



762

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

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
August 16, 2012

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

FORM APPROVED COUNTY COUNSEL
BY: Patricia Munroe
DATE

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Second Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and
2. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Samuel Wong 8/15/12
SAMUEL WONG

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 2,001	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 1,828	Budget Adjustment:	No
	Annual Net County Cost:	\$ 21,027	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: State 8.62%; County 91.38%

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer Sargent
Jennifer Sargent

County Executive Office Signature

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

Prev. Agn. Ref.: 3.18 of 2/9/2010

District: 4/4

Agenda Number: **3.41**

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 amend Exhibit B, Paragraph 3 of the Lease, to perform custodial services five days a week during the hours of 5:00 pm to 1:00 am. County shall pay an additional \$175.00 a month beginning August 1, 2012 and continuing throughout the term of the lease. County's rent effective August 1, 2012 shall increase to \$1,708.00.

Pursuant to the California Environmental Quality Act (CEQA), the Lease amendment was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Lease amendment, is the letting of property involving existing facilities and no expansion of an existing use will occur.

This Second Amendment to Lease is summarized below:

Lessor:	King Street Partners 78-100 Main Street, Ste. 205 La Quinta California, 92253
Premises Location:	82-632 Highway 111, Suite A-3, Indio, California 92201
Size:	780 square feet
Custodial Services:	County shall pay \$175.00 per month commencing August 1, 2012, increasing the rental amount to \$1,708.00 throughout the term of the Lease.
Rent Adjustments:	Three percent annual increase
Utilities:	County pays for electrical and gas services, Landlord pays for all others services.
Maintenance:	Landlord

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

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 2012/13. 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. The amount of the cost increase is not material therefore DOMH and EDA are not requesting a budget adjustment at this time.

Attachments:
Second Amendment to Lease
Exhibit A
Exhibit B

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2012/13 82-632 Highway 111, Suite A-3, Indio , California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office: 780 SQFT
Total Expected Lease Cost for FY 2012/13 \$ 18,396.00

ACTUAL AMOUNTS

Current Office: 780 SQFT
 Proposed Office: 780 SQFT

Approximate Cost per SQFT (July) \$ 1.97
 Approximate Cost per SQFT (Aug- June) \$ 2.19

Lease Cost per Month (July) \$ 1,533.00
 Lease Cost per Month (Aug - June) \$ 1,708.00

Total Lease Cost (July) \$ 1,533.00
 Total Lease Cost (Aug - June) \$ 18,788.00
Total Actual Lease Cost for FY 2012/13 \$ 20,321.00
Total Lease Cost Variance for FY 2012/13 \$ 1,925.00

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot \$ 0.12
 Estimated Utility Costs per Month \$ 93.60

Total Expected Additional Cost for FY 2012/13 \$ 1,123.20

RCIT \$ -

Tenant Improvements \$ -

EDA Lease Management Fee (Based @ 3.93%) \$ 722.96
Total Estimated Expected Cost for FY 2012/13 \$ 1,846.16

ACTUAL AMOUNTS

Utility Cost per Square Foot \$ 0.12

Costs per Month (July - June) \$ 93.60
 Total Estimated Actual Utility Cost for FY 2012/13 \$ 1,123.20

RCIT \$ -

Tenant Improvements \$ -

EDA Lease Management Fee (Based @ 3.93%) \$ 798.62
Total Estimated Actual Cost for FY 2012/13 \$ 1,921.82

Total Estimated Cost Variance for FY 2012/13 \$ 75.65

TOTAL ESTIMATED COST FOR FY 2012/13 \$ 2,000.65

TOTAL COUNTY COST 91.38% FOR FY 2012/13 \$ 1,828.20

Exhibit B

Department of Mental Health Lease Cost Analysis for FY 2013/14 82-632 Highway 111, Suite A-3, Indio, California

Current Square Feet Occupied:

Office: 780 SQFT

Approximate Cost per SQFT (July)	\$	2.19
Approximate Cost per SQFT (Aug- June)	\$	2.26
Lease Cost per Month (July)	\$	1,708.00
Lease Cost per Month (Aug - June)	\$	<u>1,759.24</u>

Total Lease Cost (July)	\$	1,708.00
Total Lease Cost (Aug - June)	\$	<u>19,351.64</u>

Total Estimated Lease Cost for FY 2013/14 \$ 21,059.64

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs		\$	93.60
Total Estimated Utility Cost for FY 2013/14		\$	1,123.20

EDA Lease Management Fee (Based @ 3.93%) \$ 827.64

Total Estimated Lease Cost FY 2013/14: \$ 23,010.48

TOTAL COUNTY COST 91.38% \$ **21,026.98**

1 **SECOND AMENDMENT TO LEASE**

2 **Department of Mental Health**

3 **82-632 Highway 111, Suite A-3, Indio, California**

4
5 This **SECOND AMENDMENT TO LEASE** ("Second Amendment"), dated as of
6 _____, is entered by and between the **COUNTY OF RIVERSIDE**, a
7 political subdivision of the State of California, ("Lessee"), and **KING STREET**
8 **PARTNERS**, ("Lessor"), sometimes collectively referred to as the "Parties."

9 **1. Recitals.**

10 a. Lessor and County entered into a Lease dated August 16, 2006, pursuant
11 to which Lessor has agreed to lease to County and County has agreed to lease from
12 Lessor a portion of that certain building located at 82-632 Highway 111, Suite A-3,
13 Indio, California (Building), as more particularly described in the Lease.

14 b. The Lease has been amended by:

15 i. The First Amendment to Lease dated February 9, 2010.

16 ii. The lease dated August 16, 2006, together with its
17 amendments, shall be collectively referred to as the "Lease."

18 c. The Parties now desire to amend the Lease to provide additional janitorial
19 services five days a week, update County's representative and notices.

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

22 **2. Custodial Services.** Section 3 of the Exhibit "B" of the Lease is hereby
23 amended by the following:

24 3. Perform services five days a week during the hours of 5:00 p.m. to
25 1:00 a.m. only. County shall pay an additional \$175.00 a month beginning August 1,
26 2012 and continuing throughout the term of the Lease. County's rent effective August
27 1, 2012 shall increase to \$1,708.00.

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1 **3. Notice.** Section 12 of the Lease shall be amended as follows: Any
2 notices required or desired to be served by either party upon the other shall be
3 addressed to the respective parties as set forth below:

4 **COUNTY:**

5 Economic Development Agency
6 County of Riverside
7 3403 Tenth Street, Suite 500
8 Riverside, California 92501

LESSOR:

 King Street Partners
 78-100 Main Street, Ste. 205
 La Quinta, CA 92253
 Attn: Larry Langner

9 **4. County's Representative.** Section 18 of the Lease shall be amended as
10 follows: County hereby appoints the Assistant County Executive Officer of the
11 Economic Development Agency as its authorized representative to administer this
12 Lease.

13 **5. Capitalized Terms:** Second Amendment to Prevail. Unless defined
14 herein or the context requires otherwise, all capitalized terms herein shall have the
15 meaning defined in the Lease. The provisions of this Second Amendment shall prevail
16 over any inconsistency or conflicting provisions of the Lease.

17 **6. Miscellaneous.** Except as amended or modified herein, all the terms of
18 the Lease shall remain in full force and effect and shall apply with the same force and
19 effect. Time is of the essence in this Second Amendment and the Lease and each and
20 all of their respective provisions. Subject to the provisions of the Lease as to
21 assignment, the agreements, conditions and provisions herein contained shall apply to
22 and bind the heirs, executors, administrators, successors and assigns of the parties
23 hereto. If any provision of this Second Amendment or the Lease shall be determined
24 to be illegal or unenforceable, such determination shall not affect any other provision of
25 the Lease and all such other provisions shall remain in full force and effect. The
26 language in all parts of the Lease shall be construed according to its normal and usual
27 meaning and not strictly for or against either Lessor or Lessee. Neither this Second
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1 Amendment, nor the Lease, nor any notice nor memorandum regarding the terms
2 hereof, shall be recorded by County.

3 **7. Effective Date.** This Second Amendment to Lease shall not be binding or
4 consummated until its approval by the Riverside County Board of Supervisors and fully
5 executed by the Parties.

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(Signatures on Next Page)

1 IN WITNESS WHEREOF, the parties have executed this Amendment as of the date
2 first written above.

3 Dated: _____

4 **LESSOR:**

5 **KING STREET PARTNERS**

6
7 By: 
8 Name: LAWRENCE P. PARTOLAN
9 Its: Partolan

10 **LESSEE:**

11 **COUNTY OF RIVERSIDE**

12 By: _____
13 John F. Tavaglione, Chairman
14 Board of Supervisors

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

17 By: _____
18 Deputy

19
20
21 **APPROVED AS TO FORM:**
22 Pamela J. Walls
23 County Counsel

23 By: 
24 Patricia Munroe
25 Deputy County Counsel

82632 Hwy 111 A-3
Indio, CA 92201
Exhibit "A"

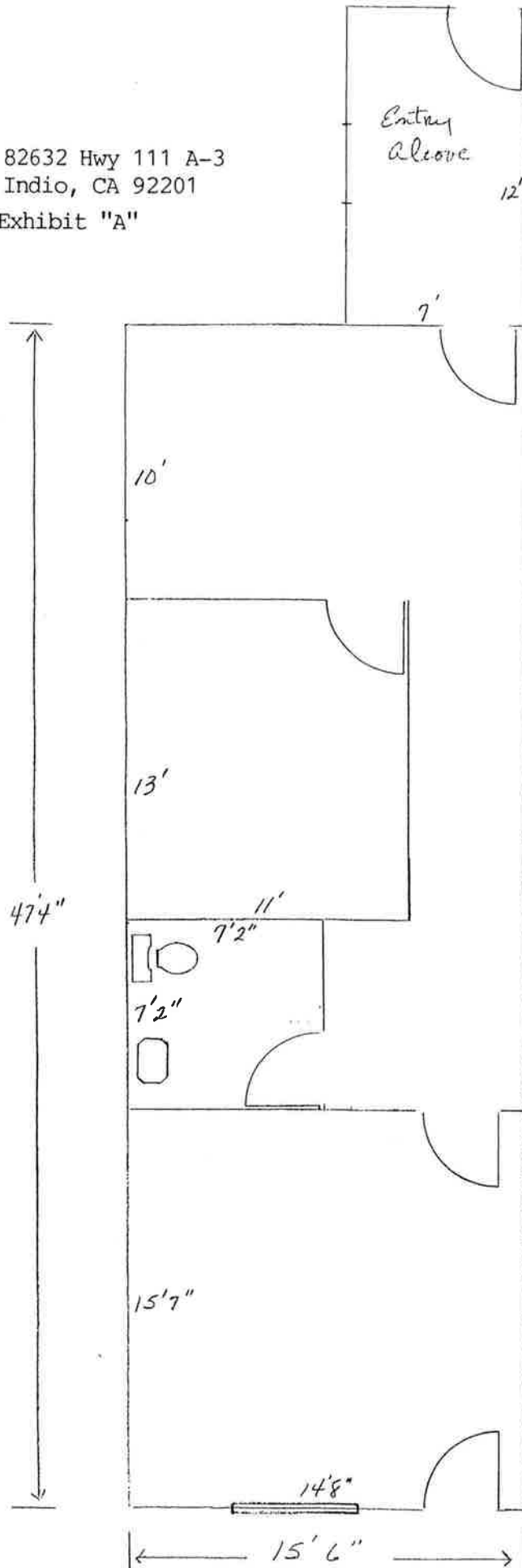


EXHIBIT "A"