

842



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

**FROM:** Economic Development Agency / Facilities Management

**SUBMITTAL DATE:**

June 6, 2013

**SUBJECT:** First Amendment to Lease, Department of Mental Health, Corona

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the attached First 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 6/4/13  
 SAMUEL WONG

Robert Field  
 Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ (16,052)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2013/14

**COMPANION ITEM ON BOARD AGENDA:** No

**SOURCE OF FUNDS:** State 60%, Federal 40%

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

2013 JUN 11 PM 3:03  
 RECEIVED BY FACILITIES MANAGEMENT  
 COUNTY OF RIVERSIDE

2013 JUN 11 PM 3:03  
 RECEIVED BY FACILITIES MANAGEMENT  
 COUNTY OF RIVERSIDE

3-22

**Prev. Agn. Ref.:** 3.24 of 10/30/2007

**District:** 2/2

**Agenda Number:**

**BACKGROUND:**

This First Amendment to Lease represents a request from the Department of Mental Health (DOMH) to extend the lease for its office located at 629 N. Main Street, Suite C-3, Corona, extending the term through July 31, 2018. The Lessor, at its sole cost and expense, shall patch and paint the entire facility, replace baseboard in lobby, and replace carpet after the 30<sup>th</sup> 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 First Amendment to Lease is summarized below:

Lessor:	CJP, Ltd. Summit Team 17165 Newhope Street, Suite H Fountain Valley, California 92708		
Premises Location:	629 N. Main Street, Suite C-3, Corona		
Size:	8,000 Square Feet		
Rent:	Current		New
	\$ 2.19 per sq. ft.		\$ 2.02 per sq. ft.
	\$ 17,557.94 per month		\$ 16,153.30 per month
	\$210,695.28 per year		\$193,839.60 per year
Savings:	Per Sq. Ft.	\$ .17	
	Per Month	\$ 1,404.64	
	Per Year	\$16,855.68	
Term:	August 1, 2013 through July 31, 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 thirty-six months with ninety day notice.		

The attached First 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 First Amendment to Lease will be fully funded through the DOMH budget. The DOMH has budgeted these costs in FY 2013/14. While the Economic Development Agency (EDA) will front the costs for the First Amendment to Lease with the property owners, the DOMH will reimburse EDA for all associated costs.

Attachments:  
Exhibit A  
First Amendment to Lease

# Exhibit A

## Department of Mental Health Lease Cost Analysis FY 2013/14 629 N. Main Street, Suites C-3, Corona, California

**Total Square Footage to be Leased:**

**EXPECTED AMOUNTS**

Current office:	8,000 SQFT	
<b>Total Expected Lease Cost for FY 2013/14</b>		<b>\$ 210,695.28</b>

**ACTUAL AMOUNTS**

Current Office:	8,000 SQFT	
Proposed Office:	8,000 SQFT	

Approximate Cost per SQFT (July )	\$ 2.19	
Approximate Cost per SQFT (Aug - June)	\$ 2.02	

Lease Cost per Month (July)	\$ 17,557.94	
Lease Cost per Month ( Aug - June)	<u>\$ 16,153.30</u>	

Total Lease Cost (July)	\$ 17,557.94	
Total Lease Cost (Aug - June)	<u>\$ 177,686.30</u>	
<b>Total Actual Lease Cost for FY 2013/14</b>		<b>\$ 195,244.24</b>
<b>Total Lease Cost Variance for FY 2013/14</b>		<b>\$ (15,451.04)</b>

**Estimated Additional Costs:**

**EXPECTED AMOUNTS**

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month	\$ 960.00	

<b>Total Expected Additional Cost for FY 2013/14</b>	<b>\$ 11,520.00</b>	
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RCIT	\$ -	
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Tenant Improvements	\$ -	
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EDA Lease Management Fee (Based @ 3.89%)	<u>\$ 8,196.05</u>	
<b>Total Estimated Expected Cost for FY 2013/14</b>		<b>\$ 19,716.05</b>

**ACTUAL AMOUNTS**

Utility Cost per Square Foot	\$ 0.12	
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Costs per Month (July)	\$ 960.00	
Costs per Month (Aug - June)	\$ 10,560.00	

Total Estimated Actual Utility Cost for FY 2013/14	\$ 11,520.00	
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RCIT	\$ -	
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Tenant Improvements	\$ -	
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EDA Lease Management Fee (Based @ 3.89%)	<u>\$ 7,595.00</u>	
<b>Total Estimated Actual Cost for FY 2013/14</b>		<b>\$ 19,115.00</b>

<b>Total Estimated Cost Variance for FY 2013/14</b>		<b>\$ (601.05)</b>
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<b>TOTAL ESTIMATED COST FOR FY 2013/14</b>		<b><u>\$ (16,052.09)</u></b>
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1 **FIRST AMENDMENT TO LEASE**

2 **629 N. Main Street, Suite C-3, Corona, California**

3  
4 This **FIRST AMENDMENT TO LEASE** ("First 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 October 30, 2007, 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 629 N. Main Street, Suite C-3, Corona, California (the  
12 "Building"), as more particularly described in the lease.

13 b. The Original Lease, together with the First Amendment, is collectively referred to  
14 hereinafter as the "Lease."

15 **NOW THEREFORE**, for good and valuable consideration the receipt and  
16 adequacy of which is hereby acknowledged, the Parties agree as follows:

17 1. **TERM.** Section 4, subsection 4.1 of the Lease is deleted and replaced with  
18 the following language: The term of this lease shall be extended for five years commencing on  
19 August 1, 2013 and shall expire on July 31, 2018.

20 2. **RENT.** Section 5, subsection 5.1 of the Lease is hereby amended by adding  
21 the following: Commencing August 1, 2013 rent shall be \$16,153.30 per month with a two (2%)  
22 percent annual increase.

23 3. **IMPROVEMENTS.** Lessor, at its sole cost and expense, shall paint Room  
24 127, break room and patch and paint throughout the facility, replace baseboard in lobby, and  
25 replace the carpet after the 30<sup>th</sup> month of the new lease term, if tenant selects out a carpet in  
26 excess of \$16.00 per yard, the County will pay the difference. The carpet shall be replaced once  
27 County confirms that they will occupy the space until the end of the lease term.

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1                   4. **COUNTY'S RIGHT TO EARLY TERMINATION.** Section 6.4 is hereby  
2 deleted and replaced with the following:

3                   County shall have the right to terminate this Lease for any reason after thirty-six (36)  
4 months by providing Lessor ninety (90) days advance written notice.

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

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

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

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1 WITNESS WHEREOF, the parties have executed this First 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  
Board of Supervisors

By:  \_\_\_\_\_  
Erik M. Phillips  
General Partner

9  
10 ATTEST:  
11 Kecia Harper-Ihem  
Clerk of the Board

12  
13 By: \_\_\_\_\_  
Deputy

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

18  
19 By:  \_\_\_\_\_  
20 Patricia Munroe  
Deputy County Counsel

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