

FORM APPROVED COUNTY COUNSEL  
 BY: Synthia M. Gunzel 3-30-10  
 DATE: \_\_\_\_\_  
 SYNTHIA M. GUNZEL  
 MARIAT MABRY ASST DIRECTOR  
 RIVERSIDE COUNTY DMH

628



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

**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
 April 22, 2010

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

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

1. Ratify the attached First Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's FY 2009/10 budget as outlined on Schedule A.

**BACKGROUND:** (Commences on Page 2)

*Robert Field*

Robert Field  
 Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	(\$ 8,677)	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	(\$ 1,475)	<b>Budget Adjustment:</b>	Yes
	<b>Annual Net County Cost:</b>	\$ 48,518	<b>For Fiscal Year:</b>	09/10

<b>SOURCE OF FUNDS:</b> 17.90% Federal, 67.98% State, 12.14% Grants/MOU, .98% 3 <sup>rd</sup> Party, .83% Other and .17% County	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Benoit, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley  
 Nays: None  
 Absent: None  
 Date: May 4, 2010  
 xc: EDA, Auditor, DMH, EO

Kecia Harper-Ihem  
 Clerk of the Board  
 By: *[Signature]*  
 Deputy

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

Prev. Agn. Ref.: 3.12, 4/20/99

District: 3

Agenda Number:

ATTACHMENTS FILED  
 WITH THE CLERK OF THE BOARD

3.30

**BACKGROUND:**

This First Amendment to Lease represents a request from Mental Health to extend the lease for its office located at 650 N. State Street, Hemet, California, commencing on February 1, 2010, through January 31, 2015. This facility continues to meet the requirements of the department. The Economic Development Agency (EDA); Real Estate Division, has negotiated a five (5) year lease renewal with a 7% rental rate reduction.

Lessor: State Street, LLC  
41 Lexington Way  
Trabuco Canyon, California 92679

Premises Location: 650 N. State Street, Hemet, California 92543

Size: 14,400 sq. ft.

Term: Five (5) years, February 1, 2010 through January 31, 2015

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.59 per sq. ft.	\$ 1.48 per sq. ft.
	\$ 22,922.25 per month	\$ 21,250.00 per month
	\$275,067.00 per year	\$255,000.00 per year

<u>Savings</u>	
Per Sq. Ft.	\$ .11
Per Month	\$ 1,672.25
Per Year	\$20,068.00

Rental Adjustments: None

Utilities: County pays for electricity, telephone and gas, Landlord pays for all others services.

Custodial Services: Landlord

Maintenance: Landlord

Option to Terminate: Termination for any reason with sixty days notice

Improvements: None

RCIT Costs: None

Market Data:	2091 W. Florida Avenue, Hemet	\$1.50
	1260 E. Latham Avenue, Hemet	\$1.50

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

Economic Development Agency  
First Amendment to Lease – Department of Mental Health, Hemet  
April 22, 2010  
Page 3

**FINANCIAL DATA:**

All associated costs for this First Amendment to Lease will be fully funded through the Department of Mental Health budget. The Department of Mental Health has budgeted these costs in FY 2009/10. While EDA will front the costs for the First Amendment to Lease with the property owners, the Department of Mental Health will reimburse EDA for all association lease costs.

## Schedule A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	\$(8,360)
10000-7200400000-572500 – Intra Leases	\$8,360

# Exhibit A

## Department of Mental Health Lease Cost Analysis FY 2009/10 650 N. State Street, Hemet, California

**Total Square Footage to be Leased:**

***BUDGETED AMOUNTS***

Current office:	14,400	SQFT		
Cost Per Sq. Ft:	\$	1.59		
Lease Cost per Month		\$	22,922	
<b>Total Lease Cost included in Budget for FY 2009/10</b>				<b>\$ 275,064</b>

***ACTUAL AMOUNTS***

Current office:	14,400	SQFT		
Approximate Cost per SQFT (July- Jan)	\$	1.59		
Approximate Cost per SQFT (Feb - June)	\$	1.48		
Lease Cost per Month (July -Jan)	\$	22,922		
Lease Cost per Month (Feb- June)	\$	21,250		
Total Lease Cost (July - Jan)		\$	160,454	
Total Lease Cost (Feb - June)		\$	106,250	
<b>Total Lease Cost for FY 2009/10</b>				<b>\$ 266,704</b>
<b>TOTAL LEASE COST SAVINGS FOR FY 2009/10</b>				<b>\$ (8,360)</b>

**Estimated Additional Costs:**

***BUDGETED AMOUNTS***

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 1,728	
<b>Total Estimated Utility Cost for FY 2009/10</b>				<b>\$ 20,736</b>
<b>Tenant Improvement Costs</b>				<b>N/A</b>
<b>RCIT Costs</b>				<b>N/A</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>				<b>\$ 10,425</b>
<b>Total Estimated Additional Costs included in Budget for FY 2009/10</b>				<b>\$ 31,161</b>

***ACTUAL AMOUNTS***

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 1,728	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)				\$ 20,736
<b>Tenant Improvement Costs</b>				<b>N/A</b>
<b>RCIT Costs</b>				<b>N/A</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>		\$	10,108	
<b>Total Estimated Additional Costs for FY 2009/10</b>				<b>\$ 30,844</b>
<b>TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10</b>				<b>\$ (317)</b>
<b>TOTAL SAVINGS FOR LEASE COST FY 2009/10</b>				<b>\$ (8,677)</b>
<b>Total Net County Cost @ 17%</b>				<b>\$ (1,475)</b>

# Exhibit B

## Department of Mental Health Lease Cost Analysis FY 2010/11 650 N. State Street, Hemet, California

### Current Square Feet Occupied:

Office:	14,400	SQFT		
Cost per Square Foot:	\$	1.48		
Lease Cost per Month (July 1, 2010- June 30, 2011)		\$	21,250.00	
<b>Total Estimated Lease Cost for FY 2010/11</b>			\$	<b>255,000.00</b>

### Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs (July 1, 2010 -June 30, 2011)		\$	<u>1,728.00</u>	
<b>Total Estimated Utility Cost for FY 2010/11</b>			\$	<b>20,736.00</b>
<b>EDA Lease Management Fee (Based @ 3.79%)</b>			\$	<b><u>9,664.50</u></b>
<b>Total Estimated Lease Cost FY 2010/11:</b>			\$	<b>285,400.50</b>
<b>Total Net County Cost @ 17%</b>			\$	<b>48,518.09</b>

**FIRST AMENDMENT TO LEASE  
650 N. State Street, Hemet, California**

This **FIRST AMENDMENT TO LEASE** ("First Amendment") is made as of May 4, 2010 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **STATE STREET, LLC**, ("Lessor").

**1. Recitals.**

a. Lessor (as the successor-in-interest to American Recon, Inc., a California corporation) and County entered into that certain lease dated April 20, 1999, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 650 N. State Street, Hemet, California (the "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The Original Lease, as heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease".

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

**2. Capitalized Terms:** First Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this First Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains in full force and effect except to the extent amended by this First Amendment.

**3. Lease Term.** Section 3 of the Lease shall be amended as follows: The term of this Lease shall be extended sixty (60) months commencing on February 1, 2010, and terminating on January 31, 2015.

**4. Rent.** Section 5 of the Lease shall be amended as follows: Monthly rent shall be paid as follows through the extended term:

<u>Monthly Amount</u>	<u>Year</u>
\$21,250.00	February 1, 2010 to January 31, 2015

**5. Option to Terminate.** County shall have the right to terminate this lease after one (1) year by giving Lessor sixty (60) days advance written notice.

**6. Notices.** Section 13 of the Lease shall be amended as follows. Any notices required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

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COUNTY:  
Economic Development Agency  
County of Riverside  
3403 Tenth Street, Suite 500  
Riverside, California 92501

LESSOR:  
State Street, LLC  
Attn: Mark Minkoff  
41 Lexington Way  
Trabuco Canyon, California 92679

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

8. This First Amendment to Lease shall not be binding or consummated until its approval by the Board of Supervisors of Riverside County.

Dated: \_\_\_\_\_

STATE STREET, LLC

By:  \_\_\_\_\_

COUNTY OF RIVERSIDE

By:  \_\_\_\_\_  
Marion Ashley, Chairman  
Board of Supervisors

**ATTEST:**  
Kecia Harper-Ihem  
Clerk of the Board

By:  \_\_\_\_\_  
Deputy

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

By:  \_\_\_\_\_  
Synthia M. Gunzel  
Deputy County Counsel

MH:jw  
02/02/10  
HM027  
13.147





FLOOR PLAN

SCALE: 1/8" = 1'-0"



EXHIBIT "A"

FLOOR AREA: 96'-0" x 150'-0" = 14,400 sq. ft.



ARCHITECTURE & PLANNING  
 CONNOR D. CONNOR  
 ARCHITECT  
 241 E. 17TH ST. SANTA ANA, CA 92707