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

FROM: Economic Agency Development, Real Estate Division

SUBMITTAL DATE:
July 10, 2009

SUBJECT: Second Amendment to Lease – Department of Mental Health, Perris

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

BACKGROUND: On January 13, 2009, a lease agreement was executed by the Assistant County Executive Officer of the Economic Development Agency for a six (6) month extension for the Department of Mental Health (DOMH) facility located at 1688 North Perris Boulevard, in Perris. This Second Amendment to lease will extend the lease twelve (12) months until June 8, 2010.

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$150,652	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ -0-	Budget Adjustment:	No
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	2009/10

SOURCE OF FUNDS: 47.40% Medi-cal; 51.39% State; .65% Grants/MOU; .56% 3rd Party

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

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature

Policy Policy

Consent Consent

Dept. _____
Per Exec. Ofc.: _____

Prev. Agn. Ref.: 6/23/1998, 3.23

District: 5

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.28

MARIA T. MABEY, ASST. DIRECTOR
RIVERSIDE COUNTY DMH

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel*
DATE: *7/10/09*

SYNTHIA M. GUNZEL
Department of Mental Health
DATE

6:00 PM TO 11:55 PM

(Continued)

BACKGROUND:

This facility continues to meet the needs of the department. To assist the department and County with its overall objective of reducing lease costs, the Economic Development Agency (EDA), Real Estate Division, has negotiated the following terms: A one year lease extension, eliminating the annual increase of 3%, and a tenant improvement allowance in the amount of \$1,500.00. Since there is no annual increase the department has saved approximately \$4,366.44 for the current lease term. Combined together with the tenant improvement allowance the department will achieve a cost savings in the approximate amount of \$5,866.44 per the extended term.

Lessor: Coudures Family Limited Partnership
c/o 1st Commercial Real Group Inc.
1688 North Perris Boulevard, Suite F4
Perris, California 92571

Premises Location: 1688 North Perris Boulevard
Suites L7 through L11
Perris, California 92571

Size: Approximately 8,640 Square feet

Term: Effective as of June 9, 2009 and terminating June 8, 2010

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.79 per square feet	\$ 1.79 per square feet
	\$ 15,128.93 per month	\$ 15,128.93 per month
	\$181,547.16 per year	\$181,547.16 per year

Savings per lease term by negotiating the elimination of the 3% annual increase and the addition of the Tenant Improvement Allowance resulted in a cost saving for the Department of \$5,866.44 for the current lease term.

Annual Increase: \$0

Utilities: County pays phone and electric. Landlord pays for gas and refuse.

Custodial Services: Landlord

Maintenance: Landlord

(Continued)

BACKGROUND:

Improvements: Landlord to provide a tenant improvement allowance in the amount of \$1,500. This improvement allowance will provide for new carpet in lobby, fresh paint in lobby, a new door for janitors closet and a door lock for room 135.

Market Data:	2055 N. Perris Boulevard	\$1.84 per square feet
	764 W. Ramona Express way	\$1.85 per square feet

RCIT Costs: None

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

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully reimbursed through DOMH's budget. DOMH has budgeted for these costs in FY 2009/2010. No budget adjustment is required. While EDA will front the costs for the Second Amendment to Lease with the property owners, DOMH will reimburse EDA for all associated costs.

Exhibit A

Mental Health Lease Cost Analysis for FY 2009/10 1688 North Perris Boulevard, Perris, California

Current Square Feet Occupied:

Office: 8,640 SQFT

Cost per Square Foot: \$ 1.79

Lease Cost per Month (June 9, 2009 - June 8, 2010)

\$ 15,129

Total Estimated Lease Cost for FY 2009/10

\$ 136,160

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (June 9, 2009 - June 8, 2010)

\$ 9,331

Total Estimated Utility Cost for FY 2009/10

\$ 9,331

FM Lease Management Fee (Based @ 3.79%)

\$ 5,160

Total Estimated Lease Cost FY 2009/10:

\$ 150,652

1 **SECOND AMENDMENT TO LEASE**

2 (Department of Mental Health,
3 1688 North Perris Boulevard, Suites L7
4 through L11, Perris, California)

5 This Second Amendment to Department of Mental Health Office Lease ("Second
6 Amendment") is made as of _____, 2009, by and between the **COUNTY
7 OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **COUDURES
8 FAMILY LIMITED PARTNERSHIP** ("Lessor").

9 **1. Recitals.**

10 a. Coudures Family Limited Partnership, ("Lessor") and COUNTY OF
11 RIVERSIDE, ("County") entered into that certain Department of Mental Health Lease dated
12 June 23, 1998, (the "Original Lease") pursuant to which County leased 8,460 square feet of
13 office space at 1688 North Perris Boulevard, Suites L7 through L11, Perris, California, as more
14 particularly shown on Exhibit "A", attached hereto and made a part of hereof.

15 b. The original Lease has been amended by:

16 i. That certain First Amendment of Coudures Family Limited Partnership
17 Lease dated January 13, 2009, by and between Coudures Family Limited Partnership and
18 County of Riverside (the "First Amendment")

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

21 d. The term of the Lease, as heretofore amended, will expire June 8, 2010.
22 County and Lessor desire to further amend the Lease to extend the term of the Lease, to
23 modify the monthly rental payments and to otherwise modify the term and conditions of the
24 Lease as set forth in this Second Amendment.

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

2. Capitalized Terms: Second 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 the Second 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 Second Amendment.

3. Extension of Term. The Term of the Lease is hereby extended one (1) year.
The extended term will commence on June 9, 2009 ("Extended Term"). June 8, 2010 shall
hereafter be the "Expiration Date".

PERRIS PLAZA
 PERRIS, CALIFORNIA
 COUDRES FAMILY PROPERTY
 BY VICTOR R. CONSULTANT

EXHIBIT "A"

ARCHITECTURE PLANNING:
 DE LARAND VASQUEZ & PARTNERS INC.
 5710 W. CENTER ST. SUITE 200 COSTA MESA, CALIFORNIA 92626
 (714) 440-1232

CIVIL ENGINEERING:
 HRP ASSOCIATES
 2700 W. CENTER ST. RIVERSIDE, CALIFORNIA 92506
 (951) 514-1111

