

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

607



Ken J. Kelly
KEN J. KELLY, ASST. DIRECTOR
RIVERSIDE COUNTY DMH

SUBMITTAL DATE:
April 22, 2010

FROM: Economic Agency Development

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

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Sixth Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's FY 2009/2010 budget as outlined on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY *Samuel Wong* 4/12/10
SAMUEL WONG

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	(\$816)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	09/10

SOURCE OF FUNDS: 8.66% State, Other 91.34%

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*
Jennifer L. Sargent

County Executive Office Signature

Policy
 Policy

Consent
 Consent

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 4/24/00, BS; 8/19/03,
3.33; 11/4/03, 3.10; 7/27/04, 3.20;
7/12/05, 3.31; 7/24/06, 3.21

District: 4

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.25

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 3-22-10
SYNTHIA M. GUNZEL DATE

BACKGROUND:

This Sixth Amendment to Lease represents a request from Mental Health to extend the lease for its office located at 45-596 Fargo Street, Suite 6, Indio, California, commencing on May 1, 2010, through April 30, 2015. This facility continues to meet the requirements of the department. The Economic Development Agency, Real Estate Division (EDA), has negotiated a five (5) year lease renewal with a 12% rental rate reduction.

Lessor: Requa Properties, LLC
a California limited company
74040 El Paseo, Suite E
Palm Desert, California 92260

Premises Location: 45-596 Fargo Street, Suite 6, Indio, California

Size: 1,890 sq. ft.

Term: Five (5) years, May 1, 2010 through April 30, 2015

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.72 per sq. ft.	\$ 1.51 per sq. ft.
	\$ 3,247.14 per month	\$ 2,853.90 per month
	\$38,965.68 per year	\$34,246.80 per year

<u>Savings</u>	
Per Sq. Ft.	\$.21
Per Month	\$ 393.24
Per Year	\$4,718.88

Rental Adjustments: 4% annual increase

Utilities: County pays telephone, Landlord pays for all others services.

Custodial Services: Landlord

Maintenance: Landlord

Option to Terminate: Termination for any reason with sixty days notice

Termination Penalty: None

Improvements: None

RCIT Costs: None

(Continued)

BACKGROUND:

Market Data:	81056 Hwy 111, Indio	\$1.75
	81-713 Hwy 111, Indio	\$1.65

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

FINANCIAL DATA:

All associated costs for this Sixth Amendment to Lease will be fully funded through the Department of Mental Health budget. The Department of Mental Health has budgeted these costs in FY 2009/10. While EDA will front the costs for the Third Amendment to Lease with the property owners, the Department of Mental Health will reimburse EDA for all association lease costs.

Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$786)
10000-7200400000-572500 – Intra Leases	\$786

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2009/10 45-596 Fargo Street, Indio, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	1,890	SQFT	
Cost Per Sq. Ft:	\$	1.72	
Lease Cost per Month		\$	3,247.14
Total Lease Cost included in Budget for FY 2009/10			\$ 38,965.68

ACTUAL AMOUNTS

Current office:	1,890	SQFT	
Approximate Cost per SQFT (July - April)	\$	1.72	
Approximate Cost per SQFT (May - June)	\$	1.51	
Lease Cost per Month (July - April)	\$	3,247.14	
Lease Cost per Month (May- June)	\$	2,853.90	
Total Lease Cost (July - April)		\$	32,471.40
Total Lease Cost (May - June)		\$	5,707.80
Total Lease Cost for FY 2009/10			\$ 38,179.20
TOTAL LEASE COST SAVINGS FOR FY 2009/10			\$ (786.48)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	226.80
Total Estimated Utility Cost for FY 2009/10			\$ 2,721.60
Tenant Improvement Costs		N/A	
RCIT Costs		N/A	
EDA Lease Management Fee (Based @ 3.79%)			\$ 1,476.80
Total Estimated Additional Costs included in Budget for FY 2009/10			\$ 4,198.40

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	226.80
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)			\$ 2,721.60
EDA Lease Management Fee (Based @ 3.79%)			\$ 1,446.99
Total Estimated Additional Costs for FY 2009/10			\$ 4,168.59
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10			\$ (29.81)
TOTAL SAVINGS FOR LEASE COST FY 2009/10			\$ (816.29)

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SIXTH AMENDMENT TO LEASE
45-596 Fargo, Suite 6, Indio, California

This **SIXTH AMENDMENT TO LEASE** ("Sixth Amendment") is made as of _____, 2010 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **REQUA PROPERTIES, LLC**, a California limited liability company ("Lessor").

1. Recitals.

a. Lessor (as the successor-in-interest to Hooten Family Trust) and County entered into that certain lease dated April 24, 2000, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 45-596 Fargo Street, Indio, California (the "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated August 19, 2003, (the "First Amendment").

ii. That certain Second Amendment to Lease dated November 4, 2003, (the "Second Amendment").

iii. That the certain Third Amendment to Lease dated July 27, 2004, (the "Third Amendment").

iv. That the certain Fourth Amendment to Lease dated July 12, 2005, (the "Fourth Amendment").

v. That the certain Fifth Amendment to Lease dated July 25, 2006, (the "Fifth Amendment").

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

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

2. Capitalized Terms: Sixth 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 Sixth 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 Sixth Amendment.

3. Lease Term. Section 1 of the Fifth Amendment to Lease shall be amended as follows: The term of this Lease shall be extended sixty (60) months commencing on May 1,

1 2010, and terminating on April 30, 2015.

2 **4. Rent.** County shall pay to Lessor the monthly sums as rent for the leased
3 premises during the term of this Lease as indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$2,853.90	May 1, 2010 to April 30, 2011
\$2,968.06	May 1, 2011 to April 30, 2012
\$3,086.78	May 1, 2012 to April 30, 2013
\$3,210.25	May 1, 2013 to April 30, 2014
\$3,338.66	May 1, 2014 to April 30, 2015

7 **5. Options to Terminate.** County shall have the right to terminate this lease for
8 any reason provided County submits written notice sixty (60) days in advance.

9 **6. Notices.** Section 13 of the Lease shall be amended as follows. Any notices
10 required or desired to be served by either party upon the other shall be addressed to the
11 respective parties as set forth below:

COUNTY:

Economic Development Agency
County of Riverside
3403 Tenth Street, Suite 500
Riverside, California 92501

LESSOR:

Requa Properties, LLC
a California limited company
74040 El Paseo, Suite E
Palm Desert, California 92260

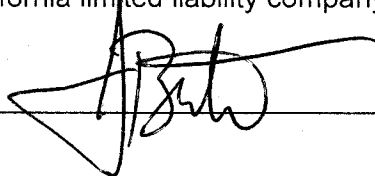
14 **7.** Except as modified or supplemented by this Sixth Amendment to Lease, all
15 provisions of this Lease shall remain in full force and effect.

16 ///
17 ///
18 ///

1 8. This Sixth Amendment to Lease shall not be binding or consummated until its
2 approval by the Board of Supervisors of Riverside County.

3 Dated: _____

4 **REQUA PROPERTIES, LLC**
5 a California limited liability company

6 By: 

7
8 By: _____

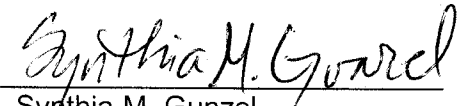
9
10 **COUNTY OF RIVERSIDE**

11
12 By: _____
13 Marion Ashley, Chairman
14 Board of Supervisors

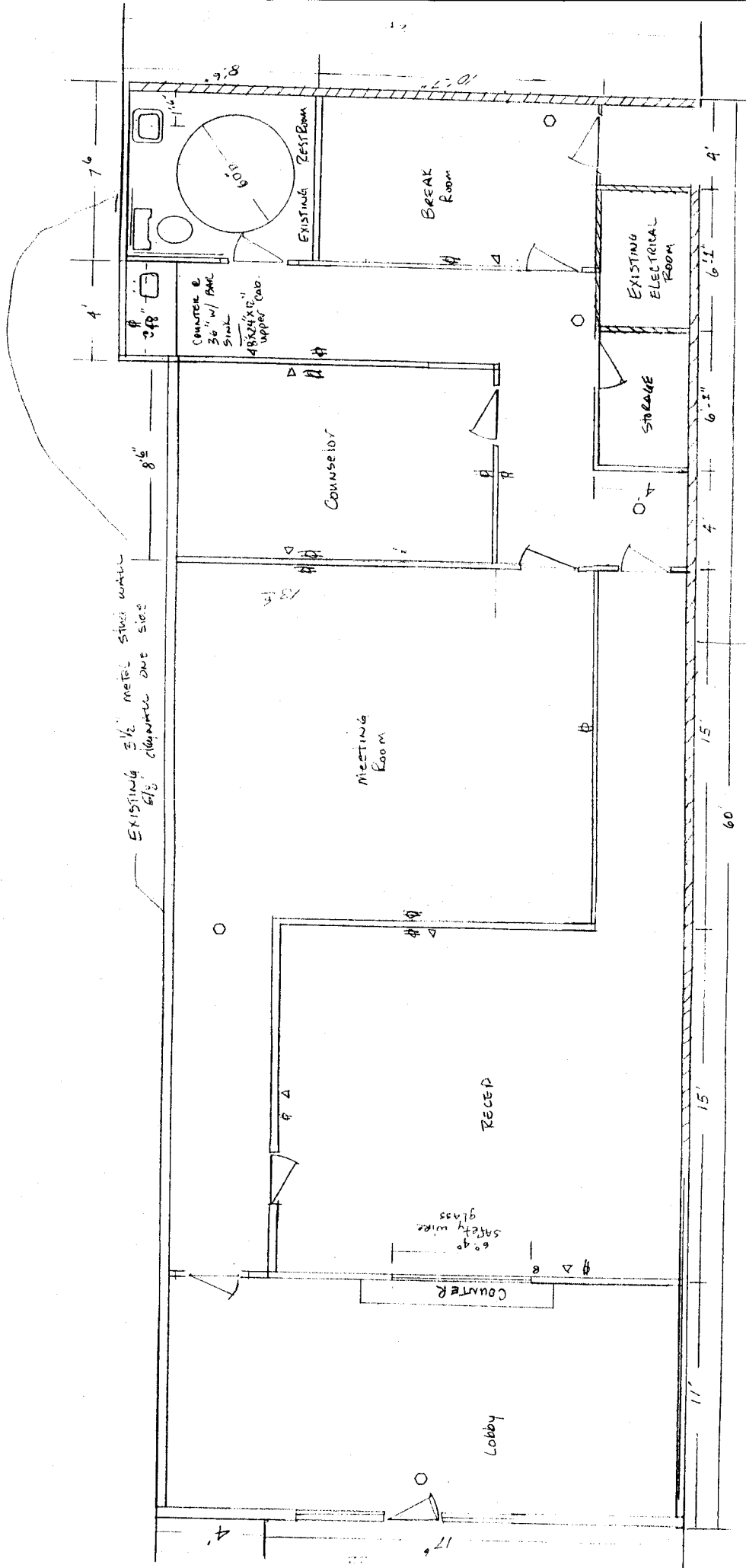
15 **ATTEST:**
16 Kecia Harper-Ihem
17 Clerk of the Board

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

MH:gk 22
02/18/10
IN031 23
13.177



EXISTING 3/4" METAL SINK WITH
6/8" CUPBOARD ONE SIDE

COUNTER &
36" w/ DMC
SINK
48x24x12"
UPPER CAB.

⊕ 110 volt
Elec.
△ Telephone

○ -
Concrete
Block Walls

~~EXIT~~ EXIT SIGNS

EXHIBIT "A"