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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.:

RECEIVED BY DHS: Grt

Prev. Agn. Ref.: 6/23/1998, 3.23 | District: 5 | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.67

Marie J. Stokely
MARIA T. MABEY, ASST. DIRECTOR
RIVERSIDE COUNTY DMH

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel*
SYNTHIA M. GUNZEL
Department of Mental Health
DATE: 8/2/09

(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

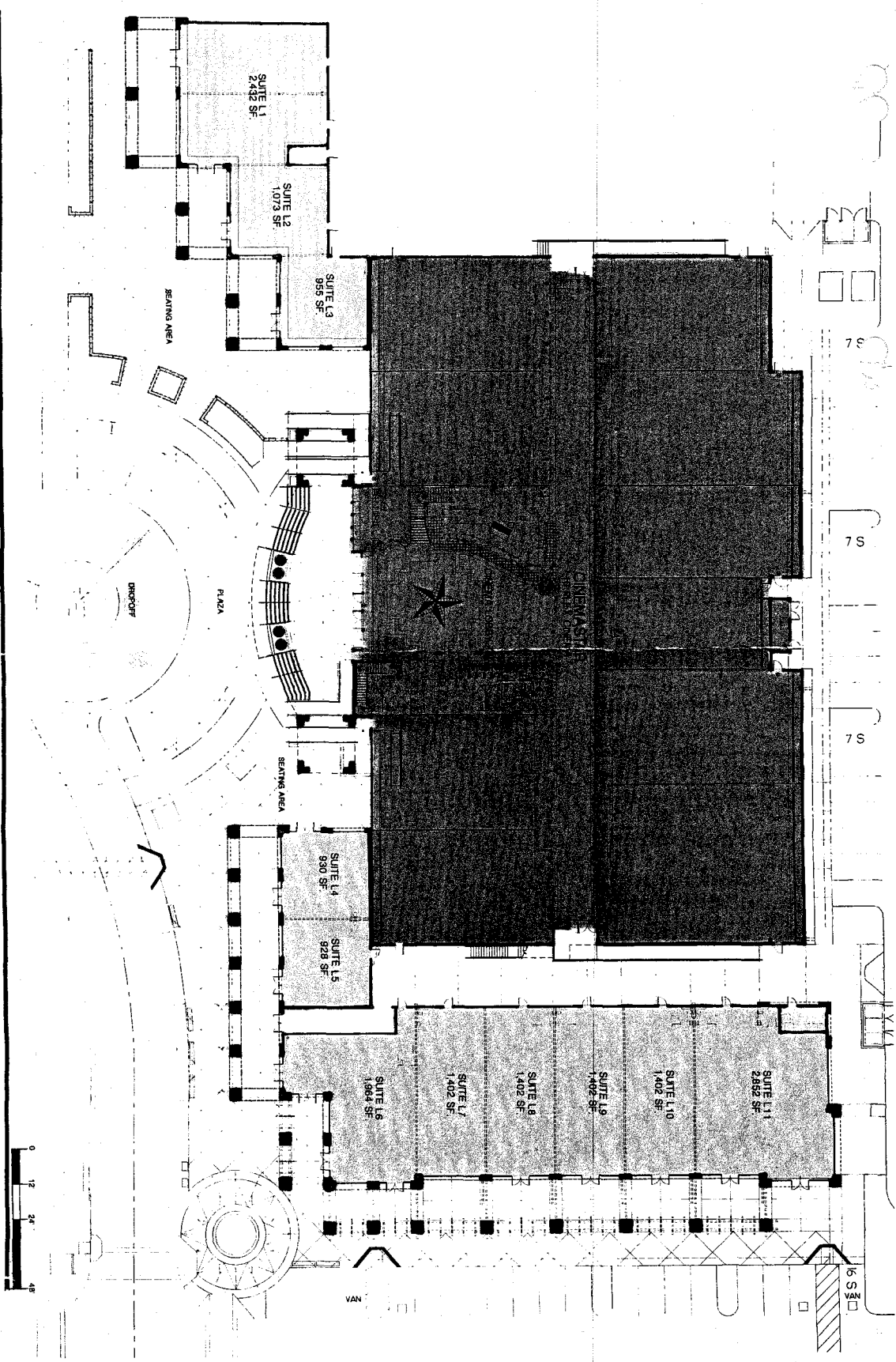
Total Estimated Lease Cost FY 2009/10:

\$ 150,652

PERRIS PLAZA
PERRIS, CALIFORNIA
COUDORES FAMILY PROPERTY
 IN VENDOR CONSULTANT

LONG BEACH FINANCIAL SERVICES
 MICHAEL MAAS & ASSOCIATES
 200 S PERDUE BOULEVARD SUITE 100 PERRIS, CALIFORNIA 92571
 951.417.2222

EXHIBIT "A"



ARCHITECTURE PLANNING:
 MCLELAND VASQUEZ & PARTNERS INC.
 501 TOWN CENTER DR. SUITE 800 COSTA MESA, CALIFORNIA 92626
 714.440.2222

CIVIL ENGINEERING:
 ENGINEERS
 2100 HIGHWAY 91 RIVERSIDE, CALIFORNIA 92506
 951.514.1010

