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



FROM: Economic Development Agency

SUBMITTAL DATE:
November 30, 2009

SUBJECT: First Amendment to Lease – Department of Mental Health, Indio

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached First Amendment to Lease and authorize the Chairman to execute the same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's FY 2009/10 budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (1,032)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ (601)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$11,406	For Fiscal Year:	09/10
SOURCE OF FUNDS: Federal 2.63%; State 39.08%; County 58.28%; 3 rd Party 0.01%			Positions To Be Deleted Per A-30	<input type="checkbox"/>
			Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: *[Signature]* 11/21/10
SUSANA GARCIA-BOCANEGRA

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* 11-5-10
SYNTHIA M. GUNZEL, DATE

Policy

Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.:

District: 4

Agenda Number:

3.18

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

Since September, 2006, the County has leased the small office located at 82-632 Highway 111 in Indio for use by the Department of Mental Health (DOMH). It continues to meet the needs of the Department, and this First Amendment to Lease extends the lease five (5) years. A rent reduction from \$1.98 per square foot to \$1.86 per square foot has been negotiated and equates to a 7% savings for DOMH.

Location: 82-632 Highway 111, Suite A-3
Indio, CA

Lessor: King Street Partners
c/o Capri Realty
44650 Village Court, Suite 200
Palm Desert, CA 92260

Size: 780 square feet

Term: Five (5) years, commencing September 1, 2009, through August 31, 2014.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.98 per sq. ft.	\$ 1.86 per sq. ft.
	\$ 1,544.52 per month	\$ 1,445.00 per month
	\$18,534.24 per year	\$17,340.00 per year

Savings per square foot:	7% reduction
Savings per month:	\$99.52
Savings per year:	\$1,194.24

Rent Adjustments: Three percent (3%) annually.

Utilities: County shall pay for electrical and gas services. Lessor shall pay for all other utilities.

Custodial: Provided by Lessor.

Maintenance: Provided by Lessor.

Improvements: None.

RCIT: None.

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

FINANCIAL DATA:

This Lease rate reduction saves the DOMH \$1,194.24 for the first year of the extended term. All associated costs for this lease amendment will be fully funded through DOMH budget. DOMH has budgeted for these costs in FY2009/10.

The Economic Development Agency (EDA) requires a budget adjustment to its FY 2009/10 budget to cover related transactional costs with the property owner. While EDA will front the costs for this amendment with the property owner, DOMH will reimburse EDA for all associated lease costs.

Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$995)
10000-7200400000-572500 – Intra – Leases	\$995

Exhibit A

Mental Health Lease Cost Analysis for FY 2009/10 82632 Highway 111, Indio, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		780 SQFT	
Cost Per Sq. Ft:	\$	1.98	
Lease Cost per Month		\$ 1,545	
Total Lease Cost included in Budget for FY 2009/10		\$ 18,534	

ACTUAL AMOUNTS

Current office:		780 SQFT	
Approximate Cost per SQFT (July - Aug)	\$	1.98	
Approximate Cost per SQFT (Sept. - June)	\$	1.86	
Lease Cost per Month (July - Aug)	\$	1,545	
Lease Cost per Month (Sept. - June)	\$	1,445	
Total Lease Cost (July - Aug)		\$ 3,089	
Total Lease Cost (Sept. - June)		\$ 14,450	
Total Lease Cost for FY 2009/10		\$ 17,539	
TOTAL LEASE COST SAVINGS FOR FY 2009/10		\$ (995)	

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 94	
Total Estimated Utility Cost for FY 2009/10		\$ 1,123	
Tenant Improvement Costs		N/A	
RCIT Costs		N/A	
EDA Lease Management Fee (Based @ 3.79%)		\$ 702	
Total Estimated Additional Costs included in Budget for FY 2009/10		\$ 1,825	

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 94	
Total Estimated Utility Cost for FY 2009/10 (July - June)	\$	1,123	
Tenant Improvement Costs		N/A	
RCIT Costs		N/A	
EDA Lease Management Fee (Based @ 3.79%)	\$	665	
Total Estimated Additional Costs for FY 2009/10		\$ 1,788	
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10		\$ (37)	
TOTAL SAVINGS FOR LEASE COST FY 2009/10		\$ (1,032)	
Total Net County Cost of 58.28%		\$ (601)	

Exhibit B

Mental Health Lease Cost Analysis for FY 2009/10 82632 Highway 111, Indio, California

Proposed Square Footage:

Office:	780 SQFT		
Cost per Square Foot:	\$	1.86	
Lease Cost per Month (July 1, 2010 - August 31, 2010)		\$1,445	
			<u>\$2,890</u>
Lease Cost per Month (September 1, 2010 - June 30, 2010)*		1,488	
*Includes a 3% increase			<u>14,884</u>
Total Estimated Lease Cost for FY 2010/11:			\$17,774

Estimated Additional Costs:


Utility Cost per Square Foot	\$0.12		
Estimated Utility Costs (July 1, 2010 - June 30, 2011)		1123	
Total Estimated Utility Cost for FY 2010/11			\$1,123
EDA Lease Management Fee (Based @ 3.79%)		<u>\$</u>	<u>674</u>
Total Estimated Lease Cost FY 2010/11:		\$	19,570
Total Annual Net County Cost of 58.28%		\$	11,406

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

Dated: _____

KING STREET PARTNERS

By: 
Lawrence P. Langner
Managing Partner

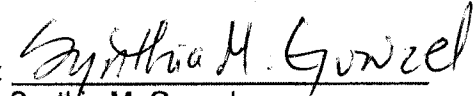
ATTEST:
Kecia Harper-Ihem
Clerk of the Board

COUNTY OF RIVERSIDE

By: _____
Marion Ashley, Chairman
Board of Supervisors

By: _____

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: 
Synthia M. Gunzel
Deputy County Counsel

HR:ra
1/6/10
IN069
13.048