

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

414



FROM: Economic Development Agency

SUBMITTAL DATE:

January 27, 2011

SUBJECT: Third Amendment to Lease – Department of Public Social Services

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Third 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, attached.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Samuel Wong 1/25/11
SAMUEL WONG

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 480,016	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 6,400	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 6,400	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Federal 60.86%, State 35.14%, County 4%

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

C.E.O. RECOMMENDATION: APPROVE

Jennifer L. Sargent

County Executive Office Signature Jennifer L. Sargent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Buster 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, DPSS, Auditor, EO

Kecia Harper-Ihem
Clerk of the Board
By: *facul buster*
Deputy

3.21

Prev. Agn. Ref.: 3.18 of 7/27/04; 3.13 of 6/07/05; 3.81 of 7/31/07; 3.12 of 4/08/08

District: 3

Agenda Number:

ATTACHMENTS FILED WITH
CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 1/18/11
SYNTHIA M. GUNZEL
Department Concurrence

By: *Susan Loew*
Susan Loew, Director
Department of Public Social Services

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

BACKGROUND: (Continued)

The Department of Public Social Services' (DPSS) Child Protective Services program has occupied the office location at 547-561 N. San Jacinto since December, 2004. DPSS desires to relocate the Adult Protective Services program into the CPS office to free up space necessary for additional staffing. This Third Amendment to Lease is for tenant improvements not-to-exceed \$462,488 to be completed utilizing current Fiscal Year funding.

Lessor: SIC/Leed Civic Plaza, LLS
P.O. Box 17777
Beverly Hills, CA 90209

Premises Location: 547-561 N. San Jacinto
Hemet, CA 92543

Size: 43,125 square feet

Tenant Improvements: Not-to-exceed \$414,678.00
To be reimbursed in three payments over three fiscal years.

RCIT: \$47,810.00

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

FINANCIAL DATA:

All associated costs for this Third Amendment to Lease will be fully funded through the DPSS. DPSS has budgeted these costs in FY 2010/11. While EDA will front the costs for the Third Amendment to Lease with the property owners, DPSS will reimburse EDA for all associated lease costs.

ATTACHMENTS:

- Schedule A
- Exhibit A

Schedule A

Increase Appropriations:

47220-7200400000-522410 – Maintenance Tenant Improvements	\$	6,400
---	----	-------

Increase Estimated Revenue:

47220-7200400000-777520 – Reimbursement for Services	\$	6,400
--	----	-------

Exhibit A

DPSS Lease Cost Analysis FY 2010/11 547-561 N. San Jacinto, Hemet, California

ESTIMATED ADDITIONAL COSTS:

Tenant Improvements	\$	414,678.00	
RCIT	\$	47,810.00	
Total Estimated Cost			\$ 462,488.00
EDA Lease Management Fee 3.79%			<u>\$ 17,528.29</u>
Total Lease Cost for FY 2010/11			<u>\$ 480,016.29</u>
Total Net County Cost of 4%			\$ 19,200.65
Net County Cost Per Year			\$ 6,400.22

1 **THIRD AMENDMENT TO LEASE**
2 (Department of Public Social Services,
3 547-561 N. San Jacinto, Hemet, California)

4 This THIRD AMENDMENT to Lease ("Third Amendment") is made as of
5 FEBRUARY 8, 2011, by and between the **COUNTY OF RIVERSIDE**, a political
6 subdivision of the State of California, ("County"), and **SIC/LEED CIVIC PLAZA, LLC**, a
7 Delaware limited liability company, ("Lessor").

8 **1. Recitals**

9 a. D.D. Bainbridge, LLC, as Lessor, predecessor-in-interest to
10 SIC/LEED CIVIC PLAZA, LLC, and County, have entered into that certain Lease dated
11 July 27, 2004, ("Original Lease") pertaining to the premises located at 547-561 N. San
12 Jacinto, Hemet, California, as more particularly described in the Lease.

13 b. The Original Lease has been amended by:

14 i. That certain First Amendment to Lease dated, June 7, 2005, by
15 and between County of Riverside and D.D. Bainbridge, LLC, ("First Amendment").

16 ii. That certain Second Amendment to Lease dated April 8, 2008,
17 by and between County of Riverside and SIC/Leed Civic Plaza, LLC, ("Second
18 Amendment").

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

21 d. County and Lessor desire to further amend the Lease by modifying
22 the premises with tenant improvements defined herein.

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

25 **2. Capitalized Terms: Third Amendment to Prevail.** Unless defined
26 herein or the context requires otherwise, all capitalized terms herein shall have the
27 meaning defined in the Lease, as heretofore amended. The provisions of this Third
28 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,

1 as heretofore amended, and shall supplement the remaining provisions thereof. The
2 Lease remains in full force and effect except to the extent amended by this Third
3 Amendment.

4 **3. Alterations and Additions.** Section 11 shall be amended to add
5 subsection 11.4 as follows:

6 11.4. **Additional Improvements by Lessor.** Lessor, at its
7 expense, subject to reimbursement of the total cost by County, shall complete tenant
8 improvements per the attached Exhibit "L". All work to be performed after work hours
9 or on weekends. Cost of the tenant improvements as paid for by Lessor shall not
10 exceed \$414,678.00, without County's prior approval of additional costs. County shall
11 reimburse Lessor as follows:

12 11.4.1 One third (1/3) of the reimbursement amount shall be
13 paid within sixty (60) days after completion of the Leasehold Improvements and receipt
14 of invoicing with appropriate backup documents.

15 11.4.2 One half (1/2) of the remaining balance, together with
16 interest thereon at the rate of eight percent (8%) per annum, from the date of
17 Substantial Completion until the date of payment, shall be paid no later than the month
18 of October of the County fiscal year following the fiscal year in which the initial payment
19 referenced in Section 3a.i above was paid.

20 11.4.3 The remaining balance, together with interest
21 thereon at the rate of eight percent (8%) per annum, from the date of Substantial
22 Completion until the date of payment, shall be paid no later than the month of October
23 of the County fiscal year following the fiscal year in which the payment referenced in
24 Section 3a.ii above was paid.

25 **4. Notices.** Section 20.19 of the Lease shall be amended as follows: Any
26 notices required or desired to be served by either party upon the other shall be
27 addressed to the respective parties as set forth below:

28

1 **COUNTY:**
2 Economic Development Agency
3 County of Riverside
4 3403 Tenth Street, Suite 500
5 Riverside, California 92501

LESSOR:
SIC/LEED CIVIC PLAZA
P.O. Box 17777
Beverly Hills, California 90209

6 **5. County's Representative.** Section 20.7 of the Lease shall be amended
7 as follows: County hereby appoints the Assistant County Executive Officer of the
8 Economic Development Agency as its authorized representative to administer this
9 Lease.

10 **6.** Except as modified or supplemented by this Third Amendment to Lease,
11 All other provisions of the Lease remain the same and shall remain in full force and
12 effect.

13 ///

14 ///

15 ///

16

17

18

19

20

21

22

23

24

25

26

27

28

**Department of Public Social Services
547-561 B. San Jacinto
Hemet, California**

Scope of Work

- Interior Demolition
- Repair Existing Concrete @ two exterior storefront door infills
- Structural frames @ two new exterior door openings
- Exterior metal sun shade assembly
- Insulation
- Doors/Frames/Hardware
- Replace existing glazing @ exterior storefront
- New drywall/repair
- Bullet resistant drywall @ reception
- Acoustical ceiling repair
- Interior painting
- Vinyl corner guards
- Safe off plumbing prior to demolition
- Modify existing HVAC duct work/grilles
- Modify/relocate fire sprinklers
- Modify/relocate light fixtures
- Fire alarm modifications
- Temp protection
- General conditions
- Final cleaning/areas of construction

EXHIBIT " L "