MARIA T. MABEY, ASSTONECTOR JERSIDE CO DEPT OF MENTAL HEALTH

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Consent

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Dep't Recomm.:

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

517



FROM: Economic Development Agency

SUBJECT: Revenue Lease - Department of Mental Health, Indio

RECOMMENDED MOTION: That the Board of Supervisors:

Ratify the attached Revenue Lease and authorize the Chairman to execute the same on behalf of the County.

BACKGROUND:

The Department of Mental Health (DOMH) has operated a residential treatment program in the county-owned building located at 47-915 Oasis Street, Indio, since 1997. DOMH desires to enter into an agreement with Anka Behavioral Health, Inc., to occupy a portion of the building and provide services to adults experiencing emotional and/or behavioral issues.

AL THE STREET	adults experiencin	ng emotional and/or behaviora		n or the building	, and provide s	services t	
L	1 5	Robert Field Assistant County Executive Officer/EDA					
5	FINANCIAL	Current F.Y. Total Cost:	(\$137,298)	In Current Year Budget:		N/A	
2	DATA	Current F.Y. Net County Cost:	\$ 0	Budget Adjustm	ent:	No	
L		Annual Net County Cost:	\$ 0	For Fiscal Year:		2010/1	
COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No							
SOURCE OF FUNDS: Revenue Lease				Positions To Be Deleted Per A-30			
_	C.E.O. RECOMMENDATION: APPROVE BY LUM JUM County Executive Office Signature BY LUM JUM Sargent Sargent					Vote	

Prev. Agn. Ref.:

District: 4

Agenda Number:

Economic Development Agency Revenue Lease – Department of Mental Health, Indio October 21, 2010 Page 2

BACKGROUND: (Continued)

The revenue lease is summarized as follows:

Location:

47-915 Oasis Street

Indio, CA 92201

Lessee:

Anka Behavioral Health, Inc.

1850 Gateway Boulevard, Suite 900

Concord, CA 94520

Size:

Approximately 7,518 square feet.

Term:

Five (5) years, commencing upon completion of building modifications and

ending June 30, 2015.

Rent:

\$22,883.16 to be paid monthly to County.

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

FINANCIAL DATA:

DOMH has contracted with Anka Behavioral Health, Inc., to provide services in this facility relative to Mental Health's residential program. Through the lease, the DOMH will receive rent revenue from lessee for use of the facility. The rent will be applied to the actual operating cost of the facility. Thus, no net county cost will be incurred as a result of this transaction.

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LEASE (COUNTY OF RIVERSIDE AND ANKA BEHAVIORAL HEALTH, INC., 47-915 Oasis Street, Indio, California)

The **COUNTY OF RIVERSIDE**, herein called County, leases to **ANKA BEHAVIORAL HEALTH, INC.**, a California corporation, herein called Lessee, the property described below upon the following terms and conditions:

1. Recitals.

- (a) County, through Department of Mental Health, conducts a residential treatment program which includes services to adults who are experiencing serious emotional and/or behavioral problems.
- (b) Lessee desires to lease County's building and grounds situated at 47-915 Oasis Street, Indio, California, for the purpose of providing certain services relative to County's residential program.
- (c) Pursuant to Section 26227 of the Government Code, the County Board of Supervisors deems that the services to be provided by Lessee are necessary to meet the social needs of the residents of County as such services relate to the needs of mentally handicapped persons and is willing to contribute thereto by leasing said building and grounds to Lessee.
- 2. <u>Description.</u> The premises leased hereby consists of approximately seven thousand five hundred eighteen (7,518) square feet located at 47-915 Oasis Street, Indio, California, and consist of a building and grounds as more particularly shown on Exhibit "A", attached hereto, and by this reference made a part of this lease.

3. Use.

- (a) The premises are leased hereby for the purpose of providing services in support of County's Department of Mental Health residential treatment program as it relates to adults experiencing emotional and/or behavioral problems.
- (b) The leased premises shall not be used for any other purpose without first obtaining the written consent of County, which consent shall not be unreasonably withheld.
 - (c) Lessee shall have the exclusive use of the leased premises.
- 4. <u>Term.</u> This lease shall be for a period commencing upon substantial completion of tenant improvements, or when services to clients can commence, whichever occurs first, and expiring on June 30, 2015. Lease may thereafter be renewed for one (1) year, subject to the availability of funds and adherence of the lease terms and conditions.
- 5. <u>Operating Cost.</u> Lessee shall pay the sum of \$22,883.16 to the Department of Mental Health commencing upon substantial completion of tenant improvements or the date that services to clients can commence, whichever occurs first, as

All such

purchased with the expressed written approval of the Department of Mental Health Manager

and must be an item essential or integral to the provision of services. New equipment and

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(e) General Insurance Provisions.

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24 25 (1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless waived, in writing, by County Risk Manager, and such carrier(s) shall have an A.M. BEST rating of not less than an A:VII. In addition, any deductibles or self-insured retentions must be declared by such carrier(s) and such deductibles and retentions shall have the prior consent, in writing, from the County Risk Manager and, at the election of the County Risk Manager, such carriers shall be notified in writing and shall either: 1) reduce or eliminate such deductibles or self-insured retentions relating to the County of Riverside, its officers, employees or agents, or 2) procure a bond which guarantees payment of losses and related investigations, claim(s) administration and defense expenses and costs. If no written notice is received from County Risk Manager within ten (10) days of the acceptance of lease then such deductibles or self-insured retentions shall be deemed acceptable.

(2) Cause its insurance carrier(s) to furnish the County of Riverside with either: 1) properly executed original Certificate(s) of Insurance and certified original copies of endorsements effecting coverage as required herein; or 2) if requested to do so, in writing, by County Risk Manager, provide original certified copies of policies including all endorsements and any and all attachments thereto, showing that such insurance is in full force and effect, and County of Riverside, its Directors, Officers, Special Districts, Board of Supervisors, elected officials, employees, agents or representatives are named as additional insureds with respect to this lease and the obligations of Lessee hereunder. Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any modification, cancellation, expiration or reduction in coverage and on the effective date thereof, this lease shall terminate forthwith, unless the County of Riverside receives prior to such effective date another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. Lessee shall not take possession or otherwise use the leased premises until the County of Riverside has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Section. The original endorsements for each policy and the Certificate of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.

(3) It is understood and agreed to by the parties hereto, and the insurance company(s), Certificate(s) of Insurance shall so covenant and shall be construed as primary and County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

(f) Professional Liability. Procure and maintain professional liability insurance coverage to protect from any liability whatsoever based on or asserted by any claim, act or omission of Lessee, its officers, agents, employees, subcontractors and independent contractors, relating to or in any way connected with or arising from the lease and/or for any error or omission by Lessee, its employees, agents, officers or subcontractors. The amount of such insurance shall not be less than One Million Dollars (\$1,000,000) per occurrence, combined single limit, and Two Million Dollars (\$2,000,000) in the aggregate.

(a) Lessee represents that it has inspected the leased premises, accepts the condition thereof and fully assumes any and all risks incidental to the use thereof. County shall not be liable to Lessee, its officers, agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within the leased premises; provided, however, that such dangerous conditions are not caused by the sole negligence of County, its officers, agents or employees.

(b) Lessee shall indemnify and hold County, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of Lessee, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (Lessee's employee included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from its use and responsibilities in connection therewith of the leased premises or the condition thereof, and Lessee shall defend, at its expense, including without limitation, attorney fees, expert fees and investigation expenses, County, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. The obligations to indemnify and hold County free and harmless herein shall survive until any and all claims, actions and causes of action with respect to any and all such alleged acts or omissions are fully and finally barred by the applicable statute of limitations.

(c) County shall indemnify and hold Lessee, its officer, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of County, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (County employee included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from its use and responsibilities in connection therewith of the leased premises or the condition thereof, and County shall defend, at its expense, including without limitation, attorney fees, expert fees and investigation expenses, Lessee, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. The obligations to indemnify and hold Lessee free and harmless herein shall survive until any and all claims, actions and causes of action with respect to any and all such alleged acts or omissions are fully and finally barred by the applicable statute of limitations.

(d) The specified insurance limits required in Paragraph 18 above shall in no way limit or circumscribe Lessee's obligations to indemnify and hold County free and harmless herein.

20. <u>Assignment.</u> Lessee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties or obligations hereunder to any person or entity without the written consent of County being first obtained, which consent shall be in the absolute discretion of County. In the event of any such transfer, as provided in this Paragraph, Lessee expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this lease.

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- 21. <u>Toxic Materials</u>. During the term of the lease and any extensions thereof, Lessee shall not violate any federal, state or local law, ordinance or regulation, relating to industrial hygiene or to the environmental condition on, under or about the leased premises, including, but not limited to, soil and groundwater conditions. Further, Lessee, its successors, assigns and subleases, shall not use, generate, manufacture, produce, store or dispose of on, under or about the leased premises or transport to or from the leased premises any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "hazardous substances", "hazardous materials" or "toxic substances") in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seg; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq; and those substances defined as "Hazardous Wastes" in Section 25117 of the California Health and Safety Code or as "Hazardous Substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws.
- 22. Free From Liens. Lessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Lessee, in, upon, or about the leased premises, and which may be secured by a mechanic's, material man's or other lien against the leased premises or County's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if Lessee desires to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, Lessee shall forthwith pay and discharge said judgment.
- 23. <u>Employees and Agents of Lessee.</u> It is understood and agreed that all persons hired or engaged by Lessee shall be considered to be employees or agents only of Lessee and not of County.
- 24. <u>Binding on Successors.</u> Lessee, its assigns and successors in interest, shall be bound by all the terms and conditions contained in this lease, and all the parties thereto shall be jointly and severally liable hereunder.
- 25. <u>Waiver of Performance</u>. No waiver by County at any time of any of the terms and conditions of this lease shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms or conditions contained herein or of the strict and timely performance of such terms and conditions.
- 26. <u>Severability.</u> The invalidity of any provision in this lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.
- 27. <u>Venue.</u> Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this lease shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

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28. Attorneys' Fees. In the event of any litigation or arbitration between Lessee and County to enforce any of the provisions of this lease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment or award in such litigation or arbitration.

29. <u>Notices.</u> Any notice required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

County:

Information Copy To:

County of Riverside Economic Development Agency 3133 Mission Inn Avenue Riverside, California 92507

County of Riverside
Department of Mental Health
Post Office Box 7549
Riverside, California 92513-7549

Lessee:

Anka Behavioral Health, Inc. 1850 Gateway Boulevard, Suite 900 Concord, CA 94520 Attn: Chris Withrow, DCEO

or to such other addresses as from time to time shall be designated by the respective parties.

- 30. <u>Permits, Licenses and Taxes.</u> Lessee shall secure and maintain, at its expense, all necessary permits and licenses as it may be required to obtain and/or hold, and Lessee shall pay for all fees and taxes levied or required by any authorized public entity. Lessee recognizes and understands that this lease may create a possessory interest subject to property taxation and that Lessee may be subject to the payment of property taxes levied on such interest.
- 31. <u>Paragraph Headings.</u> The paragraph headings herein are for the convenience of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this lease.
- 32. <u>County's Representative.</u> County hereby appoints the Assistant County Executive Officer of the Economic Development Agency as its authorized representative to administer this lease.
- 33. Agent for Service of Process. It is expressly understood and agreed that in the event Lessee is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such event, Lessee shall file with County's Assistant County Executive Officer of the Economic Development Agency, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and

1	business addresses, as its agent for the purpose of services of process in any court action
	arising out of or based upon this lease, and the delivery to such agent of a copy of any
2	process in any such action shall constitute valid service upon Lessee. It is further expressly
3	understood and agreed that if for any reason service of such process upon such agent is not
۱ ،	feasible, then in such event Lessee may be personally served with such process out of this
4	County and that such service shall constitute valid service upon Lessee. It is further expressly
-	understood and agreed that Lessee is amenable to the process so served, submits to the jurisdiction of the court so obtained and waives any and all objections and protests thereto.
5	jurisdiction of the court so obtained and waives any and all objections and protests thereto.
	34. <u>Entire Lease.</u> This lease is intended by the parties hereto as a final
6	expression of their understanding with respect to the subject matter hereof and as a complete
	and exclusive statement of the terms and conditions thereof and supersedes any and all prior
7	and contemporaneous leases, agreements and understandings, oral or written, in connection
	therewith. The lease may be changed or modified only upon the written consent of the parties
8	hereto.
9	35. This lease shall not be binding or consummated until its approval by the
	County's Board of Supervisors.
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	Dated:
11	ANKA BEHAVIORAL HEALTH, INC.,
	a California Corporation
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, ,	By: With the BOEFO
13	Čhris Withrow, DCEO
14	COUNTY OF RIVERSIDE
15	By:
	Marion Ashley, Chairman
16	Board of Supervisors
	ATTEST:
17	Kecia Harper-Ihem
	Clerk of the Board
18	Bv.
, ,	27
19	Deputy
20	
20	APPROVED AS TO FORM:
21	Pamela J. Walls
	County Counsel
22	
	By: Junthia M. Gintel
23	Synthia M. Gunzel
	Deputy County Counsel
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