

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

436



FROM: Economic Development Agency

SUBMITTAL DATE:
February 2, 2011

SUBJECT: Second Amendment to Lease, Human Resources Department

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Second Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Approve and direct the Auditor-Controller to make the budget adjustment as shown on Schedule A.

BACKGROUND: The County of Riverside entered into a Lease Agreement on March 15, 2005, on behalf of the Human Resources Department for the premises located at 3600 Lime Street, Suites 111 & 113, Riverside. The Wellness Program occupies Suite 113 and the Employee Assistance Services Program occupies Suite 111. A larger facility is needed due to an increase in staff and services provided by these programs.

(Continued)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Samuel Wong 1/27/11
SAMUEL WONG

Lisa Brandl for
Robert Field
Assistant County Executive Officer/EDA
By Lisa Brandl, Managing Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 36,771	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 100% Employee Assistance Program and Wellness

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 I. Sargent
Jennifer I. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Tavaglione 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: February 8, 2011
xc: EDA, Auditor, HR, EO

Kecia Harper-Ihem
Clerk of the Board
By: [Signature]
Deputy

3.20

Prev. Agn. Ref: 2/15/05, 3/15/05, 5/10/05, 5/6/08

District: 2

Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: Barbara Olivier, Assistant CEO
HR Director
DATE: 12-29-10

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

BACKGROUND: (Continued):

Employee Assistance Services will relocate to 3600 Lime Street, Suites 314, 315, and 316, Riverside, comprised of 2,765 square feet. The Wellness Program will relocate to 3600 Lime Street, Suite 716, Riverside, comprised of 1,199 square feet for a total of 3,964 square feet. The Economic Development Agency's Real Estate Division has negotiated a five year renewal at a reduced rental rate, from \$2.06 per square foot to \$1.75 per square foot.

Lessor: M. P. Property Partners-Riverside, LLC
A California limited liability company and
Greenleaf Whittier LLC, a California
Limited liability company
1601 N. Sepulveda, Suite 364
Manhattan Beach, California 90266

Premises Location: 3600 Lime Street, Suites 314, 315, 316, 716
Riverside, California

Term: Five (5) years commencing January 1, 2011 expiring December 31,
2015

Size: Increased from 2,410 square feet to 3,964 square feet

Rent:	Current	New
	\$ 2.06 per sq. ft.	\$ 1.75 per sq. ft.
	\$ 4,964.60 per month	\$ 6,937.00 per month
	\$59,575.20 per year	\$83,244.00 per year

Rent Adjustment: Two percent (2%) annually

Custodial: Provided by Landlord

Utilities: County pays for telephone, Landlord provides all others

Maintenance: Provided by Landlord

Tenant Improvements: Provided by Landlord

RCIT: \$24,488.28

Parking: Sufficient to meet County needs

This Second Amendment to Lease has been approved as to legal form by County Counsel.

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully funded through the Employee Assistance Program and Wellness budget. The Human Resource Department has budgeted these costs in FY 2010/11. While EDA will front the costs for the Second Amendment to Lease with the property owners, the Human Resource Department will reimburse EDA for all associated lease costs.

Attachments:

Schedule A
Exhibit A
Exhibit B
Second Amendment to Lease

Schedule A

Increase Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings \$11,834

Increased Estimated Revenue:

47220-7200400000-777330 – Leasing Services \$11,834

Exhibit A

HR Lease Cost Analysis FY 2010/11 3600 Lime Street, Suites 345, 315, 316, 716 Riverside, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		2,410 SQFT	
Cost Per Sq. Ft:	\$	2.06	
Lease Cost per Month		\$ 4,964.60	
Total Lease Cost included in Budget for FY 2010/11			\$ 59,575.20

ACTUAL AMOUNTS

Current office:		2,410 SQFT	
Approximate Cost per SQFT (July - Dec.)	\$	2.06	
Proposed office:		3,964 SQFT	
Approximate Cost per SQFT (Jan. 1, 2010 - June 30, 2011)	\$	1.75	
Base rent cost per Month (July 1, 2010 - Dec. 31, 2010)	\$	4,964.60	
Base rent cost per Month (Jan. 1, 2011 - June 30, 2011)	\$	6,937.00	
Total Base Rent cost (July - Dec)		\$ 29,787.60	
Total Base Rent cost (Jan. - June)		\$ 41,622.00	
Total Base Rent for FY 2010/11			\$ 71,409.60
Total Difference Between Budgeted & Actual Cost			\$ 11,834.40

Estimated Additional Costs:

RCIT Costs			\$ 24,488.28
EDA Budgeted Lease Management Fee (Based @ 3.79%)	\$	2,257.90	
EDA Lease Management Fee (Based @ 3.79%)	\$	2,706.42	\$ 448.52
Total Additional Lease Cost for FY 2010/11:			\$ 36,771.20

Exhibit B

HR Lease Cost Analysis FY 2011/12 3600 Lime Street, Suites 345, 315, 316, 716 Riverside, California

Current Square Feet Occupied:

Office:	3,964 SQFT		
Cost per Square Foot (July - Dec): \$	1.75		
Cost per Square Foot (Jan. - June) \$	1.78		
Base Rent cost per Month (July 1, 2011 - Dec. 2011)		\$6,937.00	
Base Rent cost per Month (Jan. 1, 2012 - June 30, 2012)		\$7,075.74	
Base Rent cost (July - Dec.)		\$	41,622.00
Lease Cost (Jan. - June)		\$	42,454.44
Total Base Rent cost for FY 2011/12		\$	84,076.44
SUBTOTAL LEASE COST FOR FY 2011/12:			
EDA Lease Management Fee (Based @ 3.79%)		\$	3,186.49
Total Estimated Lease Cost FY 2011/12:		\$	87,262.93

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SECOND AMENDMENT TO LEASE
County of Riverside and M.P. Property Partners, LLC
3600 Lime Street, Suite 314, 315, 316 and 716, Riverside, California

This **SECOND AMENDMENT TO LEASE** ("Second Amendment") is made as of February 8, 2011, by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, herein called ("County"), and **M.P. PROPERTY PARTNERS, LLC**, a California limited liability company and **GREENLEAF WHITTIER LLC**, a California limited liability company, herein called "Lessor."

1. Recitals.

a. The County of Riverside ("County"), as Lessee, and AG/HP Touchstone Lake, LLC, a Delaware limited liability company, as Lessor, entered into that certain Lease dated March 15, 2005 (the "Original Lease"), for the premises located at 3600 Lime Street, Suite 111, Riverside, California, as more particularly shown on Exhibit "A" to the Original Lease.

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated May 6, 2008, by and between County of Riverside and M.P. Property Partners, LLC a California limited liability company and Greenleaf Whittier, LLC, a California limited liability company, as successor in interest to AG/HP Touchstone Lake, LLC, a Delaware limited liability company (the "First Amendment").

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

2. Capitalized Terms. Second 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 Second Amendment shall prevail over any inconsistency or conflicting provisions of Original Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Original Lease remains in full force and effect except to the extent amended by this Second Amendment.

3. Leased Premises. Section 1 of the Lease Agreement is hereby amended as follows. County shall vacate suites 111 and 113 comprised of 2,410 square feet and relocate to Suites 314, 315, 316 comprised of 2,765 square feet and Suite 716 comprised of 1,199 square feet for a total of 3,964 square feet as more particularly shown on Exhibit A-1 attached hereto and by this reference made a part of this Lease.

4. Term. Section 1 Of the First Amendment to Lease is hereby amended as follows: The Term of this lease shall be extended five (5) years commencing on January 1, 2011 and shall expire on December 31, 2015.

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1 **5. Rent: During Extended Term.** Section 3 of the First Amendment to Lease is
2 hereby amended as follows:

3 (a) County shall pay the sum of \$6,937.00 as rent for the leased premises,
4 payable, in advance, on the first day of the month or as soon thereafter as a warrant can be
5 issued in the normal course of County's business; provided, however, in the event County
6 cannot take useful occupancy of the leased premises until after the first day of the month, the
rentals for the first and last month's shall be pro-rated on the actual number of days in paid
month, payable on the date of occupancy for the first month and on the first day of the last
month, or as soon thereafter as a warrant can be issued in the normal course of County's
business. The monthly rent shall be as follows upon completion and acceptance of the tenant:

7 (b) Notwithstanding the provisions of Paragraph 4 (a) herein, the monthly
8 rent shall be increased on each anniversary of this Lease by an amount equal to two percent
(2%) of such monthly rent.

9 **6. Improvements by Lessor.** Lessor, at its sole cost and expense shall
10 complete tenant improvements as specified on Exhibit "B" attached hereto and by this
reference made a part of this lease.

11 **7. Notices.** Section 16 of the Original Lease is hereby amended as follows:

12 County:	Lessor:
13 County of Riverside	M. P. Property Partners
14 Economic Development Agency	1601 N. Sepulveda, Suite 364
15 3403 Tenth Street, Suite 500	Manhattan Beach, California 90266
Riverside, California 92501	

16 **8. County's Representative.** Section 22 of the Original Lease is hereby
17 amended in its entirety as follows: County hereby appoints the Assistant County Executive
Officer of the Economic Development Agency as its authorized representative to administer
this Lease.

18 **9.** Except or modified or supplemented by this Second Amendment to
19 Lease, all provisions of this Lease shall remain in full force and effect.

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10. This Second Amendment to Original Lease shall not be binding or consummate until it's executed by the County's Board of Supervisors.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

Dated: _____

**M.P. PROPERTY PARTNERS-
RIVERSIDE, LLC**, a California limited liability company And **GREENLEAF WHITTIER LLC**, a California limited liability company
It's Authorized Signatory

(Lessor)

By: 
John McDonnell, Member

COUNTY OF RIVERSIDE

By: 
Bob Buster, Chairman
Board of Supervisors


ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

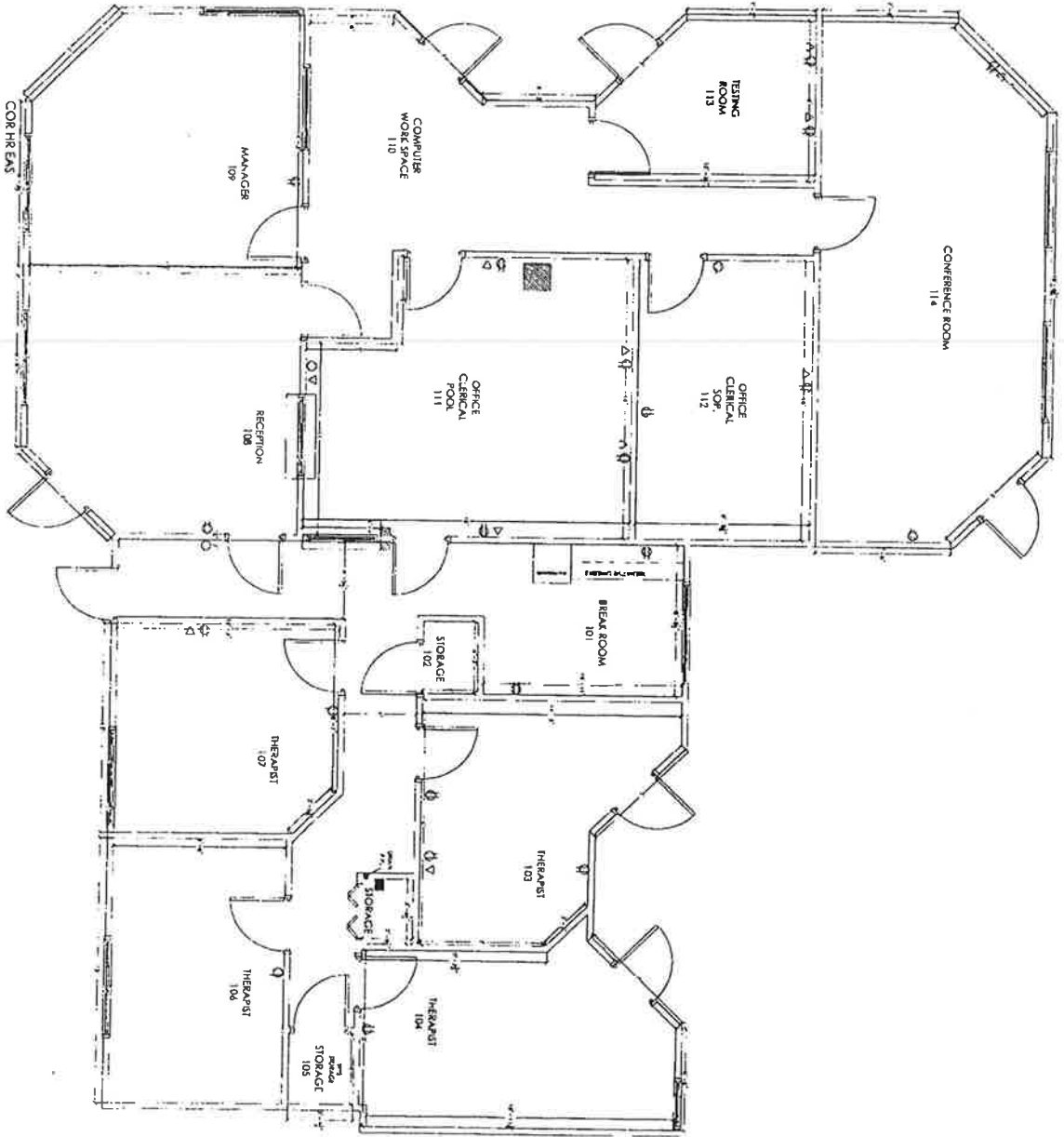
Pamela J. Walls
County Counsel

By: 
Synthia M. Gunzel
Deputy County Counsel

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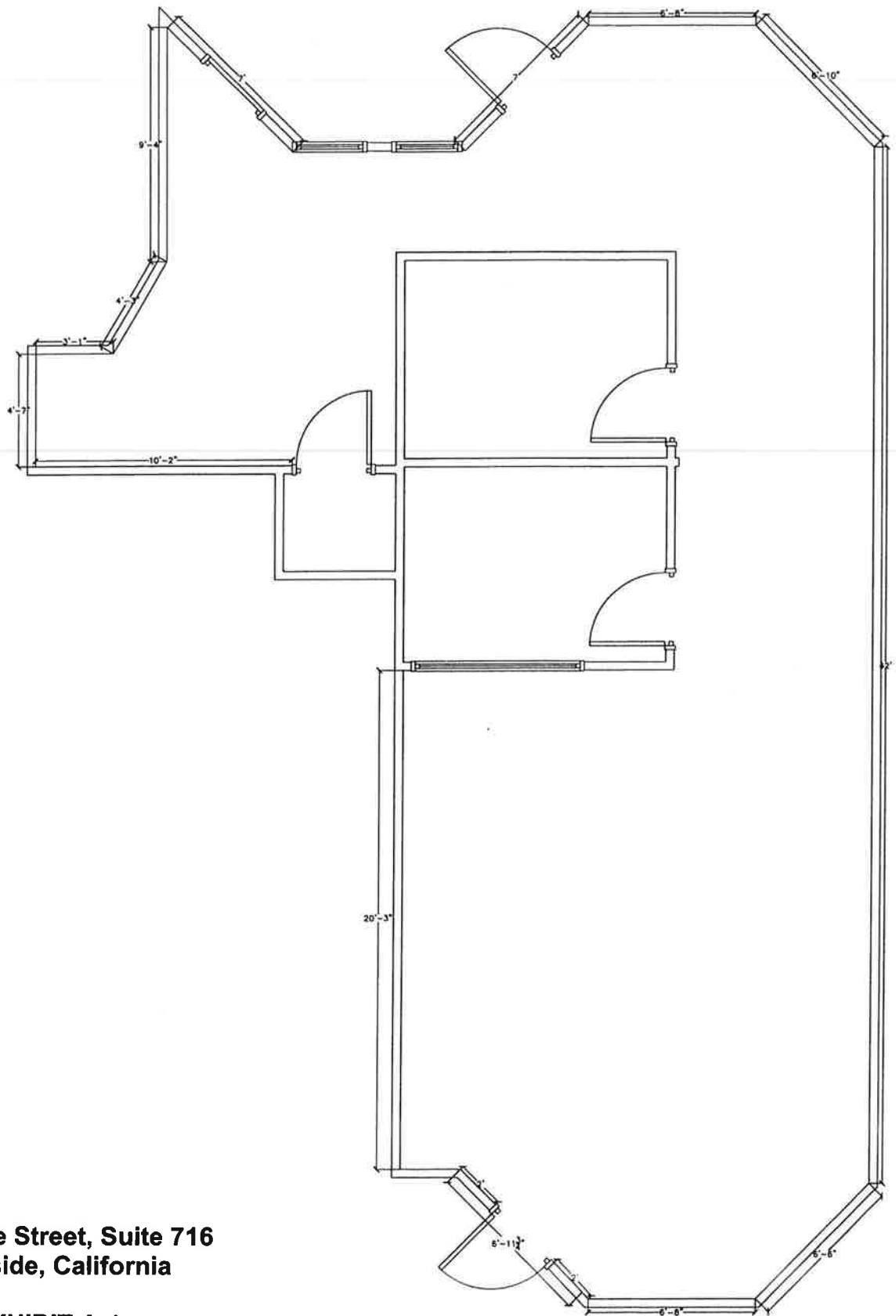
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COR HR EAS
SUITE 314, 315, & 316
PROPOSED FLOOR PLAN



3600 Lime Street, Suites 314, 315, 316
Riverside, California

EXHIBIT A



**3600 Lime Street, Suite 716
Riverside, California**

EXHIBIT A-1

Tenant Improvements
3600 Lime Street, Suites 314, 315, 316
Riverside, California

Scope of Work

- Demo as necessary in include removal of flooring, cabinets and walls.
- Build suite per Exhibit A
- Repair T-bar ceiling and replace ceiling tiles as needed.
- Remove all outlets and switches in demoed walls.
- Install new electric and switches per Exhibit A
- Supply and install 1 – 4 foot laminated counter top at pass thru windows.
- Supply and install 3 new glass doors with frames
- Supply and install 1 timely legacy walnut door and 3 timely frames
- Install 7 new ADA lever handles and reinstall 6 used doors.
- Remove and rearrange sprinkler heads as required.
- Rework all HVAC ducting as needed.
- Paint entire unit in Tenant's choice of building standard colors.
- Install carpet and laminate floor in designated areas.

**Riverside County Board of Supervisors
Request to Speak**

Submit request to Clerk of Board (right of podium),
Speakers are entitled to three (3) minutes, subject
Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: G A GRANT

Address: _____
(only if follow-up mail response requested)

City: PERRIS **Zip:** _____

Phone #: 951- _____

Date: FEB 8TH **Agenda #** 3.20

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

_____ **Support** _____ **Oppose** _____ **Neutral**

Note: If you are here for an agenda item that is filed
for "Appeal", please state separately your position on
the appeal below:

_____ **Support** _____ **Oppose** _____ **Neutral**

I give my 3 minutes to: _____