

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

350



FROM: Economic Development Agency

SUBMITTAL DATE:
August 17, 2009

SUBJECT: First Amendment To Lease, Department of Mental Health, Banning

RECOMMENDED MOTION: That the Board of Supervisors approve the attached First Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County.

BACKGROUND: The Department of Mental Health currently leases approximately 9,000 square feet of office space for its Mental Health Clinic located at 1330 W. Ramsey Street, in the City of Banning. The office space continues to meet the needs of the department. However, the department may consider a relocation in the next twelve months. This Form 11 extends the lease for one year and provides the department with the right to terminate the lease with thirty days notice. To assist the department and reduce lease costs, the Economic Development Agency (EDA), Real Estate Division, has negotiated a rental rate reduction with the Landlord. Rent has been reduced from \$1.67 psf. to \$1.40 psf. effective November 1, 2009. The lower rent results in a favorable 20% reduction for the department. It was agreed and determined that no tenant improvements are required for the short duration of extended occupancy.

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$113,260	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ -0-	Budget Adjustment:	No
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	09/10

SOURCE OF FUNDS: 72.95% Med-Cal; 9.51% State; 15.65% Grants/MOU; 1.89% 3 rd Party	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
 BY: *Jennifer L. Sargent*
 Jennifer L. Sargent

County Executive Office Signature

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

FORM APPROVED COUNTY COUNSEL
 BY: *Synthia M. Gunzel*
 DATE: *8/20/09*
 Department: *Mental Concurrence*
 SYNTHIA M. GUNZEL

Maria T. Mabey
 MARIA T. MABEY, ASST DIRECTOR
 RIVERSIDE COUNTY DMH

BACKGROUND: (Continued)

Lessor: B.H. Properties, LLC

Premises Location: 1330 W. Ramsey, Banning, California 92220.

Size: Approximately 9,000 square feet.

Term: One (1) year, November 1, 2009 to October 31, 2010.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.67 per square foot	\$ 1.40 per square foot
	\$ 15,065.11 per month	\$ 12,600.00 per month
	\$180,781.32 per year	\$151,200.00 per year
	Savings per square foot:	20% reduction
	Savings per month:	\$ 2,465.00
	Savings per year:	\$29,580.00

Rent Adjustments: None

Utilities: County pays electric and phone.
Lessor pays all other services.

Tenant Improvements: None.

Maintenance: Provided by Lessor.

Custodial: Provided by Lessor.

Market Data:	3055 W. Ramsey Street, Banning	\$1.68 p.s.f.
	901 Ramsey Street, Banning	\$2.08 p.s.f.
	235 N. Murray Street, Banning	\$1.77 p.s.f.

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

Economic Development Agency
First Amendment to Lease, Department of Mental Health, Banning
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FINANCIAL DATA:

This Lease rate reduction saves the Department of Mental Health (DOMH) \$29,580 during the extended one year term. All associated costs for this First Amendment to Lease will be fully funded through the DOMH budget. DOMH has budgeted these costs in FY2009/10.

While EDA will front the costs for this amendment with the property owner, DOMH will reimburse EDA for all associated lease costs. No additional net county costs will be incurred as a result of the First Amendment to Lease.

Exhibit A

Mental Health Lease Cost Analysis for FY 2009/10 1330 West Ramsey Street, Banning, California

Current Square Feet Occupied:

Office: 9,000 SQFT

Cost per Square Foot: \$ 1.40

Lease Cost per Month (November 1, 2009 - June 30, 2010) \$ 12,600
Total Estimated Lease Cost for FY 2009/10 \$ 100,800

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (November 1, 2009 - June 30, 2010) \$ 8,640

Total Estimated Utility Cost for FY 2009/10 \$ 8,640

FM Lease Management Fee (Based @ 3.79%) \$ 3,820

Total Estimated Lease Cost FY 2009/10: \$ 113,260

Exhibit B

Mental Health Lease Cost Analysis for FY 2010/11 1330 West Ramsey Street, Banning, California

Current Square Feet Occupied:

Office: 9,000 SQFT

Cost per Square Foot: \$ 1.40

Lease Cost per Month (July 1, 2010 -October 31, 2010)

\$ 12,600

Total Estimated Lease Cost for FY 2010/11

\$

50,400

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2010 -October 31, 2010)

\$ 4,320

Total Estimated Utility Cost for FY 2010/11

\$

4,320

FM Lease Management Fee (Based @ 3.79%)

\$

1,910

Total Estimated Lease Cost FY 2010/11:

\$

56,630

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FIRST AMENDMENT TO LEASE
(Department of Mental Health,
1330 West Ramsey Street, Banning, California)

THIS FIRST AMENDMENT to Mental Health Office Lease ("First Amendment") is made as of _____, 2009, by and between the **County of Riverside**, a political subdivision of the State of California ("County"), and **B.H. PROPERTIES, L.L.C.**, a California Limited Liability Company, ("Lessor").

1. Recitals.

a. County and Lessor entered into that certain office Lease dated April 16, 2002 (the "Original Lease") in which County Leased office space consisting of approximately 9,000 square feet located at 1330 West Ramsey Street, Banning, California (the "building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The term of the Lease, as heretofore amended, will expire October 9, 2009. County and Lessor desire to further amend the Lease to extend the term of the Lease, to modify the monthly rental payments and to otherwise modify the terms and condition of the Lease as set forth in 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: First 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 First Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains in full force and effect except to the extent amended by this First Amendment.

3. Extension of Term. The Term of this Lease is hereby extended one (1) year. The extended term will commence on November 1, 2009, and will expire on October 31, 2010 ("Extended Term"). October 31, 2010 shall hereafter be the "Expiration Date."

4. Rent During Extended Term. County shall pay to Lessor the monthly sums as rent for the Leased premises during the term of this Lease as indicated below:


<u>Amount</u>	<u>Year</u>
\$12,600.00	11/1/09- 10/31/10

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2 **5. County's Right to Early Termination.** Section 6.4 and 6.4.1 of Original
3 Lease, County's right to early termination pursuant to Section 6.4 of the original Lease
4 is hereby deleted in its entirety.

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6 **6.** This First Amendment to Lease shall not be binding or consummated
7 until its approval by the Board of Supervisors of Riverside County.

8 Dated: _____

B.H. PROPERTIES, L.L.C.

9
10 By:  _____
11 Arsalan Gozini, Member

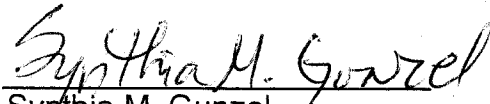
COUNTY OF RIVERSIDE

12 By: _____
13 Jeff Stone, Chairman
14 Board of Supervisors

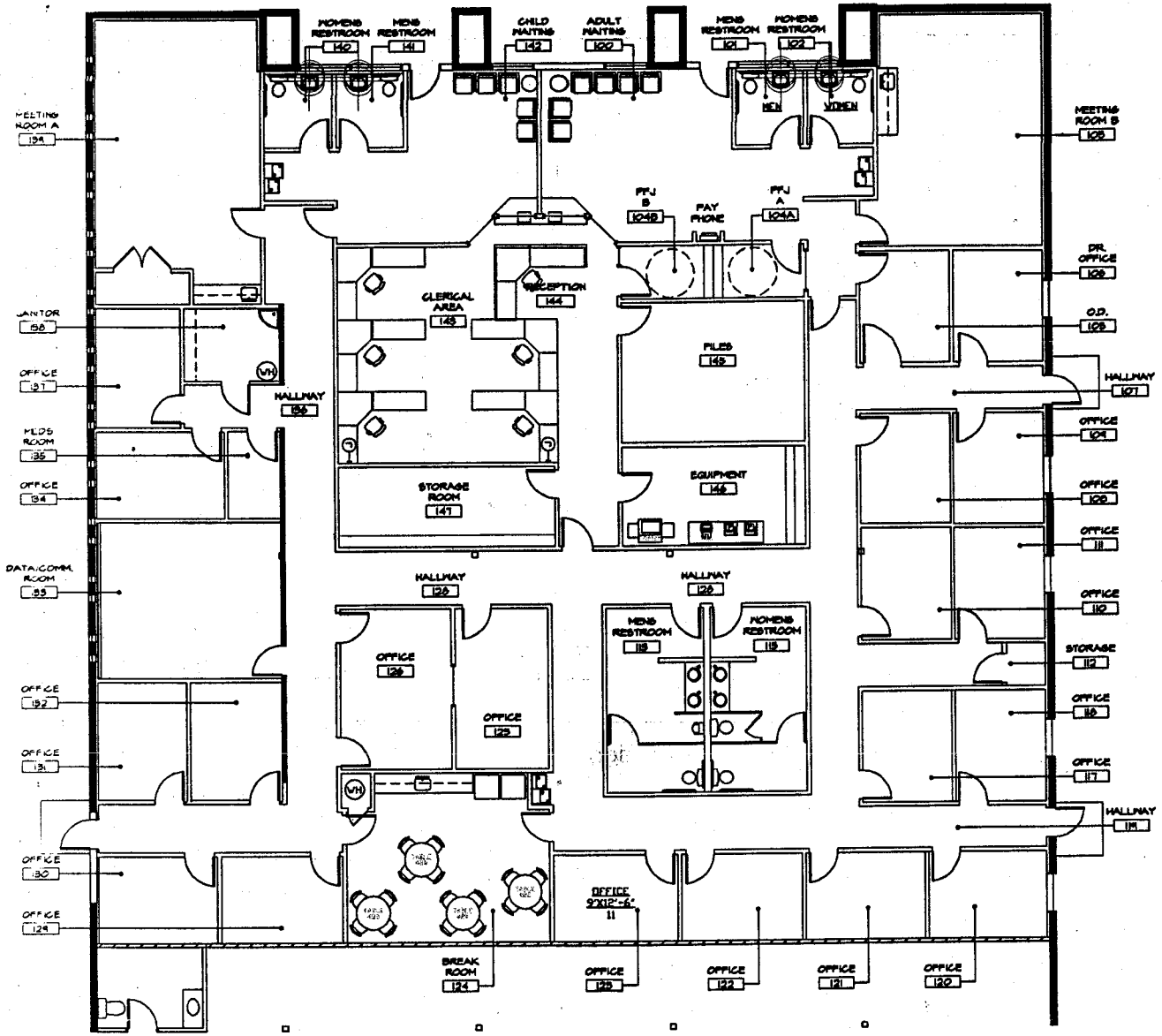
15 **ATTEST:**
16 Kecia Harper-Ihem
17 Clerk of the Board

18 By _____
19 Deputy

20 **APPROVED AS TO FORM:**
21 Pamela J. Walls
22 County Counsel

23 By:  _____
24 Synthia M. Gunzel
25 Deputy County Counsel

CC:ra
08100922
BA021
12.64923



LEGEND

- NEW CEILING HEIGHT PARTITION
- EXISTING PARTITION TO REMAIN
- NEW DEMISING PARTITION
- NEW 1/4" TEMPERED GLASS W/ PAINTED ALUMINUM FRAME. SEE ELEVATIONS FOR SPECIFICATION.
- NEW BLDG. STD. DOOR FRAME AND LEVER HARDWARE. SEE NOTES FOR SPECIFICATION
- WALL MOUNTED DUPLEX
- WALL-MOUNTED FOUR-FLEX
- WALL MOUNTED SEPARATE CIRCUIT
- WALL MOUNTED TELE/DATA/TV OUTLET
- WALL MOUNTED J-BOX OUTLET FOR FURNITURE HOOK-UP

PLAN SPECIFIC NOTES

- ① DEMO EXISTING WALLS, CEILING AND FINISHES THROUGHOUT, UNLESS NOTED OTHERWISE ON PLAN.
- ② INSTALL NEW CEILING HEIGHT PARTITIONS AS INDICATED. PROVIDE COST TO INSTALL R-11 INSULATION IN WALLS OF OFFICES & GROUP ROOMS. INSTALL R-11 INSULATION IN RESTROOM WALLS AND ABOVE CEILING.
- ③ REMOVE EXISTING WINDOW-ASSEMBLY AND REPLACE WITH DUAL PANE LOW-E REFLECTIVE GLASS.
- ④ PROVIDE NEW BIRCH 5'-0"x6'-8"x1-3/4" STAIN GRADE SOLID CORE BIRCH DOORS WITH ANODIZED 'TIMELY' FRAMES.
- ⑤ REPLACE EXISTING SLIDING DOOR WITH NEW HOLLOW METAL FRAME AND DOOR WITH VISION PANEL.
- ⑥ FURR AND FILL IN OPENINGS WHERE DOOR ASSEMBLIES ARE BEING REMOVED. FINISH TO MATCH EXISTING BLDG. FINISH AND COLOR.
- ⑦ PROVIDE NEW OPENINGS AND INSTALL NEW HOLLOW METAL DOOR ASSEMBLY WITH PANIC HARDWARE.
- ⑧ PROVIDE NEW 2'x4' SECOND LOOK ARMSTRONGS TILE WITH APPROXIMATELY (126) 2'x4' FLUORESCENT LIGHT FIXTURES WITH PRISMATIC LENSES. NOTES FIXTURES TO HAVE ENERGY SAVING BALLASTS AND T8 LAMPS.
- ⑨ CUT IN NEW OPENINGS AND PROVIDE EXTERIOR CLERESTORY WINDOWS IN PAINTED HOLLOW METAL FRAMES. SEE TYPICAL ELEVATION.

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