

803



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

**FROM:** Department of Facilities Management

**SUBMITTAL DATE:**  
May 4, 2009

**SUBJECT:** Fourth Amendment to Lease – Human Resources, Riverside

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the attached Fourth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Department of Facilities Management's FY 2008/09 budget as set out on Schedule A.

**BACKGROUND:** On January 4, 2005, the County entered into a lease agreement at 1111 Spruce Street, Riverside, to provide office space for the Career Development Division and Temporary Assignment Program of the Human Resources Department (HR).

(Continued)  
 FISCAL PROCEDURES APPROVED  
 ROBERT E. BYRD, AUDITOR-CONTROLLER  
 BY Susana Garcia-Boceanegra 5/14/09  
 SUSANA GARCIA-BOCANEGRA

*Robert Field*  
 Robert Field  
 Assistant County Executive Officer/EDA/FM

|                       |                                      |           |                                |       |
|-----------------------|--------------------------------------|-----------|--------------------------------|-------|
| <b>FINANCIAL DATA</b> | <b>Current F.Y. Total Cost:</b>      | \$101,914 | <b>In Current Year Budget:</b> | No    |
|                       | <b>Current F.Y. Net County Cost:</b> | \$101,914 | <b>Budget Adjustment:</b>      | Yes   |
|                       | <b>Annual Net County Cost:</b>       | \$966,440 | <b>For Fiscal Year:</b>        | 08/09 |

|                                      |   |                                     |
|--------------------------------------|---|-------------------------------------|
| <b>SOURCE OF FUNDS:</b> General Fund | <b>Positions To Be Deleted Per A-30</b> | <input type="checkbox"/>            |
|                                      | <b>Requires 4/5 Vote</b>                | <input checked="" type="checkbox"/> |

**C.E.O. RECOMMENDATION:** APPROVE  
 BY Jennifer L. Sargent  
 County Executive Office Signature

FORM APPROVED COUNTY COUNSEL  
 BY: Synthia M. Gunzel 5-6-09  
 DATE: 5-6-09  
 DEPARTMENT: Human Resources

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

Prev. Agn. Ref.: 1/4/05, 3.18; 3/28/06, District: 1 Agenda Number:  
 3.2; 6/29/07, 3.32, 2/10/09, 3.9

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.42

(Continued)

**BACKGROUND:**

The Department is expanding into an additional 5,797 square feet in order to provide space for consolidating staff from other leased facilities as a cost saving measure. Anticipated occupancy date is June 1, 2009.

Lessor: Blue Mountain Two, L.P.  
28 Hammond, Suite F  
Irvine, California 92618

Premises Location: 1111 Spruce Street  
Riverside, California

Size: 52,000 square feet

Term: Five (5) years, terminating on October 31, 2013

| Rent: | Old                   | Current               |
|-------|-----------------------|-----------------------|
|       | \$ 1.28 per sq. ft.   | \$ 1.33 per sq. ft.   |
|       | \$ 59,139.84 per mo   | \$69,163.00 per mo    |
|       | \$709,678.08 per year | \$829,956.00 per year |

Rental Adjustments: Three and one half percent (3.5%)

Utilities: County pays electrical and telephone, Lessor pays all others.

Custodial Services: Provided by Lessor

Maintenance: Provided by Lessor

Improvements: Provided by Lessor

RCIT Costs: \$23,600.00

Parking: Sufficient to meet County needs.

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

**FINANCIAL DATA:**

All associated costs for this Fourth Amendment to Lease will be fully funded through HR's budget. HR has budgeted these costs in FY 2008/09; however, The Department of Facilities Management (DOFM) requires a budget adjustment to its FY 2008/09 budget to cover related transactional costs with the property owners as well as ongoing utility costs. While DOFM will front the costs for this Fourth Amendment to Lease with the property, HR will reimburse DOFM for all associated lease costs.

## SCHEDULE A

Increase Appropriations:

|  |            |
|--|------------|
| 10000-7200400000-526700 - Real/Lease Buildings | \$69,163   |
| 10000-7200600000-529540 - Utilities            | \$ 6,240   |
| 10000-7200400000-572500 - Intra - Leases       | (\$69,163) |
| 10000-7200600000-573800 - Intra - Utilities    | (\$ 6,240) |

# Exhibit A

## Human Resources Lease Cost Analysis for FY 2008/09 1111 Spruce Street, Riverside, California

### Current Square Feet Occupied:

Office: 46,203 SQFT

### Proposed Expansion:

Office: 5,797 SQFT

### Total Proposed Square Footage to be Leased:

|                              |               |             |
|------------------------------|---------------|-------------|
| Current Office:              | 46,203        | SQFT        |
| Proposed Office:             | 5,797         | SQFT        |
| <b>Total Sqaure Footage:</b> | <b>52,000</b> | <b>SQFT</b> |

Cost per Square Foot: \$ 1.33

|   |                  |  |
|---|------------------|--|
| Lease Cost per Month (June 1, 2009 - June 30, 2009) | \$ 69,163        |  |
| <b>Total Estimated Lease Cost for FY 2008/09</b>    | <b>\$ 69,163</b> |  |

### Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (June 1, 2009 - June 30, 2009) \$ 6,240

**Total Estimated Utility Cost for FY 2008/09 \$ 6,240**

### Tenant Improvement Costs for Expansion Space:

RCIT Improvements: \$ 23,600

FM Lease Management Fee (Based @ 4.21%) \$ 2,911

**Total Estimated Lease Cost FY 2008/09: \$ 101,914**

09 MAY 13 AM 10:43  
RIVERSIDE COUNTY  
AUDITOR-CONTROLLER

# Exhibit B

## Human Resources Lease Cost Analysis for FY 2009/10 1111 Spruce Street, Riverside, California

### Current Square Feet Occupied:

Office: 52,000 SQFT

Cost per Square Foot: \$ 1.33

|   |    |         |                   |
|---|----|---------|-------------------|
| Estimated Lease Cost Per Month (July 1, 2009 - June 30, 2010) | \$ | 829,956 |                   |
| Annual Increase at 3.5%                                       | \$ | 29,048  |                   |
| <b>Estimated Lease Cost (July 1, 2009 - June 30, 2010)</b>    |    |         | <b>\$ 859,004</b> |

### Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2009 - June 30, 2010) \$ 74,880

FM Lease Management Fee (Based @ 3.79%) \$ 32,556

**Total Estimated Lease Cost FY 2009/10: \$ 966,440**

RIVERSIDE COUNTY  
AUDITOR-CONTROLLER  
09 MAY 13 AM 10:43

1 **FOURTH AMENDMENT TO LEASE**  
2 **(1111 Spruce Street, Riverside, California)**

3 **BLUE MOUNTAIN TWO, L.P.**, a California limited partnership, herein called  
4 "Lessor", and the **COUNTY OF RIVERSIDE**, "County", hereby agree to amend that  
5 certain Lease dated January 4, 2005, as amended March 28, 2006, June 26, 2007 and  
6 February 10, 2009 pertaining to that certain building located at 1111 Spruce Street,  
7 Riverside, California as more particularly shown on Exhibit "A", attached thereto as  
8 follows:

9 1. **Premises.** The premises shall be increased by 5,797 square feet from  
10 46,203 square feet to 52,000 square feet, as show on Exhibit "N", attached hereto and  
11 by this reference made a part of this Lease.

12 2. **Rent.** County shall pay to Lessor the monthly sums as rent for the  
13 leased premises during the term of this Lease as indicated below:

|    |  |              |
|----|--|--------------|
| 14 | 11/1/08 – 10/31/09                           | \$59,139.49* |
| 15 | 11/1/09 – 10/31/10                           | \$71,583.71  |
| 16 | 11/1/10 – 10/31/11                           | \$85,334.40  |
| 17 | 11/1/11 – 10/31/12                           | \$88,747.78  |
| 18 | 11/1/12 – 10/31/13                           | \$92,297.69  |
| 19 | (*69,163.40 upon completion of improvements) |              |

20 3. **Improvements by Lessor.** Lessor at its sole expense shall  
21 complete the improvements to the premises as specified in Exhibit "O" attached hereto  
22 and by this reference made a part of the Lease.

23 4. Except as modified or supplemented by this Fourth Amendment to  
24 Lease, all provisions of this Lease shall remain in full force and effect.

25 ///  
///  
///

**LESSOR'S COPY**





**HUMAN RESOURCES  
1111 Spruce Street  
Tenant Improvements**

Lessor shall complete the following tenant improvements prior to occupancy:

1. Install new carpet in Area B facility (similar carpet to existing HR space)
2. Repaint Areas A & B.
3. Rekey facility to master system as per plan provided by HR. Install new entry card system as per contract with Stanley Solutions.
4. Install monument sign at front of building.
5. Existing exterior lights to be changed from 150 watt to 400 watt high pressure sodium fixtures.
6. Remove cabinets in Area B.
7. Remove walls from Room 404 as per plan and create new reception area. Install new T-Bar and lighting and new carpet and repaint (Area C).
8. Add new doors and hardware in hallway either side of new reception area (Area C).
9. Install new door in TAP area.
10. Remove two doors from the east hallway.

**EXHIBIT "O"**