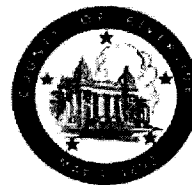


**SUBMITTAL TO THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

765



SUBMITTAL DATE:
 May 6, 2010

FROM: Economic Development Agency

SUBJECT: Fifth Amendment to Lease – Community Health Agency, Riverside

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: Samuel Wong 5/5/10
 SAMUEL WONG

Robert Field

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	(\$52,226)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	(\$15,668)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$253,621	For Fiscal Year:	09/10

SOURCE OF FUNDS: 70% State, Federal and Local Grant Funds; 30% County General Funds.

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent
 Jennifer L. Sargent

County Executive Office Signature

Departmental Concurrence

Susan Harrington, Director
 Department of Public Health

☐ Consent
☒ Policy
☐ Consent
☒ Policy

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

Prev. Agn. Ref.: 3.19 of 10/22/02; 3.15 of 3/11/03; 3.17 of 6/24/03; 3.15 of 5/24/05; 3.19 of 1/23/07; 3.15 of 12/4/07

District: 1

Agenda Number:

3.17

ATTACHMENTS FILED
 WITH THE CLERK OF THE BOARD

BACKGROUND:

This Fifth Amendment to Lease represents a request from Community Health Agency to extend the lease for its office located at 3900 Sherman Drive, Riverside, California, commencing on December 1, 2009, through November 30, 2014. This facility continues to meet the requirements of the department. As a cost saving measurement Community Health Agency has recently consolidated multiple departments into this facility. Furthermore, the Real Estate Division has negotiated a five year lease renewal with an 11% rental rate reduction with tenant improvements included at Landlords sole cost and expense for additional savings.

Lessor: Pacific Media Properties LLC, Kenneth A. Beard and Ephram Beard

Premises Location: 3900 Sherman Drive, Riverside, California 92503

Size: 33,973 sq. ft.

Term: Five years, December 1, 2009 through November 30, 2014

Rent:	<u>Current</u>	<u>New</u>
	\$ 2.06 per sq. ft.	\$ 1.85 per sq. ft.
	\$ 70,038.46 per month	\$ 62,850.05 per month
	\$840,461.52 per year	\$754,200.60 per year

<u>Savings</u>	
Per Sq. Ft.	\$.21
Per Month	\$ 7,188.41
Per Year	\$86,260.92

Rental Adjustments: 3% annual

Utilities: County pays for electricity and phone, Landlord pays for water and refuse.

Custodial Services: Landlord

Maintenance: Landlord

Improvements: Yes, at Landlords sole cost and expense.

RCIT Costs: None

BACKGROUND: (Continued)

Market Data:	1650 Iowa Citrus Park, Riverside	\$1.85
	7898 Spruce Street, Riverside	\$2.02

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

FINANCIAL DATA:

All associated costs for this Ground Lease will be fully reimbursed by Community Health Department; 70% State, Federal and local Grant Funds, and 30% County General funds. Community Health has budgeted for these costs in FY 2009/10.

Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$50,319)
10000-7200400000-572500 – Intra Leases	\$50,319

Exhibit A

Community Health Agency Lease Cost Analysis for FY 2009/10 3900 Sherman Drive, Riverside, California 92503

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	33,973 SQFT		
Cost Per Sq. Ft:	\$ 2.06		
Lease Cost per Month	\$ 70,038.46		
Total Lease Cost included in Budget for FY 2009/10		\$	840,461.52

ACTUAL AMOUNTS

Current office:	33,973 SQFT		
Approximate Cost per SQFT (July - Nov)	\$ 2.06		
Approximate Cost per SQFT (Dec - June)	\$ 1.85		
Lease Cost per Month (July - Nov)	\$ 70,038.46		
Lease Cost per Month (Dec - June)	\$ 62,850.05		
Total Lease Cost (July - Nov)	\$ 350,192.30		
Total Lease Cost (Dec - June)	\$ 439,950.35		
Total Lease Cost for FY 2009/10		\$	790,142.65
TOTAL LEASE COST SAVINGS FOR FY 2009/10		\$	(50,318.87)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$ 0.12		
Estimated Utility Costs per Month	\$ 4,076.76		
Total Estimated Utility Cost for FY 2009/10		\$	48,921.12
EDA Lease Management Fee (Based @ 3.79%)		\$	31,853.49
Total Estimated Additional Costs included in Budget for FY 2009/10		\$	80,774.61

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ 0.12		
Estimated Utility Costs per Month	\$ 4,076.76		
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)		\$	48,921.12
EDA Lease Management Fee (Based @ 3.79%)		\$	29,946.41
Total Estimated Additional Costs for FY 2009/10		\$	78,867.53
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10		\$	1,907.08
TOTAL SAVINGS FOR LEASE COST FY 2009/10		\$	(52,225.95)
Total Net County Cost at 30%		\$	(15,667.79)

Exhibit B

Community Health Agency Lease Cost Analysis for FY 2010/2011 3900 Sherman Drive, Riverside, California 92503

Current Square Feet Occupied:

Office:	33,973	SQFT		
Cost per Square Foot:	\$	1.85		
Lease Cost per Month (July 1, 2010 through November 30, 2010)	\$	62,850.05		
			\$	314,250.25
Cost per square Foot:	\$	1.91		
Lease Cost per Month (December 1, 2010 - June 30, 2011)	\$	64,735.56		
			\$	453,148.92
Total Estimated Lease Cost for FY 2010/11			\$	767,399.17

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs (July 1, 2010 through June 30, 2011)	\$	48,921.12		
Total Estimated Utility Cost for FY 2010/11			\$	48,921.12
EDA Lease Management Fee (Based @ 3.79%)			\$	29,084.43
Total Estimated Lease Cost FY 2010/11:			\$	845,404.72
Total Net County Cost at 30%			\$	253,621.42

FIFTH AMENDMENT TO LEASE
(Community Health Agency
3900 Sherman Drive, Riverside, California)

This FIFTH AMENDMENT TO LEASE ("Fifth Amendment") is made as of _____, by and between the **BEARD FAMILY TRUST DATED SEPTEMBER 2, 1982**, **KENNETH A. BEARD TRUST DATED JULY 10, 1984**, and **PACIFIC MEDIA PROPERTIES, LLC**, a California limited liability company, as "Lessor", and the **COUNTY OF RIVERSIDE**, a Political Subdivision of the State of California, as "County".

1. Recitals.

a. Lessor and County have entered into that certain Lease, dated as of October 22, 2002, ("Original Lease") pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor that certain building, more commonly known as the Parkview Professional Center, located at 3900 Sherman Drive, in the City of Riverside, State of California, ("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 June 24, 2003, by and between County of Riverside, Beard Family Trust, Kenneth A. Beard Trust and Pacific Media Properties (the "First Amendment").

ii. That certain Second Amendment to Lease dated May 24, 2005, by and between County of Riverside and Beard Family Trust, Kenneth A. Beard Trust and Pacific Media Properties (the "Second Amendment").

iii. That certain Third Amendment to Lease dated January 23, 2006, by and between County of Riverside Beard Family Trust, Kenneth A. Beard Trust and Pacific Media Properties (the "Third Amendment").

iv. That certain Fourth Amendment to Lease dated December 4, 2007, by and between County of Riverside Beard Family Trust, Kenneth A. Beard Trust and Pacific Media Properties (the "Fourth Amendment").

c. County and Lessor further desire to amend the Lease by extending the term of the Lease, among other things, as heretofore amended by this Fifth Amendment.

d. 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:

///

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

7 **3. Term:** Section 3 of the Fourth Amendment and Section 4 of the Original Lease
8 shall be amended as follows: The term of this Lease is hereby extended five (5) years. The
9 extended term will commence on December 1, 2009 and will expire on November 30, 2014
10 ("Extended Term"). November 30, 2014, shall hereafter be the "Expiration Date".

11 **4. Rent During Extended Term:** Section 1 of the Fourth Amendment to Lease
12 shall be amended as follows: County shall pay to Lessor the reduced monthly sums as rent for
13 the Leased premises during the term of this Lease as indicated below:

<u>Amount</u>	<u>Year</u>
\$62,850.05	12/01/09 to 11/30/2010
\$64,735.55	12/01/10 to 11/30/2011
\$66,677.61	12/01/11 to 11/30/2012
\$68,677.94	12/01/12 to 11/30/2013
\$70,738.28	12/01/13 to 11/30/2014

14 **5. Tenant Improvements by Lessor:** Section 11 of the Original Lease shall be
15 amended as follows: Lessor, at its sole cost and expense, shall complete the Tenant
16 Improvements, as more particularly shown on Exhibit "B" attached to the lease.

17 **6.** Except as modified or supplemented by this Fifth Amendment to Lease, all
18 provisions of the Lease remain in full force and effect.

19 ///
20 ///
21 ///

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

3 Dated: _____

4 **BEARD FAMILY TRUST** dated September
5 2, 1982, **KENNETH A. BEARD TRUST**
6 dated July 10, 1984

7 By: Ephraim Beard - TTE
8 Ephraim Beard, Trustee

9 By: Kenneth A. Beard TTE
10 Kenneth A. Beard, Trustee

11 **PACIFIC MEDIA PROPERTIES, LLC**

12 By: Warren L. Owens
13 Warren L. Owens, Manager

14 **COUNTY OF RIVERSIDE**

15 **ATTEST:**

16 Kecia Harper-Ihem
17 Clerk of the Board

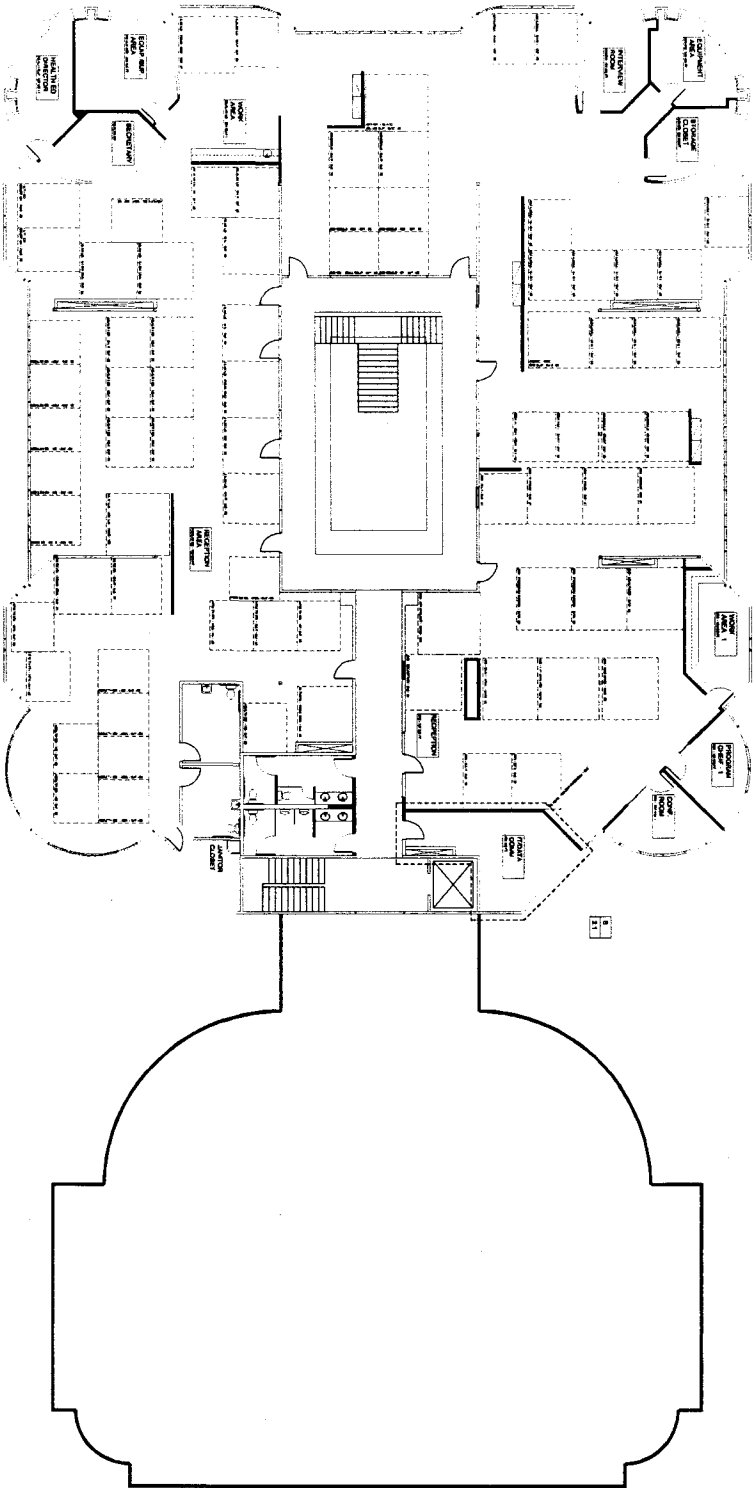
18 By: _____
19 Marion Ashley, Chairman
20 Board of Supervisors

21 By: _____
22 Deputy

23 **APPROVED AS TO FORM:**

24 Pamela J. Walls
25 County Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel
Deputy County Counsel



NOT USED

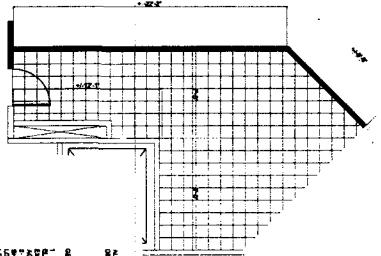
NOT USED

B - PARTIAL SECOND FLOOR PLAN - IT ROOM

Scale: 1/8" = 1'-0"

A - PARTIAL FIRST FLOOR PLAN - IT ROOM

Scale: 1/8" = 1'-0"



ALL VENTILATION AND EXHAUSTION SYSTEMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

GENERAL NOTES:

1. ALL ROOMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

2. ALL ROOMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

3. ALL ROOMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

4. ALL ROOMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

5. ALL ROOMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

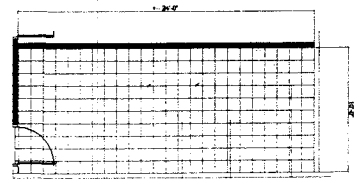
6. ALL ROOMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

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10. ALL ROOMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

CONSTRUCTION: 1. ALL ROOMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

2. ALL ROOMS SHALL BE DESIGNED TO MAINTAIN A MINIMUM OF 10% VENTILATION RATIO.

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Parkview
Professional
Center
3900 Wheeler Street
Riverside, CA 92505

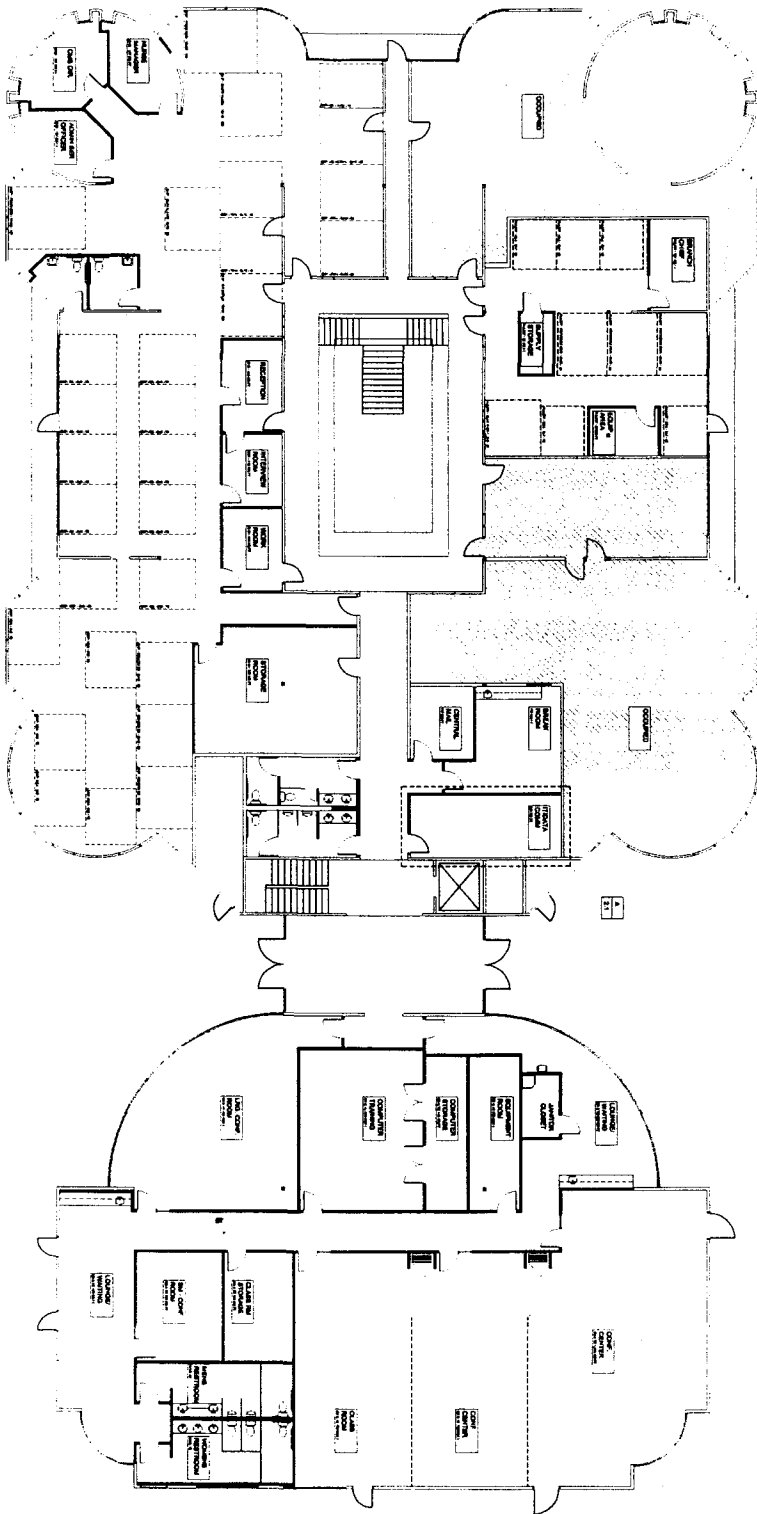
Warren Owens
Pacific Media
Properties, LLC
PO Box 2248
Orange, CA 92659

FULL BUILD-OUT
CONCEPT PLAN
SECOND
FLOOR PLAN

DATE: September 10, 2008
DRAWN BY: [Name]
CHECKED BY: [Name]
DATE REVISION: [Date]



FIRST FLOOR PLAN



Parkview
Professional
Center
3900 Wheeler Street
Riverside, CA 92503

Warren Owens
Pacific Media
Properties, LLC
PO Box 2248
Orange, CA 92669

FULL BUILD-OUT
CONCEPT PLAN
FIRST
FLOOR PLAN

Scale: 1/8" = 1'-0"
North Arrow
Drawing Date: 10/1/04
Drawing Title: Full Build-Out
Drawing Number: 104-001



a1.0

Tenant Improvements

Exhibit "B"

1. Elevator: Paint and replace carpeting inside the elevator
2. Atrium: Remodel planter area and provide a seating area for employees, and maintain area on a regular basis.
3. Pest Control: Provide County with a current copy of service contract.
4. Provide new carpet tiles based on mutual agreement on specifications. Older carpet to be replaced first, then progress with new carpet tiles throughout the premises
5. Fresh paint throughout the building. To be completed by year 2012. County to determine color.
6. Replace window in Suite J.
7. Add FOB to entry to the outside doors at main lobby entrance. Lobby doors to remain locked at all times.
8. Replace circuit breaker in Suite "J" (Nutrition Room).
9. Restrooms: Install ventilation/fans and automatic air fresheners in all restrooms.
10. Add additional soap and towel dispensers next to the sink areas for non ADA employees, whereas, ADA compliance is not compromised. Areas to be reviewed on individual basis.