

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

411



SUBMITTAL DATE:
June 30, 2010

FROM: Economic Development Agency

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

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Third 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)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (2,531)	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: 36.21% Federal, 62.65% State, .57% Grants/MOU, .57% 3 rd Party	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

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY: *Samuel Wong* 6/23/10
 SAMUEL WONG
 FORM APPROVED COUNTY COUNSEL
 BY: *Synthia M. Gunzel* 6-10
 SYNTHIA M. GUNZEL
 DATE
 By: *Jerry Wenged, Director*
 Department of Mental Health
 Policy Consent
 Policy Consent
 Dept't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3.23 of 6/23/1998; District: 5 Agenda Number:
 3.17 of 1/13/2009, 3.67 of 11/24/2009

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.26

BACKGROUND:

This Third Amendment to Lease represents a request from Mental Health to extend the lease for its office located at 1688 North Perris Boulevard, Perris, California, commencing on June 1, 2010, through July 31, 2012. This facility continues to meet the requirements of the department. The Economic Development Agency (EDA), Real Estate Division, has negotiated a twenty six (26) month lease renewal with a 16% rental rate reduction.

Lessor: Coudures Family Limited Partnership
c/o 1st Commercial Real Group Inc.
2009 Porterfield Way, Suite P
Upland, California 91786

Premises Location: 1688 North Perris Boulevard, Perris, California

Size: 8,460 sq. ft.

Term: June 1, 2010 through July 31, 2012

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.79 per sq. ft.	\$ 1.50 per sq. ft.
	\$ 15,128.93 per month	\$ 12,690.00 per month
	\$181,547.16 per year	\$152,280.00 per year

Rental Adjustments: None

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

Custodial Services: Landlord

Maintenance: Landlord

Option to Terminate: Termination for any reason after one year with sixty day notice.

Termination Penalty: None

Improvements: None

RCIT Costs: None

Market Data:	2055 N. Perris Blvd., Perris	\$1.84
	2560 N. Perris Blvd., Perris	\$1.40

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

Economic Development Agency
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June 30, 2010
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FINANCIAL DATA:

All associated costs for this Third 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. This Third Amendment is only to increase term, there will be no financial impact, but if there is, then the Economic Development Agency (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	\$(2,439)
10000-7200400000-572500 – Intra Leases	\$2,439

Exhibit A

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

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		8,460	SQFT	
Cost Per Sq. Ft:	\$		1.79	
Lease Cost per Month			\$ 15,128.93	
Total Lease Cost included in Budget for FY 2009/10			<u>\$ 15,128.93</u>	\$ 181,547.16

ACTUAL AMOUNTS

Current office:		8,460	SQFT	
Approximate Cost per SQFT (July - May)	\$		1.79	
Approximate Cost per SQFT (June)	\$		1.50	
Lease Cost per Month (July - May)	\$		15,128.93	
Lease Cost per Month (June)	\$		12,690.00	
Total Lease Cost (July - May)			<u>\$ 166,418.23</u>	
Total Lease Cost (June)			<u>\$ 12,690.00</u>	
Total Lease Cost for FY 2009/10			<u>\$ 179,108.23</u>	
TOTAL LEASE COST SAVINGS FOR FY 2009/10			<u>\$ (2,438.93)</u>	

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			<u>\$ 1,015.20</u>	
Total Estimated Utility Cost for FY 2009/10			<u>\$ 12,182.40</u>	
Tenant Improvement Costs			N/A	
RCIT Costs			N/A	
EDA Lease Management Fee (Based @ 3.79%)			<u>\$ 6,880.64</u>	
Total Estimated Additional Costs included in Budget for FY 2009/10			<u>\$ 19,063.04</u>	

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			<u>\$ 1,015.20</u>	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)			<u>\$ 12,182.40</u>	
EDA Lease Management Fee (Based @ 3.79%)			<u>\$ 6,788.20</u>	
Total Estimated Additional Costs for FY 2009/10			<u>\$ 18,970.60</u>	
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10			<u>\$ (92.44)</u>	
TOTAL SAVINGS FOR LEASE COST FY 2009/10			<u>\$ (2,531.37)</u>	

1 **THIRD AMENDMENT TO LEASE**
2 **1688 North Perris Boulevard, Perris, California**

3 This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of
4 _____, 2010 by and between the **COUNTY OF RIVERSIDE**, a political
subdivision of the State of California ("County"), and **COUDURES FAMILY LIMITED**
5 **PARTNERSHIP**, ("Lessor").

6 **1. Recitals.**

7 a. Lessor and County entered into that certain lease dated June 23, 1998,
(the "Original Lease") pursuant to which County leased a portion of that certain building
8 located at 1688 North Perris Boulevard, Suite L7 through L11, Perris, California (the
"Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

9 b. The Original Lease has been amended by that certain First Amendment
to Lease dated January 13, 2009, (the "First Amendment").

10 c. The Original Lease has been amended by that certain Second
Amendment to Lease dated November 24, 2009, (the "Second Amendment").

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

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

14 **2. Capitalized Terms:** Third Amendment to Prevail. Unless defined herein or the
15 context requires otherwise, all capitalized terms herein shall have the meaning defined in the
Lease, as heretofore amended. The provisions of this Third Amendment shall prevail over any
16 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
17 except to the extent amended by this Third Amendment.

18 **3. Lease Term.** Section 3 of the Second Amendment to Lease shall be amended
as follows: The term of this Lease shall be extended for twenty six (26) months commencing
19 on July 1, 2010 and terminating on June 30, 2012.

20 **4. Rent.** Monthly rent shall be paid as follows through the extended term:

<u>Monthly Amount</u>	<u>Year</u>
\$12,690.00	June 01, 2010 to July 31, 2012

21
22 **5. Options to Terminate.** Section 12 Subsection (d) is hereby deleted in its
23 entirety. In addition, the language in Section 12 Subsection (c) shall be deleted and amended
as follows:

24 (c) County shall have the right to terminate this Lease after one year
25 for any reason provided County submits written notice to Lessor sixty (60) days in advance.

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

3 **COUNTY:**
4 Economic Development Agency
5 County of Riverside
6 3403 Tenth Street, Suite 500
7 Riverside, California 92501

3 **LESSOR:**
4 Coudures Family Limited Partnership
5 c/o 1st Commercial Realty Group, Inc.
6 Attention: Rose Thommen
7 2009 Porterfield Way, Suite P
8 Upland, CA 91786

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

8 **8.** This Third Amendment to Lease shall not be binding or consummated until its
9 approval by the Board of Supervisors of Riverside County.

10 Dated: _____

COUDURES FAMILY LIMITED PARTNERSHIP

11 By:  _____


12
13 **COUNTY OF RIVERSIDE**

14
15 By: _____
16 Marion Ashley, Chairman
17 Board of Supervisors

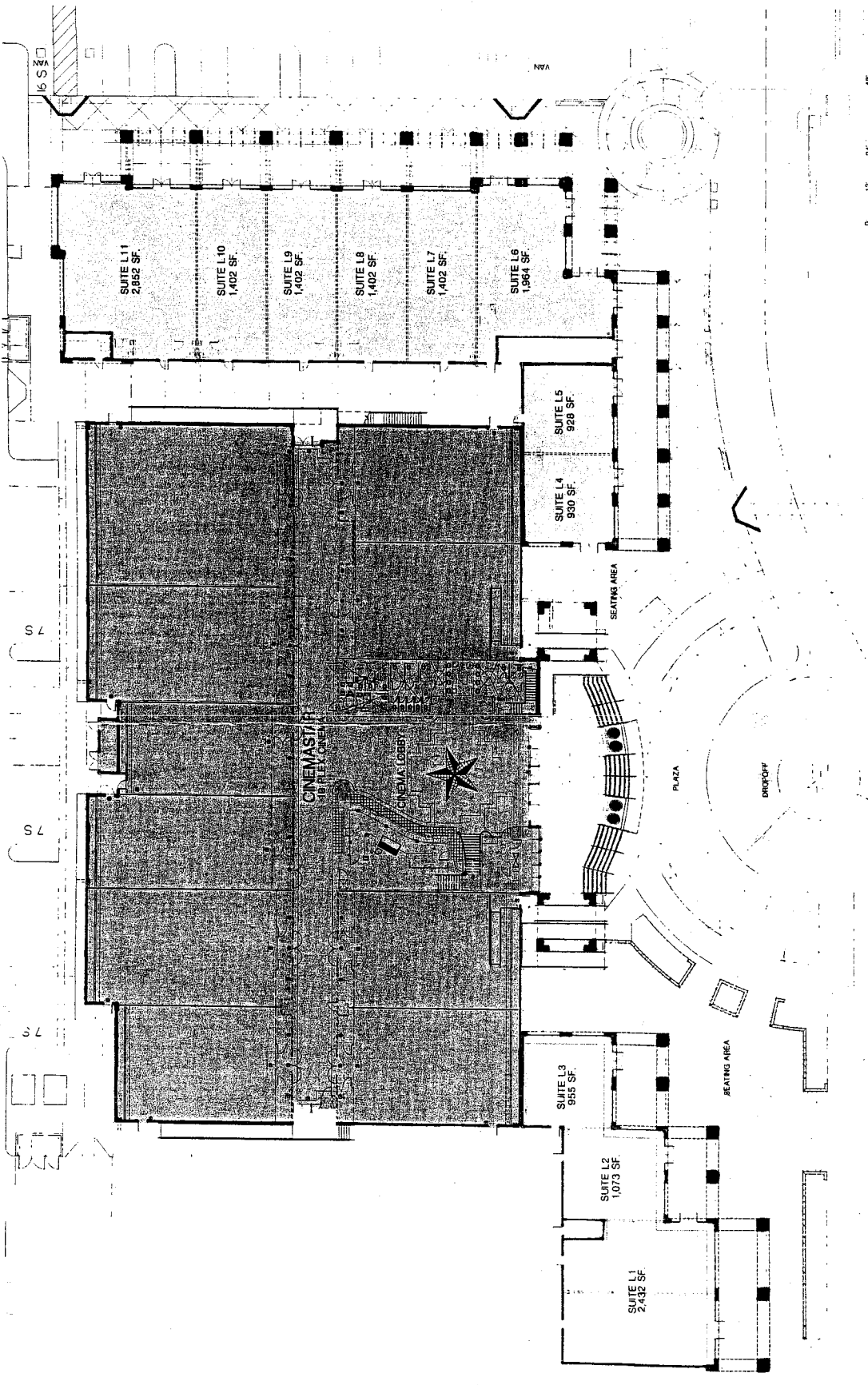
16 **ATTEST:**
17 Kecia Harper-Ihem
18 Clerk of the Board

19 By: _____
20 Deputy

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

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

MH:jw
05/06/10
PR012
13.307



AIR HITTE TUBE PLANNING
 495 LUNA CENTER DR SUITE 100 COSTA MESA, CALIFORNIA 92626
 714-889-2297
ARP
 CIVIL ENGINEERING
 ALBERT A. WEIB ASSOCIATES
 10000 WILSON ST BEVERLY HILLS, CALIFORNIA 91204
 (310) 949-1818

PERRIS PLAZA
 PERRIS, CALIFORNIA
 COUDURES FAMILY PROPERTY
 DEVELOPER CONSULTANT

EXHIBIT "A"

LOSE BEACH FINANCIAL SERVICES
 MR. HAI L. MAAS & ASSOCIATES
 10000 WILSON ST BEVERLY HILLS, CALIFORNIA 91204
 (310) 949-1818