

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



133

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
November 23, 2011

SUBJECT: Second Amendment to Lease – Department of Mental Health

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Second Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County.

BACKGROUND: (Commences on Page 2)

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunze 11-17-11
DATE: _____
Departmental Concurrence

By: Arvin J. Poling, Asst. Director
for Jerry Wengert, Director
Riverside County Department of Mental Health

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Samuel Wong 11/22/11
SAMUEL WONG


Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost: previously budgeted	In Current Year Budget:	Yes
	Current F.Y. Net County Cost: previously bdtgd	Budget Adjustment:	No
	Annual Net County Cost: \$ 1,831	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: N/A

SOURCE OF FUNDS: Federal 19.58%, State 50.50%, Grants/MOU 19.67%, 3 rd Party 9.37%; County .88%	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent
County Executive Office Signature Jennifer L. Sargent

Dep't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.12 of 1/9/01; 3.18 of 1/23/07 | District: 4 | Agenda Number: **3.17**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

This Second Amendment to Lease represents a request from the Department of Mental Health (DOMH) to extend the lease for its Drug Abuse Program and Counseling Center currently located at 1297 W. Hobsonway, Blythe, California, commencing on December 1, 2011 through November 30, 2016. This facility continues to meet the requirements of the department. The Real Estate Division has negotiated a five year renewal with no annual increases. The rent remains the same as the previous year.

Lessor: Desert Alliance for Community Empowerment (DACE)
53990 Enterprise Way
Coachella, California

Location: 1297 W. Hobsonway
Blythe, California

Size: 9,660 square feet

Term: December 1, 2011 through November 30, 2016

Rent: \$15,592.35

Rental Adjustments: None

Utilities: County pays electric and telephone. Lessor pays for all other utilities.

Maintenance: Lessor

Improvements: None

Information Technology: None

The attached Second Amendment to Lease has been approved as to form by County Counsel

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully funded through the DOMH budget. The DOMH has budgeted these costs in FY 2011/12 and the Net County Cost will be \$1,831. While the Economic Development Agency (EDA) will front the costs for the Second Amendment to Lease with the property owners, the DOMH will reimburse EDA for all associated costs.

Attachment:

Second Amendment to Lease
Exhibit A
Exhibit B

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2011/12

1297 W. Hobsonway, Blythe California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	9,660	SQFT	
Cost Per Sq. Ft:	\$	1.61	
Lease Cost per Month		<u>\$ 15,592.35</u>	
Total Budgeted Lease Cost for FY 2011/12			\$ 187,108.20

ACTUAL AMOUNTS

Current office:	9,660	SQFT	
Approximate Cost per SQFT (July - Nov)	\$	1.61	
Approximate Cost per SQFT (Dec - June)	\$	1.61	
Lease Cost per Month (July - Nov)	\$	15,592.35	
Lease Cost per Month (Dec- June)	\$	15,592.35	
Total Lease Cost (July -Nov)		\$ 77,961.75	
Total Lease Cost (Dec - June)		\$ 109,146.45	
Total Actual Lease Cost for FY 2011/12			\$ 187,108.20
Total Lease Cost Variance for FY 2011/12			<u>0</u>

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	<u>1,159.20</u>	
Total Estimated Utility Cost for FY 2011/12			\$ 13,910.40
Tenant Improvement Costs		N/A	
RCIT Costs		N/A	
EDA Lease Management Fee (Based @ 3.79%)		\$ 7,091.40	
Total Estimated Additional Cost Included in Budget for FY 2011/12			\$ 21,001.80

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	<u>1,159.20</u>	
Total Additional Estimated Utility Cost for FY 2011/12 (July - June)			\$ 13,910.40
EDA Lease Management Fee (Based @ 3.79%)		\$ 7,091.40	
Total Estimated Additional Actual Cost for FY 2011/12			\$ 21,001.80
Total Estimated Additional Cost Variance for FY 2011/12			<u>0</u>
TOTAL ESTIMATED COST FOR FY 2011/12			0
TOTAL COUNTY COST .88%			0

Exhibit B

Department of Mental Health Lease Cost Analysis for FY 2012/13 1297 W. Hobsonway, Blythe, California

Current Square Feet Occupied:

Office:		9,660 SQFT	
Cost per Square Foot:	\$	1.61	
Lease Cost per Month		\$ 15,592.35	
Total Estimated Lease Cost for FY 2012/13			\$ 187,108.20

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs		\$ 1,159.20	
Total Estimated Utility Cost for FY 2012/13			\$ 13,910.40
EDA Lease Management Fee (Based @ 3.79%)			\$ 7,091.40
TOTAL ESTIMATED COST FOR FY 2012/13			\$ 208,110.00
Total Net County Cost @ .88%			\$ 1,831.37

1 **SECOND AMENDMENT TO LEASE**

2 (Department of Mental Health
3 1297 W. Hobsonway, Blythe, California)
4

5 This **SECOND AMENDMENT TO LEASE** ("Second Amendment") is made as of
6 _____, 2011 by and between the **COUNTY OF RIVERSIDE**, a political
7 subdivision of the State of California ("County"), and **DESERT ALLIANCE FOR COMMUNITY**
8 **EMPOWERMENT**, a California corporation, ("Lessor").

9 **1. Recitals.**

10 a. Lessor (as the successor-in-interest to Blythe Village Center, a California
11 limited partnership) and County entered into that certain Lease January 9, 2001, ("Original
12 Lease") pursuant to which County leased a portion of that certain building located at 1297
13 Hobsonway, Blythe, California ("Building"), as more particularly described in the Original Lease.

14 b. The Original Lease has been amended by that certain First Amendment
15 to Lease dated January 23, 2007, by and between the County and Lessor ("First Amendment"),
16 whereby the parties agreed to extend the term and amend the monthly rent.

17 c. The Original Lease, as heretofore, currently, or hereafter amended,
18 together with this Second Amendment, shall hereafter be referred to as the "Lease".

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

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

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1 **3. Lease Term.** Section 1 of the First Amendment shall be amended as follows:
2 The term of this Lease shall be extended for five (5) years commencing on December 1, 2011
3 and terminating November 30, 2016.

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

<u>Monthly Amount</u>	<u>Year</u>
\$15,592.35	December 1, 2011 to November 30, 2016.

9 **5. Options to Terminate.** Section 12 of the Lease shall be amended and the
10 following language added as Section 12 (e):

11 (e) "County shall have the right to terminate this Lease for any reason provided
12 County submits written notice to Lessor sixty (60) days in advance."

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

COUNTY: Economic Development Agency Real Estate Division County of Riverside 3403 Tenth Street, Suite 500 Riverside, California 92501	LESSOR: Desert Alliance for Community Empowerment 53990 Enterprise Way Coachella, California 92236
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20 **7. County's Representative.** Section 19 of the Lease shall be amended as
21 follows: County hereby appoints the Assistant County Executive Officer of the Economic
22 Development Agency as its authorized representative to administer this Lease.

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

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26 ///
27 ///
28 ///

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

3
4 Dated: _____

**Desert Alliance for Community
Empowerment**

5
6
7 By: 
Jeffrey A. Hayes

8
9 **COUNTY OF RIVERSIDE**, a political
subdivision of the State of California

10
11 By: _____
12 Bob Buster, Chairman
13 Board of Supervisors

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

17 By: _____
Deputy

18
19 **APPROVED AS TO FORM:**
20 Pamela J. Walls
County Counsel

21 By: 
22 Synthia M. Gunzel
23 Deputy County Counsel

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27 MH:ra/101911/BL034/14.413 S:\Real Property\TYPING\Docs-14.000 to 14.499\14.413.doc