

Departmental Concurrence

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



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
May 6, 2010

**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: *[Signature]* 5/5/10  
SAMUEL WONG

*[Signature]*  
Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	(\$52,226)	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	(\$15,668)	<b>Budget Adjustment:</b>	Yes
	<b>Annual Net County Cost:</b>	\$253,621	<b>For Fiscal Year:</b>	09/10
<b>SOURCE OF FUNDS:</b> 70% State, Federal and Local Grant Funds; 30% County General Funds.			<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: *[Signature]*  
Jennifer L. Sargent

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

**Ayes:** Buster, Tavaglione, Stone, Benoit and Ashley

**Nays:** None

**Absent:** None

**Date:** May 18, 2010

**xc:** EDA, CHA-Public Health, Auditor, EO

Kecia Harper-Ihem

Clerk of the Board

By: *[Signature]*  
Deputy

**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**

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

Susan Harrington, Director  
Department of Public Health

**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	
<b>Total Lease Cost Included in Budget for FY 2009/10</b>			\$	<b>840,461.52</b>

#### **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	
<b>Total Lease Cost for FY 2009/10</b>			\$	<b>790,142.65</b>
<b>TOTAL LEASE COST SAVINGS FOR FY 2009/10</b>			\$	<b>(50,318.87)</b>

### Estimated Additional Costs:

#### **BUDGETED AMOUNTS**

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

#### **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
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			\$	<b>29,946.41</b>
<b>Total Estimated Additional Costs for FY 2009/10</b>			\$	<b>78,867.53</b>
<b>TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10</b>			\$	<b>1,907.08</b>

<b>TOTAL SAVINGS FOR LEASE COST FY 2009/10</b>	\$	<b>(52,225.95)</b>
<b>Total Net County Cost at 30%</b>	\$	<b>(15,667.79)</b>

## 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)		<u>\$</u>	<u>62,850.05</u>	
			\$	314,250.25
Cost per square Foot:	\$	1.91		
Lease Cost per Month (December 1, 2010 - June 30, 2011)		<u>\$</u>	<u>64,735.56</u>	
			\$	453,148.92
<b>Total Estimated Lease Cost for FY 2010/11</b>			<b>\$</b>	<b>767,399.17</b>

#### Estimated Utility Costs:

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

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

This FIFTH AMENDMENT TO LEASE ("Fifth Amendment") is made as of MAY 18, 2010, 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:

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MAY 18 2010 3.17

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  
supplement the remaining provision thereof. The Lease remains in full force and effect except  
to the extent amended by the Fifth Amendment.

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

7           **4. Rent During Extended Term:** Section 1 of the Fourth Amendment to Lease  
8 shall be amended as follows: County shall pay to Lessor the reduced monthly sums as rent for  
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

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

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

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

Dated: \_\_\_\_\_

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

By: Ephraim Beard TTE  
Ephraim Beard, Trustee

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

**PACIFIC MEDIA PROPERTIES, LLC**

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

**COUNTY OF RIVERSIDE**

By: Marion Ashley  
Marion Ashley, Chairman  
Board of Supervisors

**ATTEST:**

Kecia Harper-Ihem  
Clerk of the Board

By: Kecia Harper-Ihem  
Deputy

**APPROVED AS TO FORM:**

Pamela J. Walls  
County Counsel

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

CC:jw  
01/12/10  
RV295  
13.121

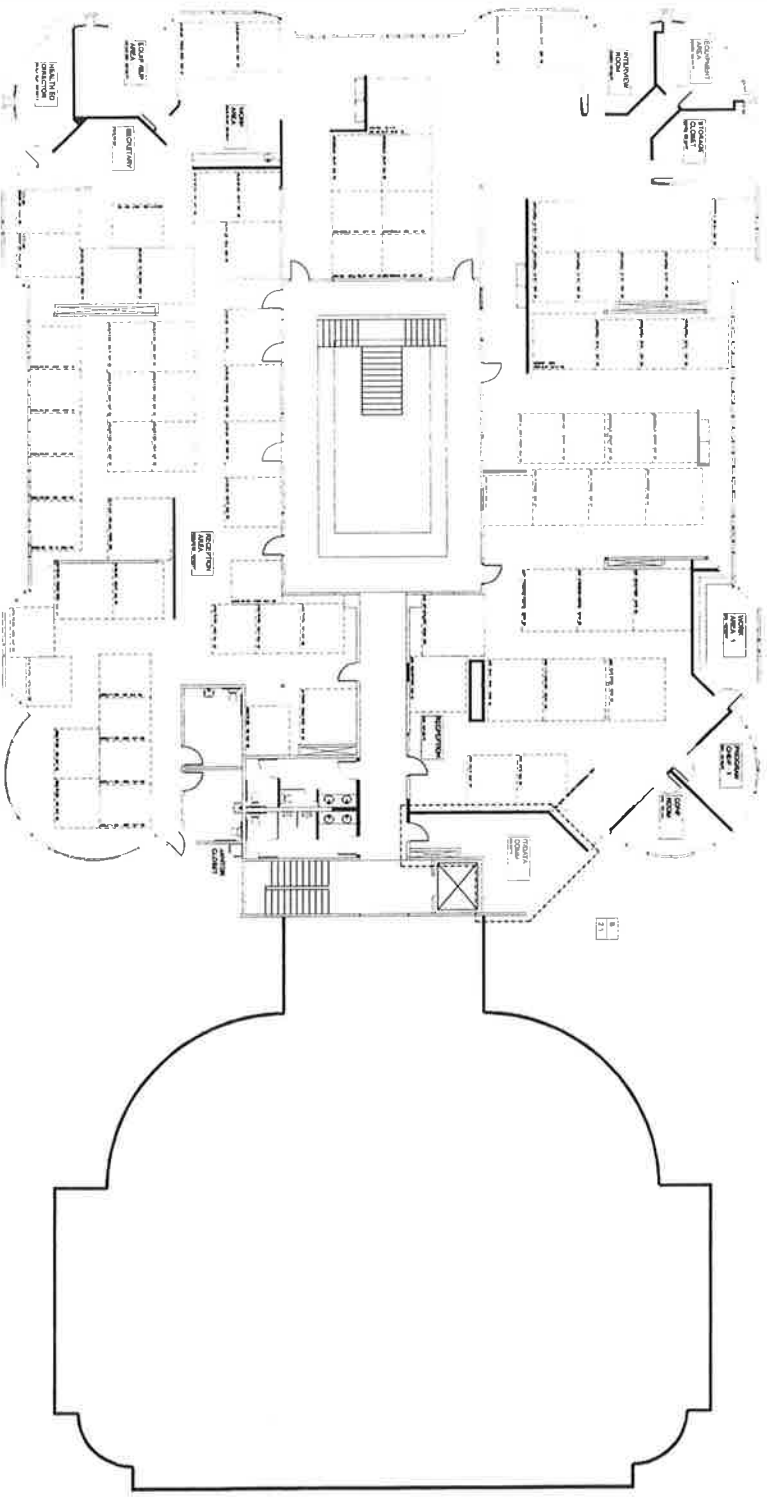
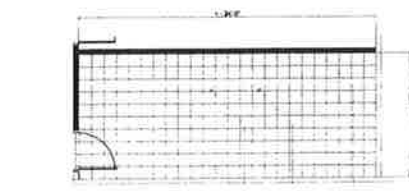
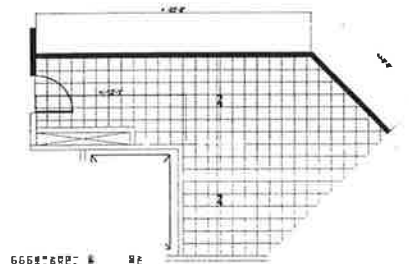
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NOT USED

NOT USED

B - PARTIAL SECOND FLOOR PLAN - IT ROOM

A - PARTIAL FIRST FLOOR PLAN - IT ROOM



SECOND FLOOR PLAN

a 1.1

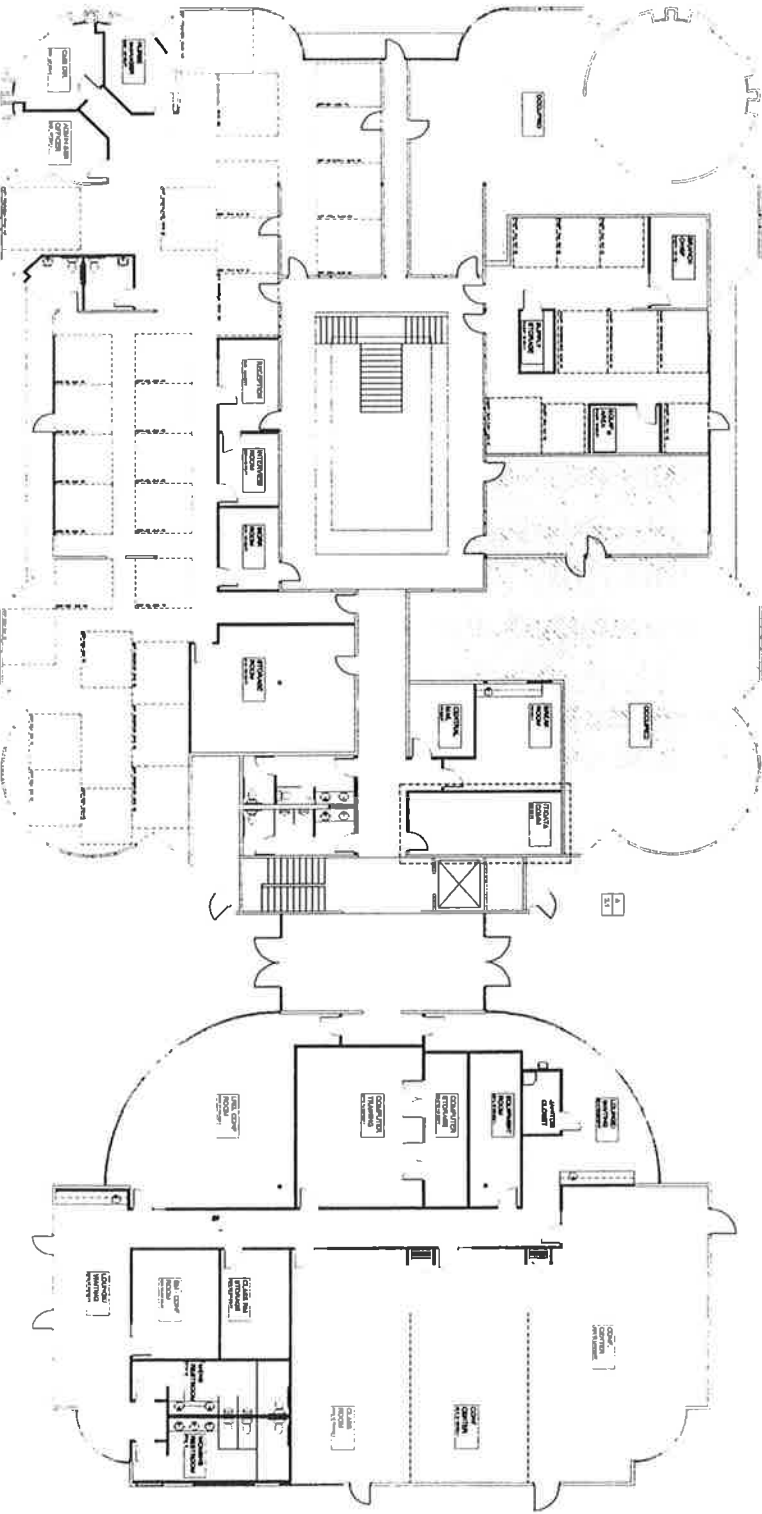


Warren Owens  
Pacific Metals  
Professional LLC  
PO Box 2244  
Orange, CA 92658  
DATE: 08/08/2008  
PROJECT: 08/08/2008  
DRAWING: 08/08/2008  
BY: Warren Owens  
CHECKED: Warren Owens  
DATE: 08/08/2008

Parkview  
Professional  
Center  
3800 Wheeler Street  
Riverside, CA 92503

FULL BUILD-OUT  
CONCEPT PLAN  
SECOND  
FLOOR PLAN

FIRST FLOOR PLAN



Parkview  
Professional  
Center  
3600 Wheeler Street  
Riverside, CA 92503

Warren Owens  
Pacific Media  
Properties, LLC  
PO Box 2246  
Orange, CA 92659

FULL BUILD-OUT  
CONCEPT PLAN  
FIRST  
FLOOR PLAN

DATE: 10/10/10  
DRAWN BY: J. L. LEE  
CHECKED BY: J. L. LEE  
SCALE: 1/8" = 1'-0"



a 1.0

## **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.