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

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

May 9, 2013

SUBJECT: Fourth Amendment to Lease, Riverside County Department of Mental Health, Corona

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Fourth Amendment to Lease;
2. Authorize the Chairman of the Board to execute same on behalf of the County; and
3. 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 5/9/13
 SAMUEL WONG

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (1,483)	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: State 56%, Federal 44%

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
 Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
 BY: Patricia Munroe 5/1/13
 PATRICIA MUNROE
 DATE

By: Jerry Wengert
 Riverside County Department of Mental Health

Dept's Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

2013 MAY 14 PM 1:13
 CLERK BOARD OF SUPERVISORS
 RECEIVED RIVERSIDE COUNTY

Prev. Agn. Ref.: 3.6 of 12/8/98; 3.12 of 4/13/04; 3.29 of 6/5/07; 3.36 of 5/4/10

District: 2/2

Agenda Number:

3-9

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

This Fourth Amendment to Lease represents a request from the Riverside County Department of Mental Health (RCDMH) to extend the lease for its office located at 623 N. Main Street, Suite D-9 through D-12, Corona, extending the term through February 28, 2018. The Lessor, at its sole cost and expense, shall paint the entire facility and replace carpet after the 30th month of the new lease term. This facility continues to meet the requirements of the department.

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 the letting of property involving existing facilities and no expansion of an existing use will occur.

This Fourth Amendment to Lease is summarized below:

Lessor:	CJP, Ltd. Summit Team 17165 Newhope Street, Suite H Fountain Valley, California 92708		
Premises Location:	623 N. Main Street, Suite D-9 through D-12, Corona		
Size:	4,756 Square Feet		
Rent:	Current	New	
	\$ 1.65 per sq. ft.	\$ 1.58 per sq. ft.	
	\$ 7,847.40 per month	\$ 7,490.70 per month	
	\$ 94,168.80 per year	\$ 89,888.40 per year	
Savings:	Per Sq. Ft.	\$.07	
	Per Month	\$ 356.70	
	Per Year	\$4,280.40	
Term:	March 1, 2013 through February 28, 2018		
Rent Adjustment:	Two percent annual increase		
Utilities:	County pays for telephone and electrical services, Landlord pays for all others services.		
Custodial Services:	Landlord		
Maintenance:	Landlord		
Option to Terminate:	Termination for any reason after eighteen months with sixty day notice.		

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

Attachments:
Fourth Amendment to Lease
Exhibit A

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2012/13 623 N. Main Street, Suites D-9 through D-12, Corona, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:	4,756 SQFT	
Total Expected Lease Cost for FY 2012/13		\$ 94,168.80

ACTUAL AMOUNTS

Current Office:	4,756 SQFT
Proposed Office:	4,756 SQFT

Approximate Cost per SQFT (July - Feb)	\$	1.65
Approximate Cost per SQFT (March - June)	\$	1.58

Lease Cost per Month (July - Feb)	\$	7,847.40
Lease Cost per Month (March - June)	\$	<u>7,490.70</u>

Total Lease Cost (July - Feb)	\$	62,779.20
Total Lease Cost (March - June)	\$	<u>29,962.80</u>
Total Actual Lease Cost for FY 2012/13		\$ 92,742.00
Total Lease Cost Variance for FY 2012/13		\$ (1,426.80)

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot	\$	0.12
Estimated Utility Costs per Month	\$	570.72

Total Expected Additional Cost for FY 2012/13	\$	6,848.64
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RCIT	\$	-
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Tenant Improvements	\$	-
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EDA Lease Management Fee (Based @ 3.93%)	\$	<u>3,700.83</u>
Total Estimated Expected Cost for FY 2012/13		\$ 10,549.47

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12
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Costs per Month (July - Feb)	\$	4,565.76
Costs per Month (March - June)	\$	2,282.88

Total Estimated Actual Utility Cost for FY 2012/13	\$	6,848.64
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RCIT	\$	-
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Tenant Improvements	\$	-
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EDA Lease Management Fee (Based @ 3.93%)	\$	<u>3,644.76</u>
Total Estimated Actual Cost for FY 2012/13		\$ 10,493.40

Total Estimated Cost Variance for FY 2012/13		\$ (56.07)
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TOTAL ESTIMATED COST FOR FY 2012/13		\$ (1,482.87)
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1 **FOURTH AMENDMENT TO LEASE**

2 **623 N. Main Street, Suite D-9 through D-12, Corona, California**

3
4 This **FOURTH AMENDMENT TO LEASE** ("Fourth Amendment"), dated as of
5 _____, is entered by and between the **COUNTY OF RIVERSIDE**, a political
6 subdivision of the State of California, ("Lessee"), and **CJP, Ltd., a California limited**
7 **partnership** ("Lessor"), sometimes collectively referred to as the "Parties."

8 **RECITALS**

9 a. Lessor and County entered into a lease dated December 8, 1998, pursuant to
10 which Lessor has agreed to lease to County and County has agreed to lease from Lessor a
11 portion of that certain building located at 623 N. Main Street, Suite D-9 through D-12, Corona,
12 California (the "Building"), as more particularly described in the lease.

13 b. The amendments of the Original Lease are summarized as follows:

14 1. The First Amendment to Lease dated April 13, 2004 by and between County
15 of Riverside, and CJP, Ltd., a California limited partnership.

16 2. The Second Amendment to Lease dated June 5, 2007 by and between
17 County of Riverside and CJP, Ltd., a California limited partnership.

18 3. The Third Amendment to Lease dated May 4, 2010 by and between County
19 of Riverside and CJP, Ltd., a California limited partnership.

20 c. The Parties now desire to amend the Lease to extend the term.

21 1. NOW THEREFORE, for good and valuable consideration the receipt and
22 adequacy of which is hereby acknowledged, the Parties agree as follows:

23 2. **TERM.** Section 3 (a) of the Lease is deleted and replaced with the following
24 language: The term of this lease shall be extended for five years commencing on March 1,
25 2013 and shall expire on February 28, 2018.

26 3. **RENT.** Section 5 of the Lease is hereby amended by adding the following:
27 Commencing March 1, 2013 rent shall be \$ \$7,490.70 per month with a two (2%) percent
28 annual increase.

1 4. IMPROVEMENTS. Lessor, at its sole cost and expense, shall paint the
2 entire facility, and replace the carpet after the 30th month of the new lease term, if tenant
3 selects out a carpet in excess of \$16.00 per yard, the County will pay the difference.

4 5. FOURTH AMENDMENT TO PREVAIL. The provisions of this Fourth
5 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease. Any
6 capitalized terms shall have the meaning defined in the Lease, unless defined herein or context
7 requires otherwise.

8 6. MISCELLANEOUS. Except as amended or modified herein, all terms of
9 the Lease shall remain in full force and effect. If any provisions of this Amendment shall be
10 determined to be illegal or unenforceable, such determination shall not affect any other
11 provision of the Lease. Neither this Amendment nor the Lease shall be recorded by the
12 Lessee.

13 7. EFFECTIVE DATE. This Fourth Amendment to Lease shall not be binding
14 or consummated until its approval by the Riverside County Board of Supervisors and fully
15 executed by the Parties.

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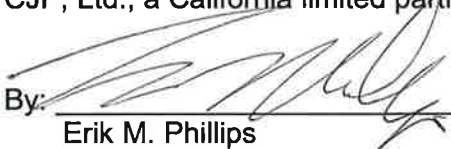
1 WITNESS WHEREOF, the parties have executed this Fourth Amendment as of
2 the date first written above.

3 Dated: _____
4

5 LESSEE:
6 COUNTY OF RIVERSIDE

LESSOR:
CJP, Ltd., a California limited partnership

7 By: _____
8 John J. Benoit, Chairman
9 Board of Supervisors

By:  _____
Erik M. Phillips
General Partner

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

13 By: _____
14 Deputy

15
16 APPROVED AS TO FORM:
17 Pamela J. Walls
18 County Counsel

19 By:  _____
20 Patricia Munroe
21 Deputy County Counsel

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