

945
 929
**SUBMITTAL TO THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Department of Facilities Management

SUBMITTAL DATE:
 November 14, 2005

SUBJECT: FIFTH AMENDMENT TO LEASE – DEPARTMENT OF CHILD SUPPORT SERVICES / THE MAGNON GROUP DBA HUNTER PARK OFFICE PLAZA, A CALIFORNIA LIMITED PARTNERSHIP AND THE SUCCESSOR IN INTEREST; GOVERNMENT PROPERTIES TRUST, INC. A MARYLAND CORPORATION

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Fifth Amendment to Lease and authorize the Chairman to execute same on behalf of the County.

BACKGROUND: The Board of Supervisors approved a 117,168 square foot lease on May 22, 2001 (the department first occupied this facility January 18, 1990), for the three building property located at 2001 – 2041 and 2081 Iowa Avenue, Riverside, for the Department of Child Support Services. The property continues to meet the space requirements of the department, but the property requires building upgrades. The attached Fifth Amendment to Lease represents a lease extension for an additional six years and the subsequent ownership transfer to Government Properties Trust, Inc., a Maryland corporation ("GPT").
 (Continued Page 2)

Michael J. Sylvester
 MICHAEL J. SYLVESTER, DIRECTOR
 Department of Facilities Management

MJS:LGH:pc
 9.756

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 26,248	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost: 06/07	\$ 0	For Fiscal Year:	05/06
SOURCE OF FUNDS: 66% Federal, 34% State			Positions To Be Deleted Per A-30	<input type="checkbox"/>
			Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

Lisa Brandl

County Executive Office Signature

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 5/22/01, 3.14,
 5/14/02, 3.14, 6/4/02, 3.30, 8/27/02,
 3.36, 10/28/03, 3.15

District: 1

Agenda Number:

3.9

**ATTACHMENTS FILED
 WITH THE CLERK OF THE BOARD**

Departmental Concurrence

Reviewed by
 CIP TEAM

BOARD OF SUPERVISORS

Form 11: FIFTH AMENDMENT TO LEASE – DEPARTMENT OF CHILD SUPPORT SERVICES/THE MAGNON GROUP DBA HUNTER PARK OFFICE PLAZA, A CALIFORNIA LIMITED PARTNERSHIP AND THE SUCCESSOR IN INTEREST; GOVERNMENT PROPERTIES TRUST, INC., A MARYLAND CORPORATION.

November 14, 2005

Page 2

BACKGROUND: (Continued)

The attached Fifth Amendment to Lease outlines the tenant improvements and deferred maintenance improvements to the buildings located at 2001-2041 and 2081 Iowa Avenue, Riverside.

Government Properties Trust, Inc. has executed a Purchase and Sale Agreement with The Magnon Company dba Hunter Park Office Plaza.

Immediately upon the close of escrow, GPT will begin the building's maintenance, repair and capital improvements process. The County's share of the cost is a not to exceed \$800,000.00. Government Properties Trust's contribution is approximately \$1.6 million dollars. Improvements will include the repair or replacement of the roof to address massive leakage, replacement of heating ventilation and air conditioning with high efficiency, energy conserving units, new carpet and paint and modernization of elevators and building finishes. Upon completion, the department will have a thoroughly modern building for the remainder of the lease term. The new Lessor agrees to complete said improvements within twelve months from the effective date of this Fifth Amendment.

The County's share of new tenant improvements are to be paid to GPT beginning February 1, 2007, per attached Exhibit "K", Rent Schedule, at \$20,314.84 per month as "Additional Rent", amortized over the term of the lease terminating January 31, 2017. Rents remain well within area norms.

The Fifth Amendment to Lease is summarized below:

Lessor:	Hunter Park Office Plaza Magnon Companies 815 Marlborough Ave., Suite 200 Riverside, California 92507
Successor in Interest:	Government Properties Trust, Inc. 13625 California Avenue, Suite 310 Omaha, Nebraska 68154
Location:	2002-2041-2081 Iowa Avenue Riverside, California
Term:	Extended through January 31, 2017.
Size:	117,168 square feet.

(Continued Page 3)

BOARD OF SUPERVISORS

Form 11: FIFTH AMENDMENT TO LEASE – DEPARTMENT OF CHILD SUPPORT SERVICES/THE MAGNON GROUP DBA HUNTER PARK OFFICE PLAZA, A CALIFORNIA LIMITED PARTNERSHIP AND THE SUCCESSOR IN INTEREST; GOVERNMENT PROPERTIES TRUST, INC., A MARYLAND CORPORATION.

November 14, 2005

Page 3

Background (continued)

	<u>Current</u>	<u>New</u>
Rent:	\$ 1.49 \$ 174,990.41 \$ 2,099,884.92	\$ 1.54 per square foot (eff. 2/1/06) \$ 180,240.12 per month Full Service \$2,162,881.44 per year Modified Gross
Tenant Improvements:	\$800,000.00	
Option to Terminate:	Upon Two Hundred Twenty Five days written notice, if funding is reduced	
Utilities:	Electrical and telephone provided by County, all others provided by Landlord.	
Custodial / Maintenance:	Provided by Landlord.	
Parking:	Sufficient for County purposes.	
Market Data:	3610 Central, 23,643 square feet, \$1.75 (FSMG) 6147 Rivercrest, 40,635 square feet, \$1.79 (FSMG) The Grove Iowa/Marlborough, \$2.15 (FSMG)	

This Fifth Amendment to Lease has been approved as to form by County Counsel.