

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

153



F.C. APPROVED COUNTY COUNSEL
 BY: [Signature] 8/20/12
 PATRICIA MUNROE
 DATE

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
September 13, 2012

SUBJECT: Sixth Amendment to Lease, Department of Mental Health, San Jacinto (District 3)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Sixth 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: [Signature] 9/12/12
 SAMUEL WONG

[Signature]
 Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (3,741)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Federal 47.17%, State 52.14%, 3 rd Party .69%	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE (

BY: [Signature]
 Jennifer L. Sargent

County Executive Office Signature

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

Prev. Agn. Ref.: 3.27 of 7/27/93; 3.22 of 6/22/99; 3.26 of 6/13/02; 3.45 of 8/24/04; 3.21 of 10/16/07; 3.22 of 11/2/2010

District: 3/3

Agenda Number: 3.19

ATTACHMENTS FILED
 WITH THE CLERK OF THE BOARD

BACKGROUND:

This Sixth Amendment to Lease represents a request from the Riverside County Department of Mental Health (RCDMH) to extend the lease for its clinic located at 950 N. Ramona Blvd., Suites 1-3, San Jacinto, California, commencing September 1, 2012 through August 31, 2017. This facility continues to meet the needs of the department. In addition, Lessor, at their sole cost and expense, will complete all the improvements mentioned on Exhibit "G". The Real Estate Division has negotiated a five year lease renewal with a 7% rental rate reduction, saving the department \$4,320 annually.

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

This Sixth Amendment to Lease is summarized below:

Lessor: LA AVALON APTS, LLC
P.O. Box 491099
Los Angeles, California 90049

Premises Location: 950 N. Ramona Blvd., Suites 1-3, San Jacinto, California 92583

Size: 3,600 square feet

	\$ 1.35 per sq. ft.	\$ 1.25 per sq. ft.
	\$ 4,860.00 per month	\$ 4,500.00 per month
	\$58,320.00 per year	\$54,000.00 per year

Savings: Per Sq. Ft. \$.10
Per Month \$ 360.00
Per Year \$4,320.00

Term: Effective September 1, 2012 through August 31, 2017

Rent Adjustment: None

Utilities: County pays for electric, gas and telephone. Lessor pays for all others services.

Custodial Services: Lessor

Interior/Exterior Maintenance: Provided by Lessor

Improvements: Lessor shall provide at his sole cost and expense

The attached Sixth 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 Sixth Amendment to Lease will be fully funded through the RCDMH existing budget. The RCDMH has budgeted these costs for FY 2012/13. While the Economic Development Agency (EDA) will front the costs associated with the Sixth Amendment to Lease with the property owners, the RCDMH will reimburse EDA for all associated costs.

Attachments:
Sixth Amendment to Lease
Exhibit A

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2012/13 950 N. Ramona Blvd., Suites 1-3, San Jacinto, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:	3,600 SQFT	
Total Expected Lease Cost for FY 2012/13		\$ 58,320.00

ACTUAL AMOUNTS

Current Office:	3,600 SQFT	
Proposed Office:	3,600 SQFT	

Approximate Cost per SQFT (July - Aug)	\$ 1.35	
Approximate Cost per SQFT (Sept - June)	\$ 1.25	

Lease Cost per Month (July - Aug)	\$ 4,860.00	
Lease Cost per Month (Sept - June)	<u>\$ 4,500.00</u>	

Total Lease Cost (July - Aug)	\$ 9,720.00	
Total Lease Cost (Sept - June)	<u>\$ 45,000.00</u>	
Total Actual Lease Cost for FY 2012/13		\$ 54,720.00
Total Lease Cost Variance for FY 2012/13		\$ (3,600.00)

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month	\$ 432.00	

Total Expected Additional Cost for FY 2012/13	\$ 5,184.00	
--	--------------------	--

RCIT	\$ -	
------	------	--

Tenant Improvements	\$ -	
---------------------	------	--

EDA Lease Management Fee (Based @ 3.93%)	<u>\$ 2,291.98</u>	
Total Estimated Expected Cost for FY 2012/13		\$ 7,475.98

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
------------------------------	---------	--

Costs per Month (July - Aug)	\$ 864.00	
Costs per Month (Sept - June)	\$ 4,320.00	

Total Estimated Actual Utility Cost for FY 2012/13	\$ 5,184.00	
--	-------------	--

RCIT	\$ -	
------	------	--

Tenant Improvements	\$ -	
---------------------	------	--

EDA Lease Management Fee (Based @ 3.93%)	<u>\$ 2,150.50</u>	
Total Estimated Actual Cost for FY 2012/13		\$ 7,334.50

Total Estimated Cost Variance for FY 2012/13		\$ (141.48)
---	--	--------------------

TOTAL ESTIMATED COST FOR FY 2012/13		<u>\$ (3,741.48)</u>
--	--	-----------------------------

1 **2. Lease Term.** Section 3 (a) of the Lease is hereby amended by the
2 following:

3 The term of this Lease shall be extended for a period of five (5) years
4 effective as of September 1, 2012 and terminating August 31, 2017.

5 **3. Rent.** Section 5 of the Lease is hereby amended by the following.

6 County shall pay to Lessor the monthly sum of \$4,500.00 to Lessor as rent for
7 the leased premises effective September 1, 2012 and terminating August 31, 2017.

8 **4. Improvements by Lessor.** Upon full execution of the Sixth Amendment
9 to Lease, Lessor shall, at Lessor's sole expense, shall complete the improvements
10 shown on Exhibit "G".

11 **5. Option to Terminate.** Section 12 subsection c of the Lease is hereby
12 deleted in its entirety.

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

17 **7. 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 Sixth Amendment and the Lease and each and all
20 of their respective provisions. Subject to the provisions of the Lease as to assignment,
21 the agreements, conditions and provisions herein contained shall apply to and bind the
22 heirs, executors, administrators, successors and assigns of the parties hereto. If any
23 provision of this Sixth Amendment or the Lease shall be determined to be illegal or
24 unenforceable, such determination shall not affect any other provision of the Lease and
25 all such other provisions shall remain in full force and effect. The language in all parts
26 of the Lease shall be construed according to its normal and usual meaning and not
27 strictly for or against either Lessor or Lessee. Neither this Sixth Amendment, nor the
28

1 Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded
2 by County.

3 **8. Effective Date.** This Sixth 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.

6 ///

7 ///

8 ///

9 ///

10 ///

11 ///

12 ///

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

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

3 Dated: _____

LESSOR:

THE AVALON APTS, LP

6
7 By:  _____

8 Name: Bral
9 Its: Authorized Signatory

10 **ATTEST:**
11 Kecia Harper-Ihem
12 Clerk of the Board

COUNTY OF RIVERSIDE

13 By: _____

14
15
16
17 By: _____
18 John Tavaglione, Chairman
19 Board of Supervisor

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

23
24
25
26 By:  _____
27 Patricia Munroe
28 Deputy County Counsel

Exhibit "G"

1. Replace baseboards in several areas of the clinic
2. Patch and Paint throughout, entire room where needed.
3. Kitchen: new drain plug for sink and paper towel dispenser
4. New signage for all exit doors, "Door is to remain unlock during business hours"
5. Vents & ceiling panels to be clean throughout the facility; replace where needed
6. Rubber stripping between wall and front window next to Group Room.
7. Pest Control Service as needed
8. Blind in the front of the building need replacement
9. New light fixtures in Room 12
10. Boys' restroom – exhaust fan too loud, needs to be fixed
11. New weather stripping for all exterior doors
12. Remove graffiti off towel rack in Room 9.
13. Parking lot requires re-stripping.