4 **reimbursement from County).** In addition to existing Landlord obligations as
5 provided in the Lease, Landlord shall provide an allowance of \$400,000.00 to be
6 utilized during the pendency of this Lease by County, at County's sole discretion and
7 request, for capital improvements and replacements that are not currently obligations of
8 Landlord. Such improvements and replacements may include carpets, partition walls,
9 painting, and or other items not currently obligations of Landlord. County shall not be
10 required to reimburse Landlord for expenditures provided under this allowance.

11 **11.4 Additional Improvements by Lessor (subject to reimbursement**
12 **by County).** Lessor, at its expense (but subject to reimbursement from the County as
13 provided herein) shall construct those certain leasehold improvements which are
14 described in Exhibit "J" attached hereto (Additional Improvements--reimbursable.) The
15 Additional Improvements--reimbursable shall be constructed generally in accordance
16 with the provisions of Exhibit "B" and Exhibit "F" of the Lease (to the extent applicable.)

17 An itemized breakdown of the estimated construction costs for the
18 Additional Improvements-reimbursable are included within Exhibit "K." The County
19 shall reimburse Lessor for total actual cost of constructing the Additional
20 Improvements-reimbursable (the "Additional Construction Costs"), but not to exceed
21 the sum of One Hundred Five Thousand, Six Hundred Seventy Six Dollars
22 (\$105,676.00), plus a contingency in the amount of Ten Thousand Five Hundred Sixty
23 Seven Dollars (\$10,567.00), which contingency has been budgeted by the County
24 exclusively for the purpose of paying for change orders requested by County during the
25 course of construction of the Additional Improvements-reimbursable. Lessor will not
26 unreasonably disapprove any change orders requested by the County which increase
27 the Additional Improvements-reimbursable cost by an amount not exceeding the
28 amount of the contingency.

1 **11.5. Reimbursement of Additional Improvements-Reimbursable.**

2 **11.5.1** One third (1/3) of the reimbursement amount of One
3 Hundred Five Thousand, Six Hundred Seventy Six Dollars (\$105,676.00), plus one
4 third (1/3) of any County contingency amount used, shall be paid within forty five (45)
5 days after substantial completion of the Additional Improvements and receipt of invoice
6 with supporting documentation.

7 **11.5.2** One half (1/2) of the remaining balance, together with
8 interest thereon at the rate of six percent (6%) per annum from the date of substantial
9 completion until the date of payment, shall be paid on or before October 1st of the
10 County fiscal year following the fiscal year in which the initial payment referenced in
11 paragraph 7(a) was paid.

12 **11.5.3** The remaining balance together with interest thereon at the
13 rate of six percent (6%) per annum, from the date of substantial completion until the
14 date of payment, shall be paid on or before October 1st of the County fiscal year
15 following the fiscal year in which the payment referenced in section 7(b) above was
16 paid.

17 **8. Notices.** Section 19.18 of the Lease shall be amended as follows:

18 Any notices required or desired to be served by either party upon the other shall
19 be addressed to the respective parties as set forth below:

20 COUNTY:	20 LESSOR:
21 County of Riverside	21 Grae La Sierra, LLC
22 Economic Development Agency	22 11911 San Vicente Blvd.
23 3403 Tenth Street, Suite 500	23 Suite 350
24 Riverside, CA 92501	24 Los Angeles, CA
25 Attn: Deputy Director of Real Estate	25 Telephone: (310) 552-4900
26 Telephone: (951) 955-4820	

27 **9. County's Representative.** Section 19.7 of the Lease shall be deleted
28 and replaced as follows: County hereby appoints the Assistant County Executive

1 Officer of the Economic Development Agency as its authorized representative to
2 administer this Lease.

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


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


17 ///
18 ///
19 ///
20 ///
21 ///
22 ///
23 ///
24 ///
25 ///
26 ///
27 ///
28 ///

1 **12. Effective Date.** This First 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.

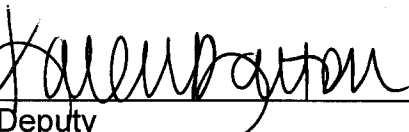
4
5 LESSOR:
6 COUNTY OF RIVERSIDE

LESSEE:
7 GRAE LA SIERRA L.L.C.
8 a California limited liability company

9 By: 
10 Jeff Stone, Chairman
11 Board of Supervisors

By: 
Rick Edwards, Member

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

15 By: 
16 Deputy

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

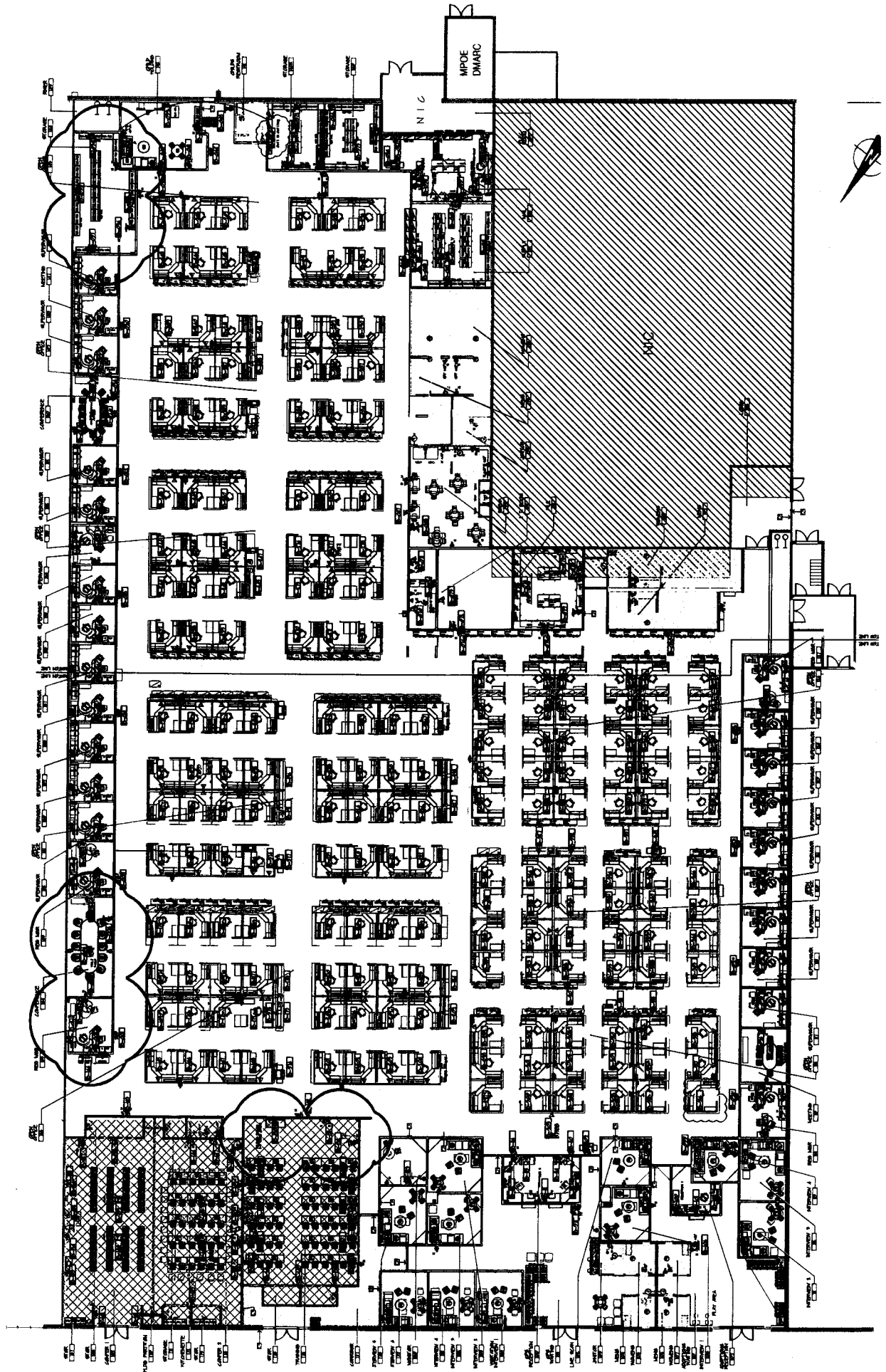
19
20 By: 
21 Patricia Munroe
22 Deputy County Counsel

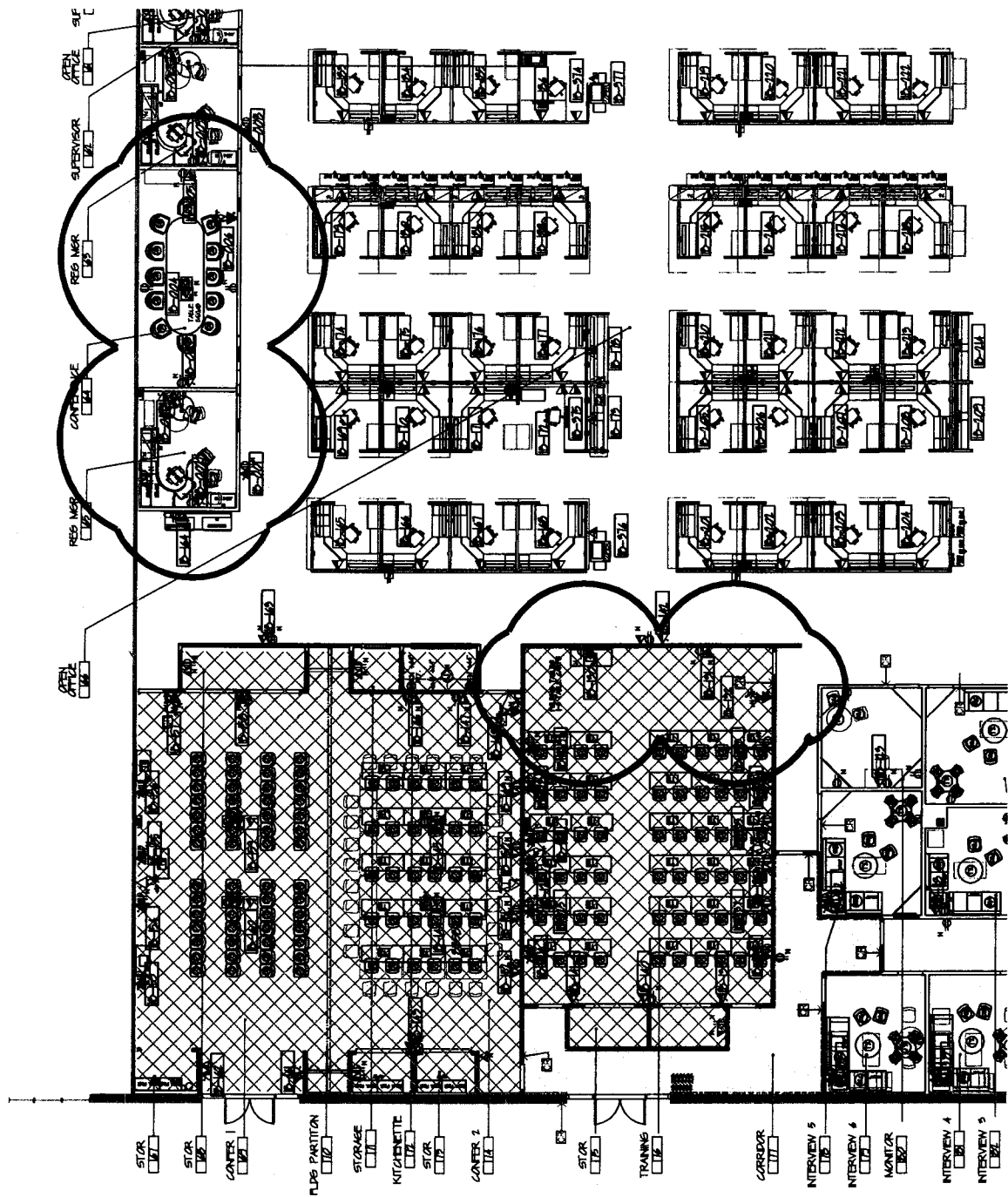
Day Porter specifications
11060 & 11070 Magnolia Ave
Riverside, Ca 92504
Grae La Sierra

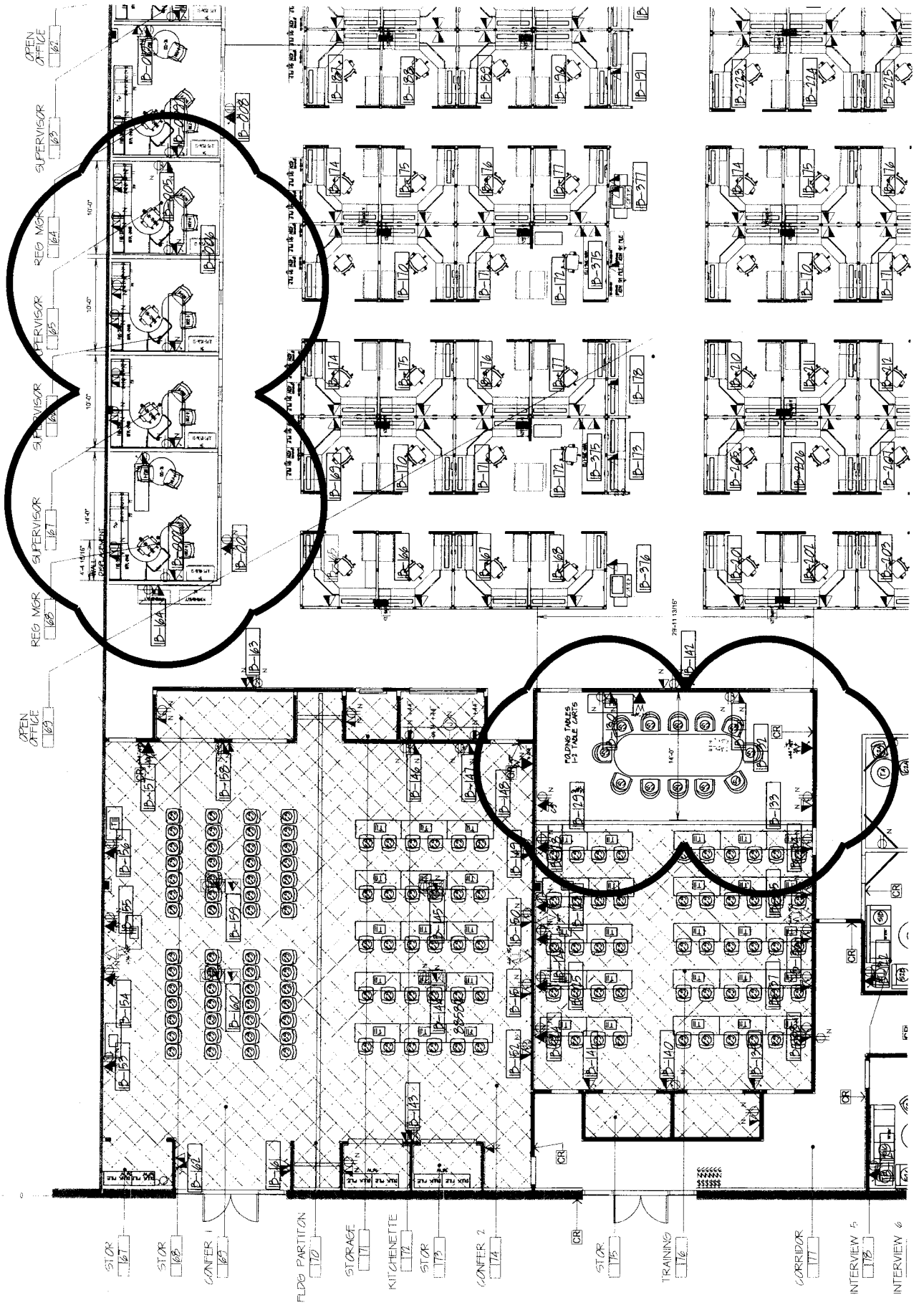
Cleaning schedule Monday-Friday (5) days per week, from 11:00am-3:00pm

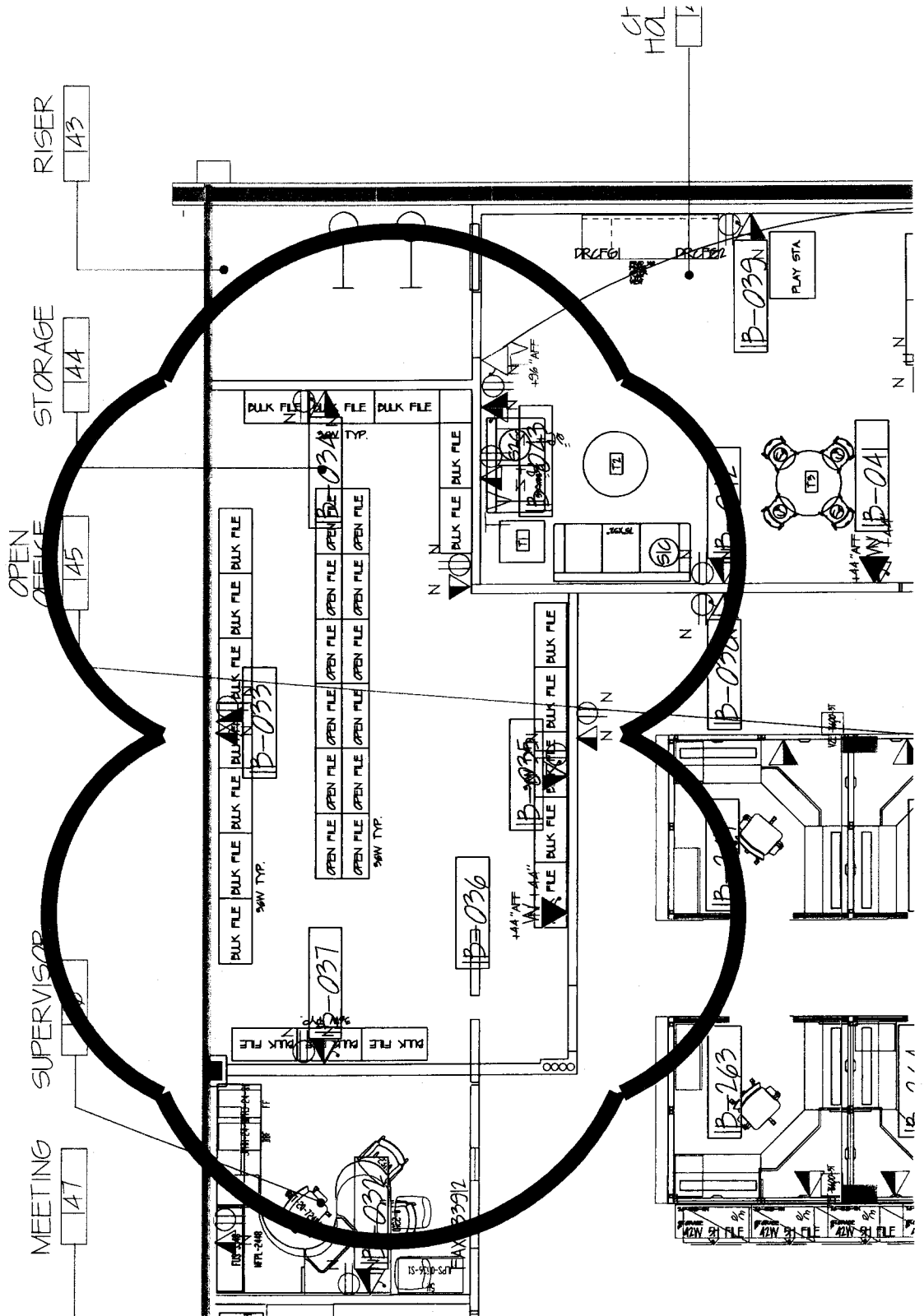
Daily cleaning duties:

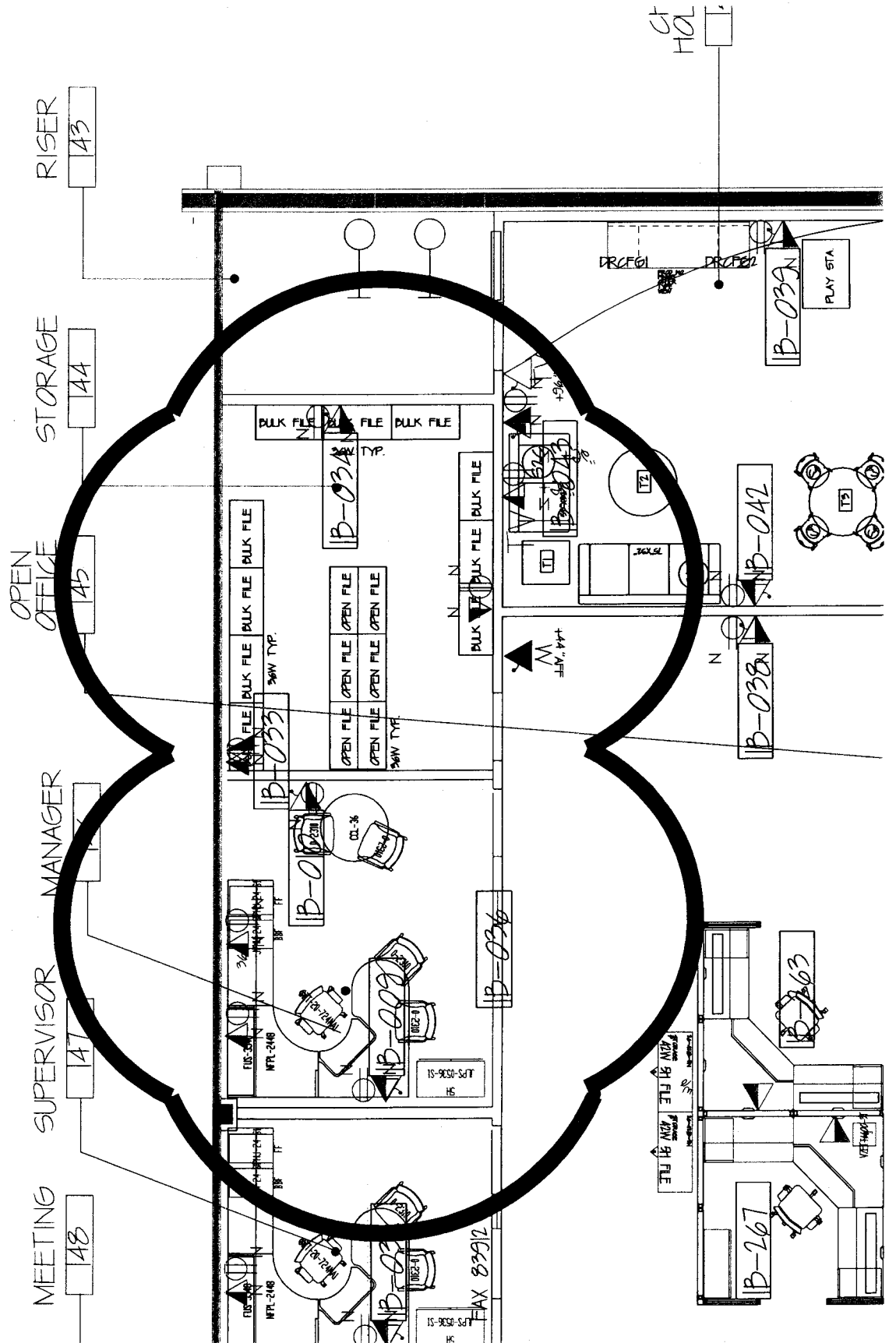
- Empty all trash in restrooms
- Clean, sanitize and stock restrooms
- Check lobby areas for debris and remove
- Keep entrances free from debris
- Touch up door glass as needed
- Be available by phone for emergency spills or clean ups
- **Rotate between buildings with the main focus on DPSS areas per customers request**
- Sanitize customer counters and walk up areas as needed and when possible
- Empty outside trashes and in lobby areas as needed
- Inspect lunchrooms and stock as needed



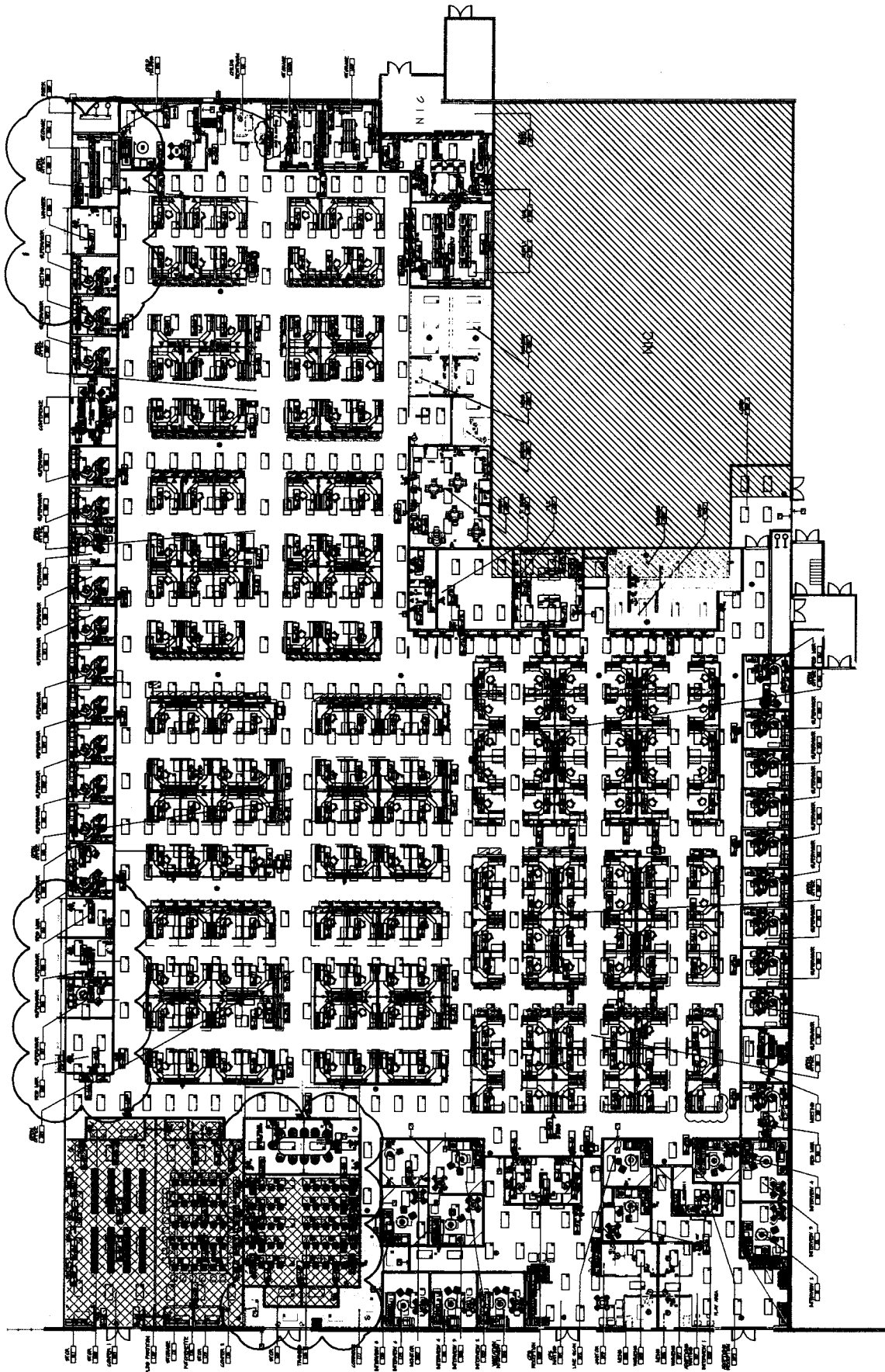








**New Manager Office &
Reduced Storage Room**



GPS LA SIERRA FURNITURE PLAN 14-06-02



CPS Office Additions/Conference Room
 11060 Magnolia Ave.
 Riverside, CA

6/30/2014

DURATION	UNIT	RATE	COST CODE	ITEM	TOTALS	COMMENTS
GENERAL CONDITIONS						
13	Day	\$560.00	1-01-100	Supervision	\$7,280.00	
2	WK	\$ 200.00	1-01-150	Truck	\$ 400.00	
1	LS	\$1,400.00	1-01-250	Protection/ Temporary Barricades	\$ 1,400.00	
	LS	\$ 200.00	1-01-520	cell phone	\$ 200.00	
1	LS	\$ 1,500.00	1-01-800	Reproduction/Permits	\$ 2,000.00	
2	EA	\$ 625.00	1-01-900	Roll-off bins	\$ 1,250.00	
				General Conditions Subtotal	\$ 12,530.00	
			1-01-750	Equipment Rental	\$2,250.00	
			1-02-100	Demolition	\$ 5,400.00	
			1-08-010	Doors & Hardware	\$ 7,375.00	
			1-09-200	Metal Studs and Drywall	\$18,080.00	
			1-09-400	Acoustical Ceilings	\$ 9,740.00	
			1-09-600	Carpet & Base	\$ 2,150.00	
			1-09-700	Painting	\$ 6,250.00	
			1-12-000	Furnishings	\$ 2,323.00	
			1-15-200	Fire Protection	\$ 4,615.00	
			1-15-300	HVAC	\$ 6,220.00	
			1-16-010	Electrical	\$ 9,010.00	
				Subtotal	\$ 73,413.00	
				Project Subtotal	\$ 85,943.00	
				Insurance	\$ 1,392.28	
				Overhead & Profit	\$ 8,733.53	
				TOTAL	\$ 96,068.80	
				Exclusions		
				Prevailing wages		