

472



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

SUBMITTAL DATE:
November 18, 2009

FROM: Economic Development Agency

SUBJECT: Fifth Amendment to Lease – Human Resources

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Fifth Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's FY 2009/10 budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER

BY: Susana Garcia 12/10/09
SUSANA GARCIA-BOCANEGRA

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$91,599	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ -0-	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	09/10

SOURCE OF FUNDS: 36% Exclusive Care ISF Fund 64% Liability Insurance – Risk Management ISF Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature Jennifer L. Sargent

- Policy
- Policy
- Consent
- Consent

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

Prev. Agn. Ref.: 1/4/05, 3.18; 3/28/06, 3.2; 6/26/07, 3.32; 2/10/09, 3.9; 6/2/09 3.42

District: 1

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.18

FORM APPROVED COUNTY COUNCIL
BY: Synthia M. Gunzel 12/18/09
SYNTHIA M. GUNZEL
Department DATE
By: Susana Garcia
Asst. Human Resources Director

BACKGROUND:

The Human Resources Department will be relocating staff from 3499 Tenth Street to 1111 Spruce Street, Riverside, California. No additional space is required for this move; however, tenant improvements are needed. This Fifth Amendment to Lease represents costs for tenant improvements needed to accommodate staff who will be occupying the facility.

Lessor: Blue Mountain Two, L.P.
18 Hammond, Suite F
Irvine, CA 92618

Premises Location: 1111 Spruce Street
Riverside, California

Tenant
Improvements : Not-to-exceed \$65,516.00

RCIT Costs: \$23,600.00

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

FINANCIAL DATA:

All associated costs for this Fifth Amendment to Lease will be fully funded through ISF Exclusive Care Fund and ISF Liability Insurance – Risk Management Fund, however the Economic Development Agency (EDA) requires a budget adjustment to its FY 2009/10 Real Property budget to cover related transactional costs with the property owners. While EDA will front the costs for this Fifth Amendment to Lease with the property owner, Human Resources will reimburse EDA for all associated costs.

SCHEDULE A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	\$65,516.00
Increase Estimated Revenue	
10000-7200400000-777330 – Leasing Services	(\$65,516.00)

Exhibit A

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: \$ -

Lease Cost per Month (July 1, 2009 - June 30, 2010) \$ -

Total Estimated Lease Cost for FY 2009/10 \$ -

Estimated Utility Costs:

Utility Cost per Square Foot \$ -

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

Total Estimated Utility Cost for FY 2009/10 \$ -

Tenant Improvement Costs: \$ 65,516

RCIT Improvements: \$ 23,600

EDA Lease Management Fee (Based @ 3.79%) \$ 2,483

Total Estimated Lease Cost FY 2009/10: \$ 91,599

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**FIFTH AMENDMENT TO LEASE
(1111 Spruce Street, Riverside, California)**

This FIFTH AMENDMENT TO LEASE ("Fifth Amendment") is made as of _____, by and between the **BLUE MOUNTAIN TWO, L.P.**, a California Limited Partnership ("Lessor") and **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County").

1. Recitals.

a. County and Daniel C. Burke, Michael P. Burke, Adrienne C. Burke and Elaine Ortuno, predecessors to Blue Mountain Two, L.P. ("Lessor") entered into that certain lease dated January 4, 2005, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 1111 Spruce Street, Riverside, California (the "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated March 28, 2006, by and between Blue Mountain Two, a general partnership and County (the "First Amendment").

ii. That certain Second Amendment to Lease dated June 26, 2007, by and between Blue Mountain Two, a Limited Partnership and County (the "Second Amendment").

iii. That certain Third Amendment to Lease dated February 10, 2009, by and between Blue Mountain Two, a Limited Partnership and County (the "Third Amendment").

iv. That certain Fourth Amendment to Lease dated June 2, 2009, by and between Blue Mountain Two, Limited Partnership and County (the "Fourth Amendment").

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

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

2. **Capitalized Terms:** Fifth Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this Fifth Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains in full force and effect except to the extent amended by this Fifth Amendment.

3. **Improvements by Lessor.**

a. Lessor at its sole cost and expense shall complete the improvements to the premises as specified in Exhibit "P" attached hereto and by this reference made a part of

1 the Lease. Improvements shall not exceed the sum of Sixty Five Thousand Five Hundred
2 Sixteen Dollars (\$65,516).

3 b Improvements shall not exceed Sixty Five Thousand Five Hundred
4 Sixteen Dollars (\$65,516) which includes a Ten Thousand Dollar (\$10,000) contingency for
5 additional work requested by the County. Lessor shall provide County with an itemized
6 statement of the cost of improvements within thirty (30) days after completion and acceptance
7 of the improvements. Upon receipt of the itemized statement, County shall pay said Sixty Five
8 Thousand Five Hundred Sixteen Dollars (\$65,516) or the reduced adjustment amount to
9 Lessor by a County warrant as soon as said warrant can be processed and issued to Lessor.

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

5. This Fifth Amendment to Lease shall not be binding or consummated until its
approval by the Board of Supervisors of Riverside County.

10 Dated: _____

BLUE MOUNTAIN TWO, L.P.

11
12 By: *Daniel O Burke*
13 Dan Burke, General Partner

COUNTY OF RIVERSIDE

14
15
16 By: _____
17 Jeff Stone, Chairman
18 Board of Supervisors

17 **ATTEST:**
18 Kecia Harper-Ihem
19 Clerk of the Board

20 By: _____
21 Deputy

22 **APPROVED AS TO FORM:**
23 Pamela J. Walls
24 County Counsel

24 By: *Synthia M. Gunzel*
25 Cynthia M. Gunzel
County Counsel

TW:jw
10/26/09
RV302
13.041

**Tenant Improvements
Department of Human Resources
1111 Spruce Street, Riverside, California**

Space 100 & 101

1. Remove walls to create new office for medical management staff.
2. Spectra-tone paint – Restorative (CW025W)
3. Shaw carpet (Flowing Brook 89580)
4. Burke Base Board – Black (701)
5. Removal wood paneling in Suite 100J, 100I, 100G, 100 F and 100E.
6. Removal wall of wall to connect both 100 & 101

Building

1. Exterior and Interior signage
2. Paint Staff and Visitor lounge
3. Install base in corridors
4. Install 5 Alarms & Strobes (fire system)

EXHIBIT P