

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

109



FROM: Economic Development Agency

SUBMITTAL DATE:
March 3, 2011

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

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the county; and
2. Approve and direct the Auditor-Controller to make the budget adjustments as shown on Schedule A, attached.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Samuel Wong 2/16/11
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (927)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 100% State	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

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

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 1-31-11
DATE: 1-31-11
Departmental Concurrence

Prev. Agn. Ref.: N/A

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

District: 1

Agenda Number:

3.21

BACKGROUND:

The County of Riverside has leased this storage facility located at 11681 Sterling, #8F1 & #8G1, Riverside, California originally since April 16, 1991, and entered into a new lease March 31, 2008. This facility continues to meet the needs and requirements of the Department of Mental Health (DOMH). At the request of the DOMH, the Economic Development Agency, Real Estate Division (EDA), has negotiated a three year renewal with a 17 % rental rate reduction.

This First Amendment to Lease is summarized below:

Lessor: Biltmore Riverside 1, LLC
11860 Magnolia Avenue, Suite I
Riverside, California 92503

Premises Location: 11681 Sterling #8F1 & #8G1
Riverside, California

Size: 1,984 square feet

Term: Three Year, April 1, 2011, through March 31, 2014

Rent:	<u>Current</u>	<u>New</u>
	\$.90 per sq. ft.	\$.75 per sq. ft.
	\$ 1,785.60 per month	\$ 1,488.00 per month
	\$21,427.20 per year	\$17,856.00 per year

<u>Savings</u>	
Per Sq. Ft.	\$.15
Per Month	\$ 297.60
Per Year	\$3,571.20

Rent Adjustment: Year 2, \$.80 per square feet, Year 3, \$.85 per square feet

Custodial Services: Provided by County

Utilities: County pays for telephone services, Lessor pays for all other utility services

Option to Terminate: Termination after eighteen months with 90 days advance written notice

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

Financial Data: (Commences on Page 3)

FINANCIAL DATA:

All associated costs for this First Amendment to Lease will be fully funded through the DOMH budget. DOMH has budgeted these costs in FY 2010/11. While EDA will front the costs for the First Amendment to Lease with the property owners, the DOMH will reimburse EDA for all associated lease costs.

ATTACHMENTS:

Schedule A
Exhibit A
First Amendment to Lease

Schedule A

Decrease Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings \$893

Decrease Estimated Revenues:

47220-7200400000-777330 – Leasing Services \$893

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2010/11 11681 Sterling, Suites 8F1 & 8G1, Riverside, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	1,984	SQFT	
Cost Per Sq. Ft:	\$	0.90	
Lease Cost per Month		<u>\$ 1,785.60</u>	
Total Lease Cost included in Budget for FY 2010/11			\$ 21,427.20

ACTUAL AMOUNTS

Current office:	1,984	SQFT	
Approximate Cost per SQFT (July - March)	\$	0.90	
Approximate Cost per SQFT (April - June)	\$	0.75	
Lease Cost per Month (July - March)	\$	1,785.60	
Lease Cost per Month (April- June)	\$	1,488.00	
Total Lease Cost (July - March)		<u>\$ 16,070.40</u>	
Total Lease Cost (April - June)		<u>\$ 4,464.00</u>	
Total Lease Cost for FY 2010/11			\$ 20,534.40
TOTAL LEASE COST SAVINGS FOR FY 2010/11			\$ (892.80)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	<u>238.08</u>	
Total Estimated Utility Cost for FY 2010/11			\$ 2,856.96
EDA Lease Management Fee (Based @ 3.79%)		<u>\$ 812.09</u>	
Total Estimated Additional Costs included in Budget for FY 2010/11			\$ 3,669.05

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	<u>238.08</u>	
Total Additional Estimated Utility Cost for FY 2010/11 (July - June)	\$	2,856.96	
EDA Lease Management Fee (Based @ 3.79%)		<u>\$ 778.25</u>	
Total Estimated Additional Costs for FY 2010/11			\$ 3,635.21
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11			\$ (33.84)
TOTAL SAVINGS FOR LEASE COST FY 2010/11			\$ (926.64)

1 **FIRST AMENDMENT TO LEASE**

2 **11681 Sterling, Suites 8F1 and 8G1, Riverside, California**

3
4 This **FIRST AMENDMENT TO LEASE** ("First Amendment") is made as of
5 _____, 2011 by and between the **COUNTY OF RIVERSIDE**, a political
6 subdivision of the State of California ("County"), and **BILTMORE RIVERSIDE I, LLC.**, an
7 Arizona limited liability company, ("Lessor").

8 **1. Recitals.**

9 a. Lessor and County entered into that certain lease dated March 31, 2008,
10 (the "Original Lease") pursuant to which County leased a portion of that certain building located
11 at 11681 Sterling, Suites 8F1 and 8G1, Riverside, California (the "Building"), as more
12 particularly shown on Exhibit "A", attached hereto and made a part hereof.

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

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

17 **2. Capitalized Terms:** First Amendment to Prevail. Unless defined herein or the
18 context requires otherwise, all capitalized terms herein shall have the meaning defined in the
19 Lease, as heretofore amended. The provisions of this First Amendment shall prevail over any
20 inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall
21 supplement the remaining provisions thereof. The Lease remains in full force and effect except
22 to the extent amended by this First Amendment.

23 **3. Lease Term.** Section 3 of the Lease shall be amended as follows: The term of
24 this Lease shall be extended for three (3) years commencing on April 1, 2011 and terminating
25 March 31, 2014.

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

<u>Monthly Amount</u>	<u>Year</u>
\$1,488.00	April 1, 2011 to March 31, 2012
\$1,587.20	April 1, 2012 to March 31, 2013
\$1,686.40	April 1, 2013 to March 31, 2014

7 **5. Options to Terminate.** Section 10 Subsection (b) of the Lease shall be
8 amended in its entirety as follows:

9 (b) Following the execution and delivery of this First Amendment, County shall
10 have the right to terminate this Lease after eighteen (18) months provided County gives Lessor
11 ninety (90) days advance written notice.

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

15
16 **COUNTY:**
17 Economic Development Agency
18 County of Riverside
19 3403 Tenth Street, Suite 500
20 Riverside, California 92501

21 **LESSOR:**
22 Biltmore Riverside I, LLC
23 c/o Wilson Property Services, Inc.
24 8120 East Cactus Road, Suite 300
25 Scottsdale, Arizona, 85260

26 **7. County's Representative.** Section 17 of the Lease shall be amended as
27 follows: County hereby appoints the Assistant County Executive Officer of the Economic
28 Development Agency as its authorized representative to administer this Lease.

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

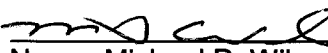
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1 9. This First Amendment to Lease shall not be binding or consummated until its
2 approval by the Board of Supervisors for the County of Riverside.

3 Dated: _____

4 **BILTMORE RIVERSIDE I, LLC,**
5 an Arizona limited liability company
6 By: Biltmore-Riverside Management, Inc
7 a California corporation
8 Its: Manager

9 By:  _____
10 Name: Michael D. Wilson
11 Title: President

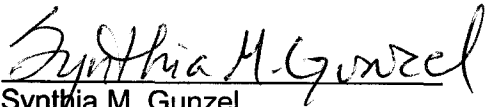
12 **COUNTY OF RIVERSIDE,** a political subdivision of
13 the State of California

14 By: _____
15 Bob Buster, Chairman
16 Board of Supervisors

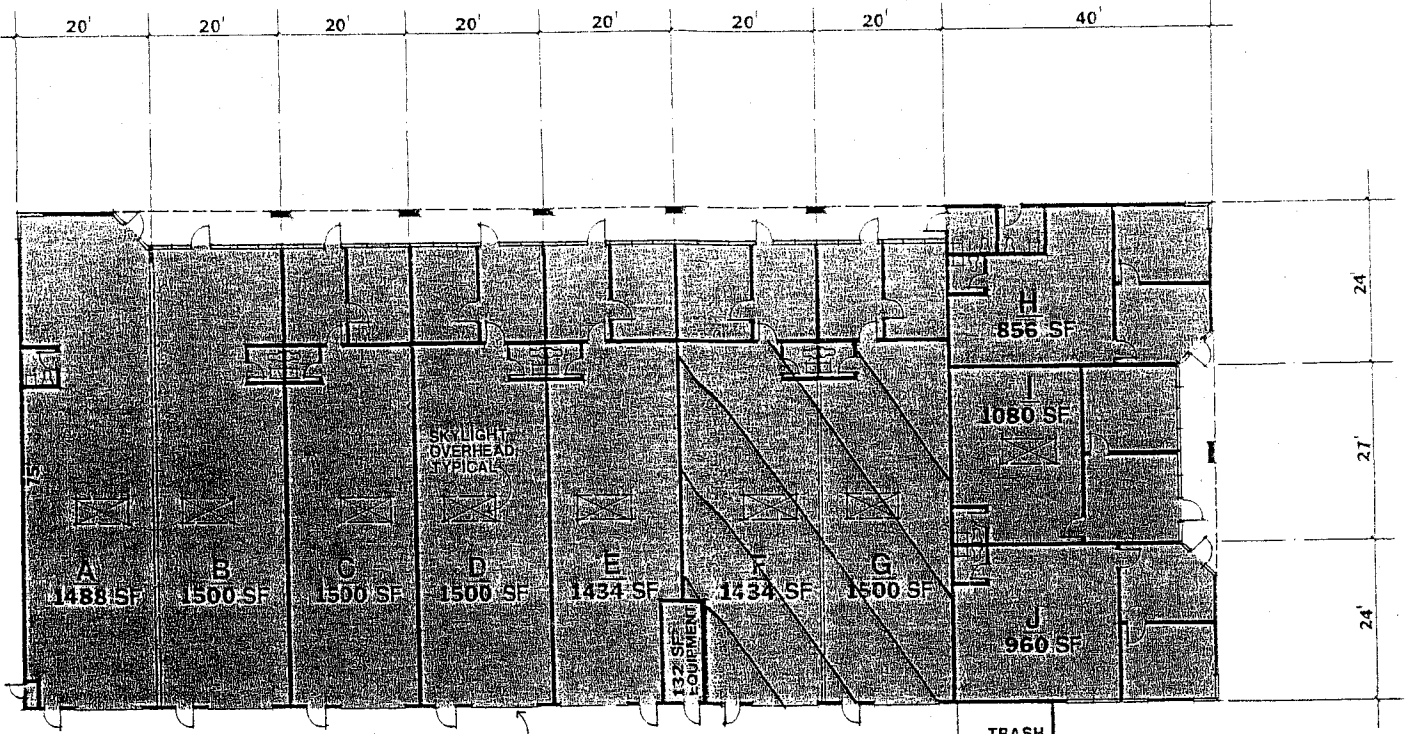
17 **ATTEST:**
18 Kecia Harper-Ihem
19 Clerk of the Board

20 By: _____
21 Deputy

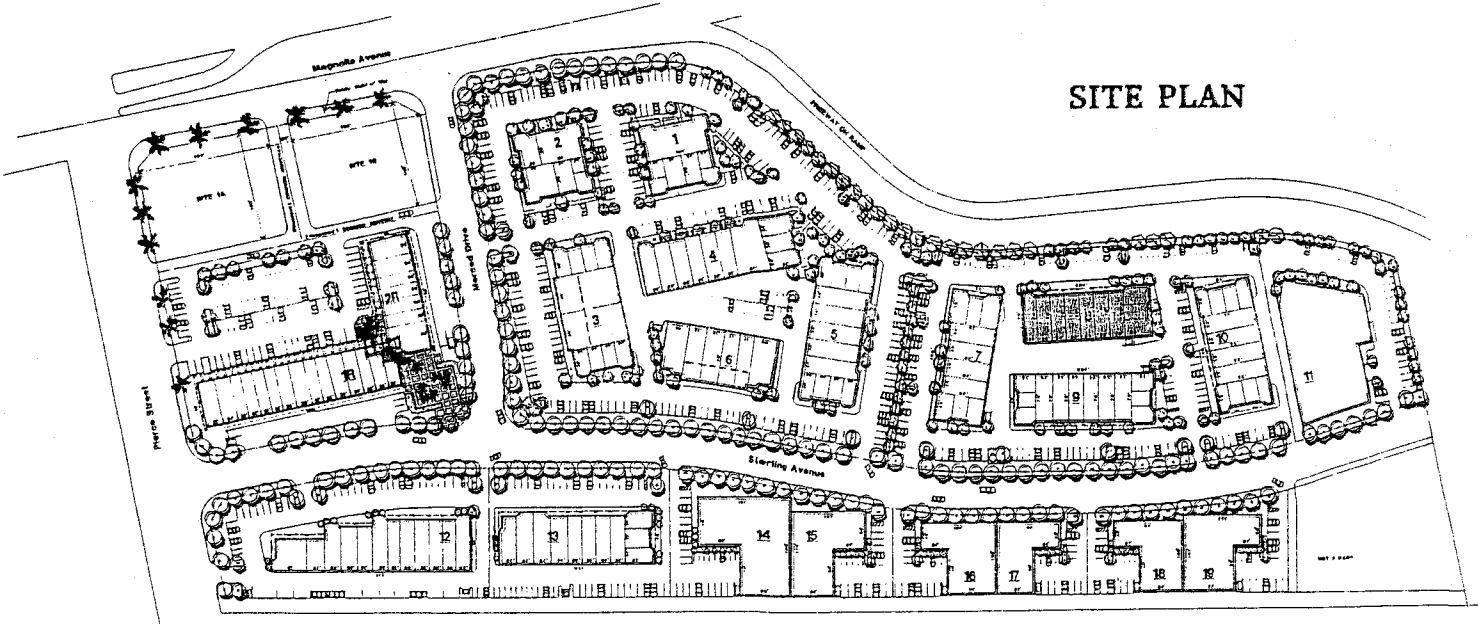
22 **APPROVED AS TO FORM:**
23 Pamela J. Walls
24 County Counsel

25 By:  _____
26 Cynthia M. Gunzel
27 Deputy County Counsel

FLOOR PLAN



Building 8
 11681 Sterling Ave.
 13,500 Square Feet



SITE PLAN

EXHIBIT "A"

The information contained herein has been obtained from sources we deem reliable. While we have no reason to doubt its accuracy, we do not guarantee it.

