

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

127



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

**SUBMITTAL DATE:**  
March 8, 2012

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

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify the attached Second Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the county; and
2. Find that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Existing Facilities.

**BACKGROUND:** The County of Riverside entered into a Lease Agreement on January 24, 2006 for the Department of Public Social Services (DPSS) for the facility located at 2300 Market Street, Suite 200.

(Continued)

*Robert Field*  
\_\_\_\_\_  
Robert Field  
Assistant County Executive Officer/EDA

FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY *Samuel Wong 3/8/12*  
SAMUEL WONG

|                       |                               |            |                         |         |
|-----------------------|-------------------------------|------------|-------------------------|---------|
| <b>FINANCIAL DATA</b> | Current F.Y. Total Cost:      | \$ 854,119 | In Current Year Budget: | Yes     |
|                       | Current F.Y. Net County Cost: | \$ 35,190  | Budget Adjustment:      | No      |
|                       | Annual Net County Cost:       | \$ 65,402  | For Fiscal Year:        | 2011/12 |

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

|  |   |                          |
|--|---|--------------------------|
| <b>SOURCE OF FUNDS:</b> Federal 47.79%, State 48.09%, County 4.12% | <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*  
\_\_\_\_\_  
Jennifer L. Sargent

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Stone, seconded by Supervisor Ashley 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: March 20, 2012  
xc: EDA, DPSS, Auditor

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

Prev. Agn. Ref.: 3.15 of 1/24/06. 3.37 of 4/6/10 | District: 1/1 | Agenda Number: **3.7**

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL  
 BY: *Synthia M. Gunzel 3-2-12*  
 DATE: \_\_\_\_\_  
 SYNTHIA M. GUNZEL  
 Departmental Concurrence  
 Susan Loew, Director of Public Social Services  
 Department of Public Social Services

Dept's Recomm.:  Consent  
 Per Exec. Ofc.:  Consent  
 Policy  
 Policy

**BACKGROUND: (Continued)**

This Second Amendment to Lease represents an expansion in space of 33,393 square feet from 21,639 square feet to 55,032 square feet, and a 5 year extension in the term. This expansion is required due to the increased needs of the community for the services provided at this facility. DPSS will relocate staff from three other facilities to staff the expansion space in addition to hiring new personnel, anticipated occupancy June 2012.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Lease, is the letting of property involving existing facilities. No expansion of an existing use will occur. A summary of the lease is as follows:

|                      |   |                         |
|----------------------|---|-------------------------|
| Lessor:              | MEF Realty, LLC<br>c/o The Muller Company<br>23521 Paseo de Valencia, Suite 200<br>Laguna Hills, California 92653 |                         |
| Location:            | 2300 Market Street, Suites 100, 200, 300<br>Riverside, California 92501   |                         |
| Size:                | Increased from 21,639 sq. ft. to 55,032 sq. ft.   |                         |
| Term:                | Extended five years, expiring on February 28, 2017  |                         |
| Rent:                | Current Rent  | New Rent                |
|                      | \$2.24 per sq. ft.  | \$1.85 per sq. ft.      |
|                      | \$48,540.50 per month   | \$101,809.20 per month  |
|                      | \$582,486.00 per year   | \$1,221,710.40 per year |
| Rental Adjustment:   | Three percent annually  |                         |
| Utilities:           | Provided by Lessor  |                         |
| Tenant Improvements: | Not to exceed \$661,209.08  |                         |
| RCIT:                | \$354,160.00  |                         |

This Second 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 budget. DPSS has budgeted for these lease costs in FY 2011/12. While the Economic Development Agency (EDA) will front the costs for this Second Amendment to Lease with the property owner, DPSS will reimburse EDA for all associated lease costs. EDA has sufficient appropriations to cover this rent-lease increase and tenant improvements; therefore, no budget adjustment is needed.

(Continued)

Economic Development Agency / Facilities Management  
Second Amendment to Lease – Department of Public Social Services  
March 8, 2012  
Page 3

**Attachments:**

Exhibit A

Exhibit B

Second Amendment to Lease

# Exhibit A

## DPSS Lease Cost Analysis FY 2011/12 2300 Market Street, Suite, 100, 200, 300, Riverside, California

**Total Square Footage to be Leased:**

**EXPECTED AMOUNTS**

|                                      |             |               |
|--------------------------------------|-------------|---------------|
| Current office:                      | 21,639 SQFT |               |
| Lease Cost Per Month July - Feb 2012 |             | \$ 388,324.00 |

**ACTUAL AMOUNTS**

|                  |             |
|------------------|-------------|
| Current Office:  | 21,639 SQFT |
| Proposed Office: | 55,032 SQFT |

|   |         |
|---|---------|
| Approximate Cost per SQFT (July 1, 2011 - May 31, 2012) | \$ 2.24 |
| Approximate Cost per SQFT ( June, 2012)                 | \$ 1.85 |

|                                   |                      |
|-----------------------------------|----------------------|
| Lease Cost per Month (July - May) | \$ 48,540.50         |
| Lease Cost per Month (June)       | <u>\$ 101,809.20</u> |

|   |                      |                      |
|---|----------------------|----------------------|
| Total Lease Cost (July - May)                   | \$ 533,945.50        |                      |
| Total Lease Cost (June)                         | <u>\$ 101,809.20</u> |                      |
| <b>Total Actual Lease Cost for FY 2011/12</b>   |                      | <b>\$ 635,754.70</b> |
| <b>Total Lease Cost Variance for FY 2011/12</b> |                      | <b>\$ 247,430.70</b> |

**Expected Additional Costs:**

**EXPECTED AMOUNTS**

|  |                    |                     |
|--|--------------------|---------------------|
| Utility Cost per Square Foot                         | \$ 0.12            |                     |
| Estimated Utility Costs per Month Jul - Feb          | <u>\$ 2,596.68</u> |                     |
| <b>Total Expected Additional Cost for FY 2011/12</b> |                    | <b>\$ 20,773.44</b> |

|      |    |   |
|------|----|---|
| RCIT | \$ | - |
|------|----|---|

|                     |    |   |
|---------------------|----|---|
| Tenant Improvements | \$ | - |
|---------------------|----|---|

|   |                     |                     |
|---|---------------------|---------------------|
| EDA Lease Management Fee (Based @ 3.79%)                                | <u>\$ 14,717.48</u> |                     |
| <b>Total Expected Additional Cost Included in Budget for FY 2011/12</b> |                     | <b>\$ 35,490.92</b> |

**ACTUAL AMOUNTS**

|  |                    |                     |
|--|--------------------|---------------------|
| Utility Cost per Square Foot                                 | \$ 0.12            |                     |
| Estimated Utility Costs per Month (Jul -May)                 | \$ 2,596.68        |                     |
| Estimated Utility Costs per Month (June)                     | <u>\$ 6,603.84</u> |                     |
| <b>Total Estimated Actual Additional Cost for FY 2011/12</b> |                    | <b>\$ 35,167.32</b> |

|      |    |            |
|------|----|------------|
| RCIT | \$ | 354,160.00 |
|------|----|------------|

|   |    |            |
|---|----|------------|
| Tenant Improvements = \$661,209.08 / by 3 annual payments | \$ | 220,403.03 |
|---|----|------------|

|  |                     |                      |
|--|---------------------|----------------------|
| EDA Lease Management Fee (Based @ 3.79%)                     | <u>\$ 32,448.38</u> |                      |
| <b>Total Estimated Additional Actual Cost for FY 2011/12</b> |                     | <b>\$ 642,178.73</b> |

|  |                      |
|--|----------------------|
| <b>Total Estimated Additional Cost Variance for FY 2011/12</b> | <b>\$ 606,687.81</b> |
|--|----------------------|

|  |                      |
|--|----------------------|
| <b>TOTAL ESTIMATED COST FOR FY 2011/12</b> | <b>\$ 854,118.51</b> |
|--|----------------------|

|                                |                     |
|--------------------------------|---------------------|
| <b>TOTAL COUNTY COST 4.12%</b> | <b>\$ 35,189.68</b> |
|--------------------------------|---------------------|

# Exhibit B

## DPSS Lease Cost Analysis FY 2012/13 2300 Market Street, Suite 100, 200, 300, Riverside, California

### Current Square Feet Occupied:

|  |           |      |            |                     |
|--|-----------|------|------------|---------------------|
| Office:  | 55,032    | SQFT |            |                     |
| Cost per Square Foot: (July 1, 2012 - February 28, 2013) | \$        | 1.85 |            |                     |
| Cost per Square Foot: (March 1, 2013 - June 30, 2013)    | \$        | 1.90 |            |                     |
| Lease Cost per Month (July 1, 2012 - February 28, 2013)  | \$        |      | 101,809.20 |                     |
| Lease Cost per Month (March 1, 2013 - June 30, 2013)     | \$        |      | 104,560.80 |                     |
| Lease Cost (July - Feb)                                  | \$        |      |            | 814,473.60          |
| Lease Cost (Mar - June)                                  | \$        |      |            | 418,243.20          |
| <b>Total Estimated Lease Cost for FY 2012/13</b>         | <b>\$</b> |      |            | <b>1,232,716.80</b> |

### Estimated Utility Costs:

|  |           |      |          |                     |
|--|-----------|------|----------|---------------------|
| Utility Cost per Square Foot                                     | \$        | 0.12 |          |                     |
| Estimated Utility Costs per Month (July 1, 2012 - June 30, 2013) | \$        |      | 6,603.84 |                     |
| Total Estimated Additional Cost for FY 2012/13                   | \$        |      |          | 79,246.08           |
| Tenant Improvement (2nd of 3 payments)                           | \$        |      |          | 220,403.02          |
| EDA Lease Management Fee (Based @ 3.79%)                         | \$        |      |          | 55,073.24           |
| <b>TOTAL ESTIMATED COST FOR FY 2012/13</b>                       | <b>\$</b> |      |          | <b>1,587,439.14</b> |
| <b>TOTAL COUNTY COST 4.12%</b>                                   | <b>\$</b> |      |          | <b>65,402.49</b>    |



1           **2. Capitalized Terms:** Second Amendment to Prevail. Unless defined  
2 herein or the context requires otherwise, all capitalized terms herein shall have the  
3 meaning defined in the Lease, as heretofore amended. The provisions of this Second  
4 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,  
5 as heretofore amended, and shall supplement the remaining provisions thereof. The  
6 Lease remains in full force and effect except to the extent amended by this Second  
7 Amendment.

8           **3.** Section 2.2 of the Original Lease Agreement is hereby amended by the  
9 following:

10           (a) The term on the lease of the Expansion Space shall commence on the  
11 Expansion Commencement Date (as hereinafter defined) and unless sooner  
12 terminated in accordance with the terms of the Lease, shall terminate on February 28,  
13 2017 (the Expansion Term). In no event shall the Expansion Term extend beyond the  
14 termination of the Original Lease. As used herein the "Expansion Commencement  
15 Date" shall mean June 15, 2012, provided however that the Expansion commencement  
16 Date shall be extended for not more than thirty (30) day if the expansion Space is not  
17 Ready for Occupancy (as hereinafter defined) on or before June 15, 2012. If the  
18 Expansion space is not Ready for Occupancy on or before June 15, 2012, except due  
19 to delays caused by Lessee or as a result of force majeure, Lessee shall have the right  
20 to terminate this Amendment without penalty. If the Expansion Space is not Ready for  
21 Occupancy on or before June 15, 2012, due to delays caused by Lessee, Lessor shall  
22 have the right to terminate this Amendment. If the Expansion Space is not Ready for  
23 Occupancy on or before June 15, 2012, due to force majeure the commencement Date  
24 shall be extended as necessary to allow the Expansion Space to become Ready for  
25 Occupancy. As used herein, "Ready for Occupancy" shall mean the substantial  
26 completion of construction of the improvements described in Exhibit "B", attached  
27 hereto and by reference incorporated herein.

28

1 (b) The Premises shall consist of that certain portion of the Project, as  
2 defined herein, including all improvements therein or to be provided by Lessor under  
3 the terms of this Lease and commonly known as Market Street Corporate Center, 2300  
4 Market Street, Suite 100, Riverside, comprised of 11,754 square feet, Suite 200  
5 comprised of 21,639 square feet (expansion area of 33,393 square feet as indicated on  
6 the attached Exhibit J attached hereto and by this reference made a part of the lease),  
7 and Suite 300 comprised of 21,639 square feet for a total of 55,032 square feet. It is  
8 understood that the Premises include all appurtenances and easements thereto and  
9 the non-exclusive right of ingress and egress at all times to and from the public streets  
10 and highways for County, its employees and invitees. The Premises, the building, the  
11 Common Areas, the land upon which they are located, along with all other buildings  
12 and improvements thereon, are herein collectively referred to as the "Project".

13 4. Section 2 of the First Amendment to Lease shall be amended as follows:  
14 The term of this Lease shall be extended five years commencing on March 1, 2012  
15 and terminating on February 28, 2017.

16 5. Section 3 of the First Amendment shall be amended as follows: Upon  
17 completion and acceptance of all tenant improvements in the expansion area, rent shall  
18 be \$101,809.20 per month, due on the first day of the month. In the event rent for any  
19 period during the term hereof is less than one (1) full calendar month said rent shall be  
20 pro-rated upon the actual number of days

21 6. Section 5.2 of the Lease Agreement shall be amended as follows: The  
22 monthly rent shall be increased on each anniversary of this Lease by an amount equal  
23 to three percent of such monthly rent.

24 7. Improvements by Lessor:

25 (a) Lessor at its sole cost and expense shall complete improvements to  
26 the expansion area as specified in Exhibit K attached hereto and by this reference  
27 made a part of the lease. Total cost of improvements to be paid by Lessor shall not  
28 exceed \$1,184,054.42. Lessor shall provide County with a \$15.00 per square foot



1 allowance to County for tenant improvements in the expansion area comprised of  
2 33,393 square feet totaling \$500,895.00, in addition to a \$5.00 per square foot  
3 allowance for the "Original Premises", comprised of 21,639 square foot totaling  
4 \$108,195.00. The total tenant improvement allowance is \$609,090.00, and shall be  
5 credited to the total cost of improvements set forth above.

6 (b) County's share for improvements shall not exceed \$661,209.08  
7 which includes a 15% contingency to be used for additional items requested by County  
8 that is not included in the original scope of work. Lessor shall provide County with an  
9 itemized statement of the cost of improvements within thirty (30) days after completion  
10 and acceptance of the improvements. Upon receipt of the itemized statement, County  
11 shall pay said \$661,209.08 or the reduced adjusted amount as follows: One third to be  
12 paid up completion and acceptance of tenant improvements by County, one third to be  
13 paid July 1, 2012, final third to be paid with interest at five percent per annum July 1,  
14 2013.

15 8. The County hereby appoints the Assistant County Executive Officer for  
16 the Economic Development Agency as its authorized representative to administer this  
17 Lease.

18 9. Except as 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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25 ///

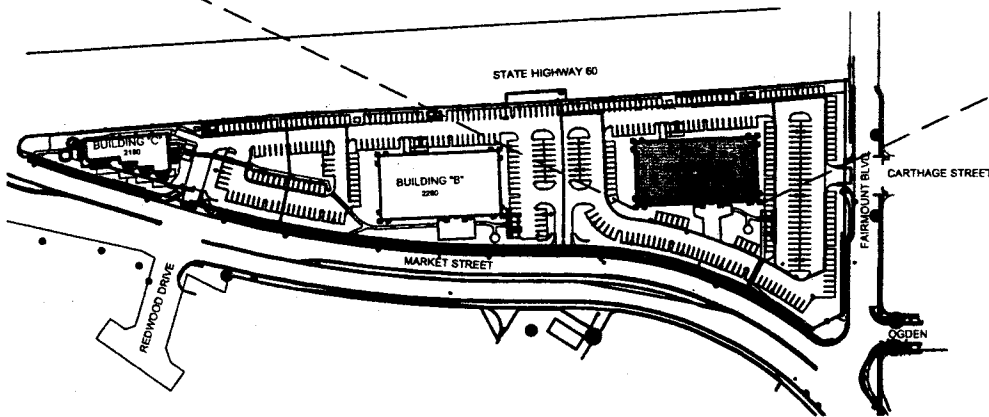
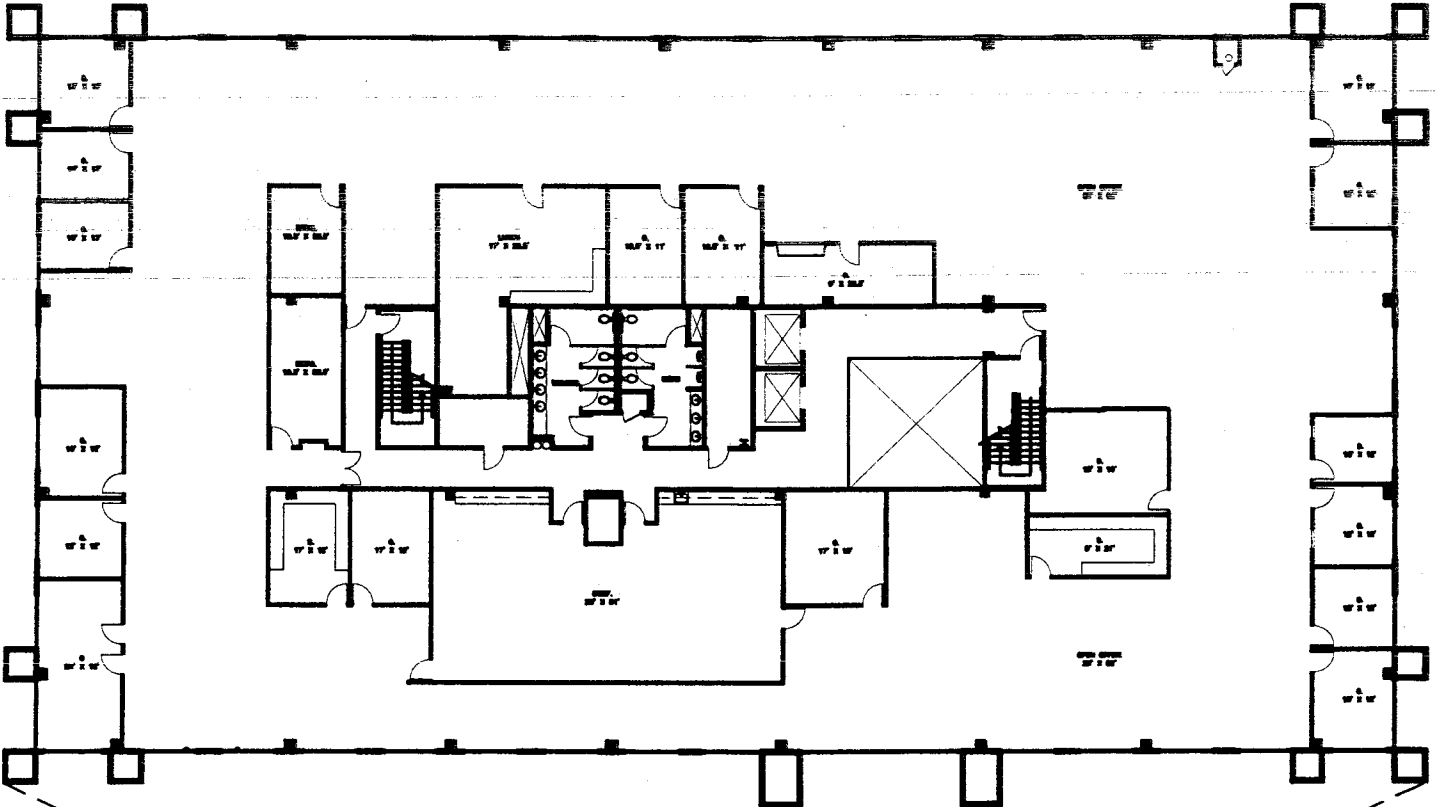
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# theMullercompany



This document identifies the perimeter configuration of the lease space only and shall not be used for construction. Any discrepancies shall be brought to the attention of the Property Manager.

## Market Street Corporate Center

Suite: 200

2300 Market Street

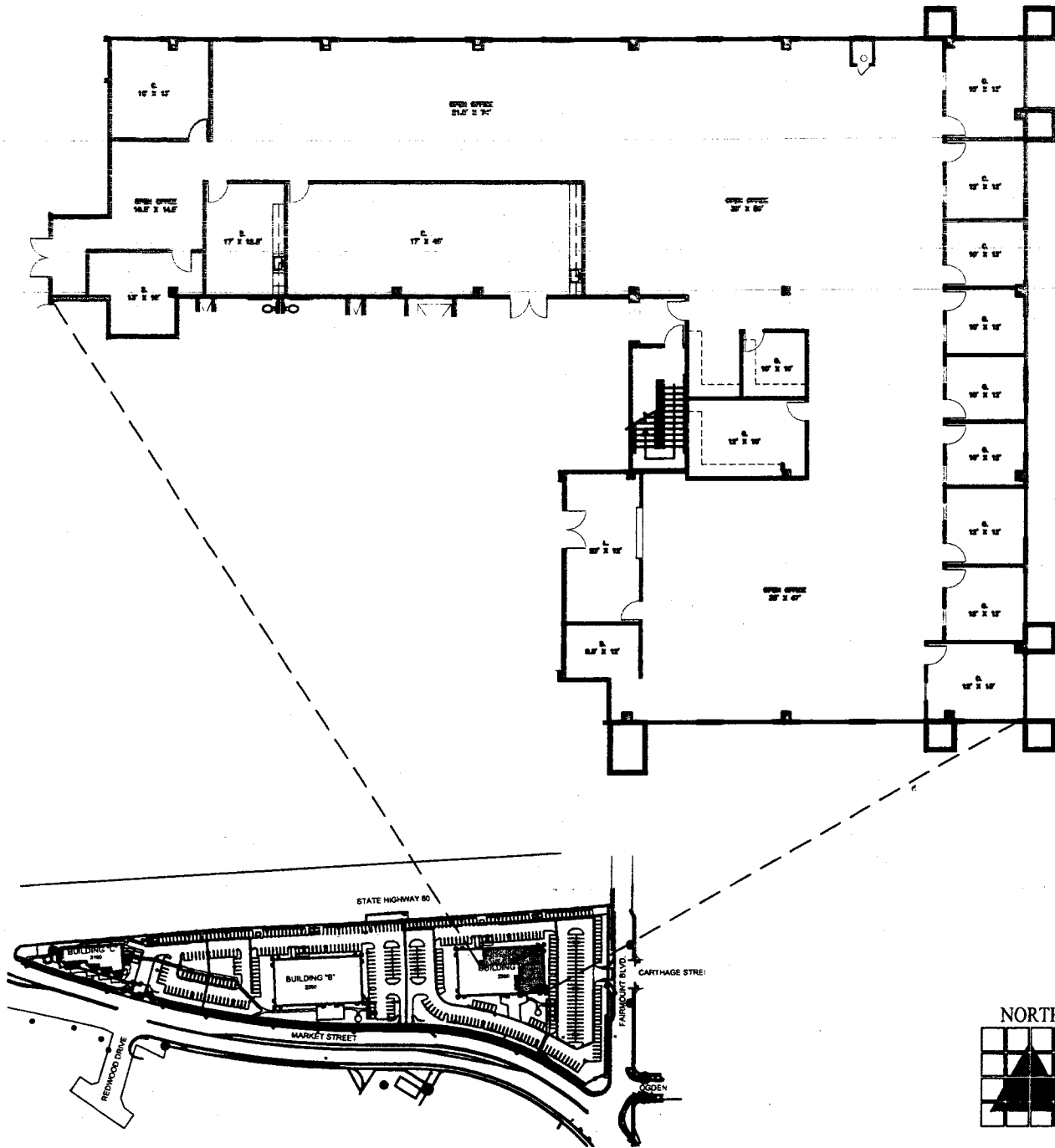
Riverside, CA

Date: 06.20.11

Scale: N.T.S.

All drawings and written material appearing herein constitute original and unpublished work of the architect and may not be duplicated. PDF format printing may result in drawing scale discrepancies.

# theMullercompany



This document identifies the perimeter configuration of the lease space only and shall not be used for construction. Any discrepancies shall be brought to the attention of the Property Manager.

## Market Street Corporate Center

Suite: 100

2300 Market Street

Riverside, CA

Date: 07.22.11

Scale: N.T.S.

All drawings and written material appearing herein constitute original and unpublished work of the architect and may not be duplicated. PDF format printing may result in drawing scale discrepancies.

Department of Public Social Services  
2300 Market Street, Suites 100 & 200  
Riverside, California

Scope of Work

|  |  |  |  |
|--|--|--|--|
| <b>DEMOLITION</b>  |  |  |  |
| 1. Remove all floor covering & base  |  |  |  |
| 2. Scrape & boom sweep   |  |  |  |
| 3. Remove all partition walls per 10/31/11 meeting   |  |  |  |
| 4. Remove current copper and fiber voice/data cabling from the plenum and riser space  |  |  |  |
| 5. Salvage door frames, doors, hardware, windows, and glass for possible reuse   |  |  |  |
| 6. Dispose of all material   |  |  |  |
| 7. Recycle materials   |  |  |  |
| <b>FIRE SPRINKLERS</b>   |  |  |  |
| 1. Provide plans and permit  |  |  |  |
| 2. Labor and material to add/relocate existing fire sprinklers to accommodate new floor plans.   |  |  |  |
| <b>HVAC</b>  |  |  |  |
| 1. Furnish and install new supply and return registers (metal back 4-way adjustable)   |  |  |  |
| 2. Rework branch ducting in flex duct for new office configuration   |  |  |  |
| 3. Furnish and install manual volume air dampers for air supplies.   |  |  |  |
| 4. Use existing thermostats and control wiring   |  |  |  |
| 5. Add 4 ea. Additional 5 ton split package units with new air distribution ducting and thermostats.   |  |  |  |
| 6. Provide and install a 24 hour A/C unit in server rooms (2)  |  |  |  |
| <b>ELECTRICAL</b>  |  |  |  |
| 1. Complete electrical tenant improvement of the partial first floor and the entire second floor excluding the common areas, i.e. elevator lobbies, restrooms, and corridors.                                |  |  |  |
| 2. Electrical demolition, inclusive of safe-off of existing power for complete demolition. Will disconnect all existing power provisions in the area to be demolished, for safe operation.                   |  |  |  |
| 3. Remove and replace the existing light fixtures in the areas required to be demolished.  |  |  |  |
| 4. Furnish and install Title 24 complaint lighting controls throughout the first and second floor tenant improvements  |  |  |  |
| 5. Furnish and install new exit signs, complete with battery back-up power, based the new floor plan for both the first and second floor tenant improvements.  |  |  |  |
| 6. Furnish and install proper egress lighting on each of the two floor spaces, inclusive of emergency battery pack to be installed in light fixtures.  |  |  |  |
| 7. Furnish and install one (1) 75KVA, 480-120/208V step-down transformer, and one (1) 225A, three-phase, four-wire panel board, on both the first and the second floor, to allow the proper power provisions |  |  |  |

|  |  |  |  |
|--|--|--|--|
| to fill the open floor space with furniture partitions on both floors.   |  |  |  |
| 8. Installation of the furniture partition power feed whips.   |  |  |  |
| 9. Furnish and install dedicated power provisions on each of the two floors for up to four(4) copiers or specialized pieces of equipment, per floor.   |  |  |  |
| 10. Furnish and installation of all telephone/data device outlets throughout the tenant improvement space on first and second floor, consisting of 1" conduit stub-ups above the accessible ceiling space with pull-strings.                                     |  |  |  |
| 11. Furnish and install one (1) new floor mounted power and tel/data provisions in the new second floor conference room.   |  |  |  |
| 12. Dedicated power provisions for to the first and second floor communication rooms, consisting of a dedicated 100A, Three-phase, four-wire, thirty (30) circuit, 120/208V panel board; to be located in the first floor Comm RM.                               |  |  |  |
| 13. Furnish and install a ground buss in each of the two(2) communication rooms.   |  |  |  |
| 14. Temporary power and lighting provisions provide, and maintained, throughout construction.  |  |  |  |
| 15. Furnish and install one (1) 4" conduit raceway in from the first floor communications room to the second floor communication room to the third floor communication room. All through floor penetration shall be fully NFPA approved fire rated penetrations. |  |  |  |
| 16. Furnish power to 4-5 ton HVAC units  |  |  |  |
| 17. All work installed per NFPA, NEC (nation Electric code) and CEC (California Electric Code).  |  |  |  |
| 18. All work to be performed during normal business hours.   |  |  |  |
| <b>PLUMBING (Allowance)</b>  |  |  |  |
| 1. Replace 1st & 2nd floor lunchroom fixtures  |  |  |  |
| 2. Install condensate lines for new HVAC units   |  |  |  |
| <b>METAL STUD FRAMING &amp; DRYWALL</b>  |  |  |  |
| 1. Scare patching as required  |  |  |  |
| 2. Door & window fill ins as required  |  |  |  |
| 3. Construct shaft from roof to 1st and 2nd floor for HVAC units   |  |  |  |
| 4. Install 3 5/8 20 gauge studs at 16" O.C. with 5/8" drywall both sides (300 L/Ft)  |  |  |  |
| <b>DOORS, FRAMES &amp; HARDWARE</b>  |  |  |  |
| 1. Relocate 10 units   |  |  |  |
| 2. Provide 5 new lock sets   |  |  |  |
| <b>PAINTING</b>  |  |  |  |
| 1. Prep existing walls to receive new finish   |  |  |  |
| 2. New walls to be primered  |  |  |  |
| 3. All walls to have 2 coats paint   |  |  |  |
| <b>FLOORING</b>  |  |  |  |
| 1. Provide & Install 3,150 sq. yds Atlas carpet Tile   |  |  |  |
| 2. Provide & Install 4,000 L/Ft. top set rubber base   |  |  |  |
| 3. Provide & Install 1,710 Sq.Ft. VCT  |  |  |  |
| 4. Provide & Install 400 L/Ft top set base   |  |  |  |
| Preparation of all surfaces  |  |  |  |
| <b>ACOUSTICAL CEILING</b>  |  |  |  |
| 1. Remove all existing Armstrong 5/8"x2'x2' Cortega tegular tile   |  |  |  |
| 2. Save undamaged tile for reuse   |  |  |  |
| 3. Repair/replace prelude 15/16" grid, heavy duty, 1" wall mold  |  |  |  |

|  |  |  |  |
|--|--|--|--|
| with seismic perimeter wall clips                        |  |  |  |
| 4. Install seismic struts                                |  |  |  |
| 5. Reinstall tile (salvage & new)                        |  |  |  |
|  |  |  |  |
| <b>MILLWORK</b>  |  |  |  |
| Replace existing lunch room cabinetry per DPSS standards |  |  |  |
| Mailroom (Est.) cabinets, boyes &                        |  |  |  |
| Work Tops- Reception Desk                                |  |  |  |