

*Maria T. Mabey*  
 MARIA T. MABEY  
 ASSISTANT DIRECTOR  
 DEPT. OF MENTAL HEALTH  
 RIVERSIDE COUNTY

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

649



**FROM:** Department of Facilities Management

**SUBMITTAL DATE:**  
 September 12, 2008

**SUBJECT:** First Amendment to Lease - Department of Mental Health, Lake Elsinore

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

1. Approve the First Amendment to the Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Department of Facilities Management's FY 2008/09 budget as set forth on Schedule A.

**BACKGROUND:** (Commences on Page 2)

FISCAL PROCEDURES APPROVED  
 ROBERT E. BYRD, AUDITOR-CONTROLLER

BY: *Susana Garcia-Bocanegra* 9/19/08  
 SUSANA GARCIA-BOCANEGRA

*Robert Field*

Robert Field, Director  
 Department of Facilities Management

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$163,714	<b>In Current Year Budget:</b>	Partially
	<b>Current F.Y. Net County Cost:</b>	\$ 0	<b>Budget Adjustment:</b>	Yes
	<b>Annual Net County Cost:</b>	\$ 0	<b>For Fiscal Year:</b>	08/09

<b>SOURCE OF FUNDS:</b> State	<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:**

**County Executive Office Signature**

Reviewed by  
 Christopher Hans  
 9/16/08

FORM APPROVED COUNTY COUNSEL  
 BY: *Gordon V. Woo* 9/16/08  
 GORDON V. WOO  
 Departmental Concurrence  
 DATE

Dep't Recomm.:  Consent  Policy

Per Exec. Ofc.:  Consent  Policy

Prev. Agn. Ref.: 04/01/08 3.15 | District: 1 | Agenda Number:

ATTACHMENTS FILED  
 WITH THE CLERK OF THE BOARD

3.42

**BACKGROUND:**

On April 1, 2008, the Board of Supervisors approved a lease agreement for the Department of Mental Health (DOMH) to lease office space in the City of Lake Elsinore to establish a mental health clinic. The lease agreement provided for certain tenant improvements to the premises to accommodate the department's requirements for the new clinic. Subsequent to execution of the lease agreement and during the course of construction, the landlord became aware of additional costs to be imposed by the local utility companies and additional changes initiated by the DOMH to complete the project.

The First Amendment to Lease modifies the original tenant improvement reimbursement from \$556,164 plus a 10 percent (10%) contingency, increasing it by \$157,100 to \$768,880.

Specifically, the changes include upgrades to the existing electrical transformer and supply/infrastructure to the building, an increase in the size of water meter and water lines to the building, improvements necessary for the inclusion of the older adults program, and additional security related improvements.

These costs are summarized as follows below:

Utility Upgrades:	\$ 60,400
Security:	\$ 31,100
Ceiling Modifications, elect:	\$ 44,960
Mgt/Insurance:	<u>\$ 20,640</u>
Total:	\$157,100

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

**FINANCIAL DATA:**

All associated costs for this First Amendment to Lease will be fully funded through the DOMH's budget. DOMH has budgeted these costs in FY 2008/09; however the Department of Facilities Management (DOFM) requires a budget adjustment to its FY 2008/09 budget to cover related transactional costs with the property owners. While DOFM will front the costs for this First Amendment to Lease with the property owner, the DOMH will reimburse DOFM for all associated lease costs.

## Schedule A

Increase Appropriations:

10000-7200400000-526700 - Rent/Lease Buildings	\$157,100
10000-7200400000-572500 - Intra-Leases	(\$157,100)

# Exhibit A

## DOMH Lease Cost Analysis for FY 2008/09 31946 Mission Trail, Suite B, Lake Elsinore

Original Tenant Improvement Costs for Expansion Space:	\$	556,164	
TI's 10% contingency:	\$	55,616	
<b>Additional Tenant Improvement Cost:</b>			<b>\$ 157,100</b>
<b>RCIT Improvements:</b>			<b>\$ -</b>
<b>FM Lease Management Fee (Based @ 4.21%)</b>			<b>\$ <u>6,614</u></b>
<b>Total Estimated Lease Cost FY 2008/09:</b>			<b>\$ 163,714</b>