

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

505



FROM: Economic Development Agency /Facilities Management

SUBMITTAL DATE:

January 11, 2012

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

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)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Samuel Wong 1/9/12
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (8,294)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 97.95% State, 2.05% 3 rd Party	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.: 3.23 of 1/27/09

District: 1

Agenda Number:

3.18

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Maria T. Mabey
MARIA T. MABEY, ASST DIRECTOR
RIVERSIDE COUNTY DMH

FORM APPROVED COUNTY COUNSEL
DATE: 7-19-11
BY: Synthia M. Gunzel
SYNTHIA M. GUNZEL

Departmental Concurrence

BACKGROUND:

This Second Amendment to Lease represents a request from the Department of Mental Health to extend the lease term for its office located at 2800 Hulen Place, Riverside, California. The term will be extended from February 1, 2012 through January 31, 2015. This facility is occupied by the Department of Mental Health (DOMH), Safe Haven Homeless Shelter and continues to meet the requirements of the department. The Real Estate Division has negotiated a three (3) year lease renewal with a 10% rental rate reduction, saving the department \$11,100.24 per year.

Lessor: City of Riverside
General Services Department
Property Management Division
8095 Lincoln Avenue
Riverside, California 92504

Premises Location: 2800 Hulen Place, Riverside, California 92507

Size: 4,680 sq. ft.

Term: February 1, 2012 through January 31, 2015

Rent:	<u>Current</u>		<u>New</u>	
	\$ 2.00	per sq. ft.	\$ 1.80	per sq. ft.
	\$ 9,349.02	per month	\$ 8,424.00	per month
	\$112,188.24	per year	\$101,088.00	per year

<u>Savings</u>	
Per Sq. Ft.	\$.20
Per Month	\$ 925.02
Per Year	\$11,100.24

Rental Adjustments: Three (3%) percent on year 3

Option to Terminate: Termination for any reason after one year with sixty (60) days advance written notice

Improvements: None

RCIT Costs: None

The attached second 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 Second Amendment to Lease will be fully funded through the Department of Mental Health budget. The DOMH has budgeted these costs in FY2011/12. 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 lease costs.

ATTACHMENTS:

Exhibit A
Second Amendment to Lease

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2011/12 2800 Hulen Place, Riverside

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:	4,680 SQFT	
Lease Cost included in Budget for FY 2011/12		\$ 115,553.88

ACTUAL AMOUNTS

Current office:	4,680 SQFT	
Approximate Cost per SQFT (July-Jan)	\$ 2.00	
Approximate Cost per SQFT (Feb-June)	\$ 1.80	
Lease Cost per Month (July-Jan)	\$ 9,349.02	
Lease Cost per Month (Feb-June)	\$ 8,424.00	
Lease Cost (July-Jan)	\$ 65,443.14	
Lease Cost (Feb-June)	\$ 42,120.00	
Lease Cost for FY 2011/12	<u>\$ 107,563.14</u>	
TOTAL LEASE COST (SAVINGS) FOR FY 2011/12		\$ (7,990.74)

Estimated Additional Costs:

EXPECTED AMOUNTS

EDA Lease Management Fee (Based @ 3.79%)	\$ 4,379.49	
Total Estimated Additional Costs included in Budget for FY 2011/12	<u>\$ 4,379.49</u>	

ACTUAL AMOUNTS

EDA Lease Management Fee (Based @ 3.79%)	\$ 4,076.64	
Total Estimated Additional Costs for FY 2011/12	<u>\$ 4,076.64</u>	
TOTAL ESTIMATED ADDITIONAL COST (SAVINGS) FOR FY 2011/12		\$ (302.85)
TOTAL ADDITIONAL LEASE COST (SAVINGS) FY 2011/12		\$ (8,293.59)

1 **3. Lease Term.** Section 3 of the Lease is hereby amended in its entirety to read
2 as follows:

3 3. The term of this Lease shall from period beginning on September 1, 2006
4 and terminating on January 31, 2015.

5 **4. Rent.** Section 5 of the Lease shall be amended add the following
6 subparagraph (d):

7 (d) County shall pay to Lessor the monthly sums as rent for the leased premises
8 during the term of this Lease as indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$8,424.00	February 1, 2012 to January 31, 2013
\$8,424.00	February 1, 2013 to January 31, 2014
\$8,676.72	February 1, 2014 to January 31, 2015

9 **5. Options to Terminate.** Section 12 of the Lease shall be amended in its
10 entirety as follows:

11 12. **Option to Terminate.** Following the execution and delivery of this Second
12 Amendment, County shall have the right to terminate this Lease for any reason after one year
13 with sixty days advance written notice.

14 **6. Notices.** Section 13 of the Lease shall be amended to revise the notices as
15 follows:

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

21 **LESSOR:**
22 City of Riverside
23 General Services Department
24 Property Management Division
25 8095 Lincoln Avenue
26 Riverside, California 92504

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28 ///
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1 **7. County's Representative.** Section 19 of the Lease shall be amended in its
2 entirety as follows:

3 **19. County's Representative.** County hereby appoints the Assistant County
4 Executive Officer of the Economic Development Agency as its authorized representative to
5 administer this Lease.

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

8 **9.** This Second Amendment to Lease shall not be binding or consummated until its
9 approval by the Board of Supervisors for the County of Riverside and by the City Council for
10 the City of Riverside.

11 Dated: _____

12
13 **CITY OF RIVERSIDE**, a California charter
14 city and municipal corporation

15 By: _____
16 City Manager

17 Date: _____

18 **ATTEST:**
19 City Clerk

20
21 By: _____
City Clerk

22
23 **APPROVED AS TO FORM:**

24
25
26 By: _____
Supervisor Deputy City Attorney

COUNTY OF RIVERSIDE a political
subdivision of the State of California

By: _____
John Tavaglione, Chairman
Board of Supervisors

Date: _____

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:

Pamela J. Walls
County Counsel

By: 
Cynthia M. Gunzel
Deputy County Counsel