

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



132

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

November 23, 2011

SUBJECT: Supplemental Lease Agreement No. 1 - GSA

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Supplemental Lease Agreement No. 1 and authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND: This Supplemental Lease Agreement No. 1 represents a Notice to Proceed with construction from GSA for the premises located at 3403 10th Street, Suite 200, Riverside. Costs have been reduced from \$1,388,410 to \$1,356,240. Upon completion, inspection and acceptance of the facility a lump sum payment in the amount of \$660,491.40 shall be made to the County and the balance of \$695,748.60 shall be amortized over a five year term at 3.25% interest.

REVIEWED BY CIP

Christopher Hans
Christopher Hans

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA

Current F.Y. Total Cost: \$ 1,356,240
Current F.Y. Net County Cost: \$ 0
Annual Net County Cost: \$ 0

In Current Year Budget: Yes
Budget Adjustment: No
For Fiscal Year: 2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Real Estate Funds and Rental Income from the Federal Government

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: December 6, 2011
xc: EDA, CIP, Auditor

Kecia Harper-Ihem
Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 3.32 of 4/20/10

District: 2

Agenda Number:

3.16

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES APPROVED
FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel*
SYNTHIA M. GUNZEL
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: *Samuel Wong*
SAMUEL WONG

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

BACKGROUND: (Continued)

Location: 3403 10th Street, Suite 200
Riverside, California 92501

Lessor: County of Riverside

Lessee: Federal Government

Size: 16,578 square feet

Term: Ten (10) years. Government has the right to cancel after five years.

Rent: \$43,848 per month

Annual Increase: Based upon the percentage change in the consumer price index

Parking: Eight reserved included in lease, 18 unreserved at prevailing rate

Utilities: Provided by County

Custodial: Provided by County

Improvements: Demo and build-out of shell office to accommodate the requirements of the U.S. Attorney's Office. Total tenant improvement costs are estimated to be \$1,356,240.00, of which \$695,748.60 will be amortized and payable monthly over the first five years of the lease in the monthly rental set forth above, and the difference shall be reimbursed by the government in the form of a lump sum upon completion and acceptance of the improvements.

FINANCIAL DATA:

All projected costs shall be fully funded through the Economic Development Agency (EDA). Real Estate Division does not require a budget adjustment to its budget to cover the tenant improvement costs for the lease. While EDA will fund the costs for this Lease with the Government, the Government will reimburse EDA for all improvement costs.

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO.

1

TO LEASE NO.

GS-09B-02531

DATE

PAGE

1 of 2

ADDRESS OF PREMISES

3403 Tenth Street, Riverside CA 92501

THIS AGREEMENT, made and entered into this date by and between County of Riverside, a political division of the State of California.

whose address is 3403 TENTH STREET, SUITE 500
RIVERSIDE, CA 92501

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to issue a Notice to Proceed and provide for Lump Sum Payment for a portion of the tenant improvement costs.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended as follows:

- I. Following a Government review of the submitted cost proposal, the Government has determined that the bid submitted is fair and reasonable and a Notice to Proceed is hereby issued for the construction of Tenant Improvements, as identified herein, at a total cost not to exceed \$1,356,240, inclusive of all management and architectural fees. Any changes in scope and cost must be approved by the Contracting Officer and will be memorialized by a supplemental lease agreement.
- II. The Government and Lessor agree that the amount of **\$695,748.60** shall be amortized into the rent over the 5-year firm term at an interest rate of 3.25% per year. Upon completion and acceptance of space, rent shall adjust accordingly.
- III. Upon completion, inspection, and acceptance of the space, the Government shall reimburse the Lessor in a Lump Sum Payment in the amount of **\$660,491.40**, upon receipt of an original invoice after completion, inspection, and acceptance of the space by the Contracting Officer.

The original invoice must be submitted directly to the GSA Finance Office at the following address:

General Services Administration
FTS and PBS Payment Division (7BCP)
P.O. Box 17181
Fort Worth, TX 76102-0181

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

SIGNATURE

Bob Buster

NAME OF SIGNER

Bob Buster, Chairman

ADDRESS

IN PRESENCE OF

SIGNATURE

Kecia Harper-Ihem, deputy for

NAME OF SIGNER

Kecia Harper-Ihem, Clerk of the Board

ADDRESS

UNITED STATES OF AMERICA

SIGNATURE

NAME OF SIGNER

OFFICIAL TITLE OF SIGNER

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GSA FORM 276 (REV. 8/2006)

DEC 06 2011 3.16

A copy of the invoice must be provided to the Contracting Officer at the following address:

General Services Administration
Attn: CHRISTINA DOLAN, GSA CONTRACTING OFFICER
300 N. Los Angeles Street, Suite 4100
Los Angeles, CA 90012

A proper invoice must include the following:

- Invoice date
- Name of the Lessor as shown on the Lease
- Lease contract number, building address, and a description, price, and quantity of the items delivered
- GSA PDN #

If the invoice is not submitted on company letterhead, the person(s) with whom the Lease contract is made must sign it.

IV. The Lessor hereby waives restoration as a result of all improvements.

All other terms and conditions remain in full force and effect.

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: 

Synthia M. Gunzel
Deputy