

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

120



**SUBMITTAL DATE:**  
March 8, 2012

**FROM:** Economic Development Agency / Facilities Management

**SUBJECT:** Sixth Amendment to Lease – Department of Public Social Services

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

**BACKGROUND:** On August 11, 2011, the Board approved the Fifth Amendment to Lease for the Department of Public Social Services (DPSS) for the facility located at 22690 Cactus, Moreno Valley. The Fifth Amendment provided for an expansion, tenant improvements and a rent reduction.

During the course of design additional requirements expanded the project scope of work and cost. These improvements are necessary to accommodate and enhance the facility's efficiency for staff members.

(Continued)

FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY Samuel Wong 3/7/12  
SAMUEL WONG

Robert Field  
Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 34,597	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 1,643	Budget Adjustment:	No
	Annual Net County Cost:	\$ 1,643	For Fiscal Year:	2011/12

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> Federal 56.73%, State 33.07%, County 4.75%, Realign 5.45%	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

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

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

**Prev. Agn. Ref.:** 3.5 of 12/16/97, 3.7 of 11/9/99, 3.14 of 4/11/00, 3.17 of 3/11/03, 3.9 of 3/22/05, 3.21 of 1/23/07  
**District:** 5/5  
**Agenda Number:** 3.8

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL  
BY: Susan Loew 1-20-12  
DATE: \_\_\_\_\_  
BY: Synthia M. Gunzel  
DATE: \_\_\_\_\_  
Concurrence  
Susan Loew, Director  
Department of Public Social Services

**BACKGROUND:** (Continued)

This Sixth Amendment represents additional costs to cover the revised scope of work.

**Lessor:** MCC Ventures, LP  
c/o Property Management Associates  
6011 Bristol Parkway  
Culver City, California 90230

**Location:** 22690 Cactus Avenue  
Moreno Valley, California

**Size:** Increased 10,175 sq. ft. from 27,131 sq. ft. to  
37,306 sq. ft.

**Term:** Current term expires 1/31/12, five year  
extension will expire 1/31/17.

**Tenant Improvement  
Costs:** Not to exceed \$100,000.00  
To be reimbursed in three payments over 3 fiscal years.

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

**FINANCIAL DATA:**

All associated costs for this lease will be fully funded through the DPSS's budget. DPSS has budgeted for these costs in FY 2011/12. While the Economic Development Agency (EDA) will front the costs for this lease with the property owner, DPSS will reimburse EDA for all associated lease costs. The EDA is monitoring its budget closely and not requesting any budget adjustments at this time. Any necessary budget adjustments associated with this lease agreement will be brought to the Board during the quarterly budget process.

**Attachments:**  
Exhibit A  
Exhibit B  
Sixth Amendment to Lease

# Exhibit A

## DPSS Lease Cost Analysis FY 2011/12 22690 Cactus Ave, Moreno Valley, California

### ESTIMATED ADDITIONAL COSTS:

Tenant Improvements = \$100,000.00/3yrs	<u>\$ 33,333.37</u>	
Total Budgeted Tenant Improvements	\$ 33,333.37	
EDA Lease Management Fee (Based @ 3.79%)	<u>\$ 1,263.33</u>	
Total Estimated Additional Cost Included in Budget for FY 2011/12		<u>\$ 34,596.70</u>
TOTAL COUNTY COST 4.75%		\$ 1,643.34

# Exhibit B

## DPSS Lease Cost Analysis FY 2012/13 22690 Cactus Avenue, Riverside, California

<b>Total Estimated Lease Cost for FY 2012/13</b>	
<b>Tenant Improvement (2nd of 3 payments)</b>	\$ 33,333.37
<b>EDA Lease Management Fee (Based @ 3.79%)</b>	\$ <u>1,263.33</u>
<b>Total Estimated Lease Cost FY 2012/13:</b>	\$ <u><u>34,596.70</u></u>
<b>TOTAL COUNTY COST 4.75%</b>	\$ 1,643.34



1                   iv.     That certain Fourth Amendment to Lease dated January 23,  
2 2006, by and between MCC Ventures, LP, a California limited partnership, as  
3 successor in interest to NNN Tech Fund III, LLC, (Fourth Amendment), whereby the  
4 parties among other things, agreed to extend the term and amend the monthly rent.

5                   v.     That certain Fifth Amendment to Lease dated August 16,  
6 2011, by and between the County and MCC Ventures, LP, a California limited  
7 partnership (Fifth Amendment), whereby the parties among other things, agreed to  
8 expand the premises and complete tenant improvements, extend the term and amend  
9 the monthly rent.

10                  c.     The Original Lease, together with this Sixth Amendment, as  
11 heretofore, currently, or hereafter amended, shall be referred to as the "Lease".

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

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

20                  **3. Rent.** Section 5.c of the Fifth Amendment to Lease shall be deleted in its  
21 entirety and replaced with the following: Rent for the expansion space shall commence  
22 upon completion and acceptance of tenant improvements per the schedule below.

<u>Months</u>	<u>Monthly Amount</u>
1 - 12	\$61,554.90
13 - 24	\$63,093.77
25 - 36	\$64,671.11
37 - 48	\$66,287.89
49 - 60	\$67,945.09

1           **4. Improvements by Lessor.** Section 7 of the Fifth Amendment to Lease  
2 is hereby amended by the following:

3           a. Lessor, at its sole cost and expense shall complete revised  
4 improvements as specified on Exhibit "J" attached hereto and by this reference made a  
5 part of this lease. Construct two walls in 2<sup>nd</sup> floor training rooms in lieu of folding walls,  
6 install insulation, install door in each new wall, install door frame and hardware, paint,  
7 revise electrical for training tables for wall feed, architectural fees, plans and permits.  
8 Cost of tenant improvements shall not exceed \$100,000.00. County shall reimburse  
9 Lessor as follows:

10           b. One third (1/3) of the reimbursement amount shall be paid within  
11 sixty (60) days after completion of the Leasehold Improvements and receipt of  
12 invoicing with appropriate backup documents.

13           c. One half (1/2) of the remaining balance, together with interest  
14 thereon at the rate of two percent (2%) per annum, from the date of Substantial  
15 Completion until the date of payment, shall be paid no later than the month of October  
16 of the County fiscal year following the fiscal year in which the initial payment  
17 referenced in Section 6b above was paid.

18           d. The remaining balance, together with interest thereon at the rate of  
19 two percent (2%) per annum, from the date of Substantial Completion until the date of  
20 payment, shall be paid no later than the month of October of the County fiscal year  
21 following the fiscal year in which the payment referenced in Section 6c above was paid.

22           **5.** Except as modified or supplemented by this Sixth Amendment to Lease, all  
23 provisions of this Lease shall remain in full force and effect.

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**Department of Public Social Services  
22690 Cactus Avenue, Moreno Valley, California  
Tenant Improvements**

**Scope of Work**

- Construct two walls in 2<sup>nd</sup> floor training rooms in lieu of folding walls
- Install insulation in new walls
- Install door in each new wall
- Install door frame and hardware in each new wall
- Paint new walls
- Revise electrical for training tables for wall feed in lieu of core drilling
- Architectural Design Fees
- Plans and Permit Fees