

642



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

FROM: Economic Development Agency

SUBMITTAL DATE:

April 22, 2010

SUBJECT: Third Amendment to Lease – Department of Mental Health, Corona

RECOMMENDED MOTION: Department of Mental Health, Corona

1. Approve the attached Third 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 2009/2010 budget as outlined on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY Samuel Wong
 SAMUEL WONG

Robert Field
 Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	(\$2,936)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	(\$ 34)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$1,203	For Fiscal Year:	09/10

SOURCE OF FUNDS: 1.76% Federal, 26.20% State, 64.69% Grants/MOU, .24% 3 rd Party, 5.96% Other, 1.15% County	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<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, DMH, Auditor, EO

Kecia Harper-Ihem

Clerk of the Board

By: Kecia Harper-Ihem
Deputy

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

District: 2

Agenda Number:

3.36

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Mariat Mabrey
 MARIAT MABREY, ASST. DIRECTOR
 RIVERSIDE COUNTY DMH

FORM APPROVED COUNTY COUNSEL
 BY: Synthia M. Gunzel 3-31-10
 SYNTHIA M. GUNZEL DATE

Policy

Consent

Dept Recomm.:
 Per Exec. Ofc.:

BACKGROUND:

This Third Amendment to Lease represents a request from Mental Health to extend the lease for its office located at 623 North Main Street, Suite D9 thru D12, Corona, California, commencing on March 1, 2010 through February 28, 2013. This facility continues to meet the requirements of the department. The Economic Development Agency, Real Estate Division (EDA), has negotiated a three year renewal with an 8% rental rate reduction.

Lessor: CJP, Ltd
17165 Newhope Street, Suite H.
Fountain Valley, California 92708

Premises Location: 623 North Main Street, Suite D9 thru D12, Corona, California

Size: 4,756 square feet

Term: March 1, 2010 through February 28, 2013

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.80 per sq. ft.	\$ 1.65 per sq. ft.
	\$ 8,554.58 per month	\$ 7,847.40 per month
	\$102,654.96 per year	\$94,168.80 per year

	<u>Savings</u>	
	Per Square Feet	\$.15
	Per Month	\$707.18
	Per Year	\$8,486.16

Rental Adjustments: None

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

Custodial Services: Landlord

Maintenance: Landlord

Option to Terminate: Termination for any reason after eighteen (18) months with (60) days advance written notice.

Termination Penalty: None

Improvements: None

RCIT Costs: None

(Continued)

BACKGROUND:

Market Data:	4190 Green River Road, Corona	\$1.80
	355 E. Rincon Street, Corona	\$1.75

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

FINANCIAL DATA:

All associated costs for this Third 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 Third 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	\$(2,829)
10000-7200400000-572500 – Intra Leases	\$2,829

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2009/10 623 N. Main Street, Suite D9 thru D12, Corona, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	4,756	SQFT		
Cost Per Sq. Ft:	\$	1.80		
Lease Cost per Month		\$	8,554.58	
Total Lease Cost included in Budget for FY 2009/10				\$ 102,654.96

ACTUAL AMOUNTS

Current office:	4,756	SQFT		
Approximate Cost per SQFT (July - Feb)	\$	1.80		
Approximate Cost per SQFT (March - June)	\$	1.65		
Lease Cost per Month (July - Feb)	\$	8,554.58		
Lease Cost per Month (March- June)	\$	7,847.40		
Total Lease Cost (July -Feb)		\$	68,436.64	
Total Lease Cost (March - June)		\$	31,389.60	
Total Lease Cost for FY 2009/10				\$ 99,826.24
TOTAL LEASE COST SAVINGS FOR FY 2009/10				\$ (2,828.72)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 570.72	
Total Estimated Utility Cost for FY 2009/10				\$ 6,848.64
Tenant Improvement Costs				N/A
RCIT Costs				N/A
EDA Lease Management Fee (Based @ 3.79%)				\$ 3,890.62
Total Estimated Additional Costs included in Budget for FY 2009/10				\$ 10,739.26

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$ 570.72	
Total Additional Estimated Utility Cost for FY 2009/10 (July - June)				\$ 6,848.64
EDA Lease Management Fee (Based @ 3.79%)		\$	3,783.41	
Total Estimated Additional Costs for FY 2009/10				\$ 10,632.05
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10				\$ (107.21)
TOTAL SAVINGS FOR LEASE COST FY 2009/10				\$ (2,935.93)
Total Net County Cost @ 1.15%				\$ (33.76)

EXHIBIT B

Department of Mental Health Lease Cost Analysis FY 2010/11 623 N. Main Street, Suite D9 thru D12, Corona, California

Current Square Feet Occupied:

Office:		4,756	SQFT	
Cost per Square Foot:	\$	1.65		
Lease Cost per Month			\$	7,847.40
Total Estimated Lease Cost for FY 2010/11				\$ 94,168.80

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs			570.72	
Total Estimated Utility Cost for FY 2010/11				\$ 6,848.64
EDA Lease Management Fee (Based @ 3.79%)				\$ 3,569.00
Total Estimated Lease Cost FY 2010/11:				\$ 104,586.44
Total Net County Cost @ 1.15%				\$ 1,202.74

1 **THIRD AMENDMENT TO LEASE**
2 **623 N. Main Street, Suites D9 thru D12, Corona, California**

3 This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of
4 May 4, 2010 by and between the **COUNTY OF RIVERSIDE**, a political
5 subdivision of the State of California ("County"), and CJP, Ltd., a California limited partnership
6 ("Lessor").

7 **1. Recitals.**

8 a. Lessor and County entered into that certain lease dated December 8,
9 1998, (the "Original Lease") pursuant to which County leased a portion of that certain building
10 located at 623 N. Main Street, Suites D9 thru D12, Corona, California (the "Building"), as more
11 particularly shown on Exhibit "A", attached hereto and made a part hereof.

12 b. The Original Lease has been amended by:

13 i. That certain First Amendment to Lease dated April 13, 2004, (the
14 "First Amendment").

15 ii. That certain Second Amendment to Lease dated June 5, 2007,
16 (the "Second Amendment").

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

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

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

3. Lease Term. Section 1 of the Second Amendment to Lease shall be amended
as follows: The term of this Lease shall be extended thirty-six (36) months commencing on
March 1, 2010 and terminating on February 28, 2013.

4. Rent. County shall pay to Lessor the monthly sums as rent for the leased
premises during the term of this Lease as indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$7,847.40	March 1, 2010 to February 28, 2013

5. Options to Terminate. Section 3 of the First Amendment and Section 12 of

1 the Original Lease shall be amended by adding subsection (d) to the Lease as follows:

2 (d) Following the execution and delivery of this Third Amendment, County shall
3 have the right to terminate this Lease for any reason after eighteen (18) months by giving
4 Lessor sixty (60) days advance written notice.

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

8 COUNTY:

9 Economic Development Agency
10 County of Riverside
11 3403 Tenth Street, Suite 500
12 Riverside, California 92501

LESSOR:

CJP, Ltd.,
Summit Team
17165 Newhope Street, Suite H
Fountain Valley, Ca 92708

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

15 ///
16 ///
17 ///

18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

Dated: _____

CJP, Ltd., a California limited partnership

By: *Eric M. Phillips*
General Partner

COUNTY OF RIVERSIDE

By: *Marion Ashley*
Marion Ashley, Chairman
Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

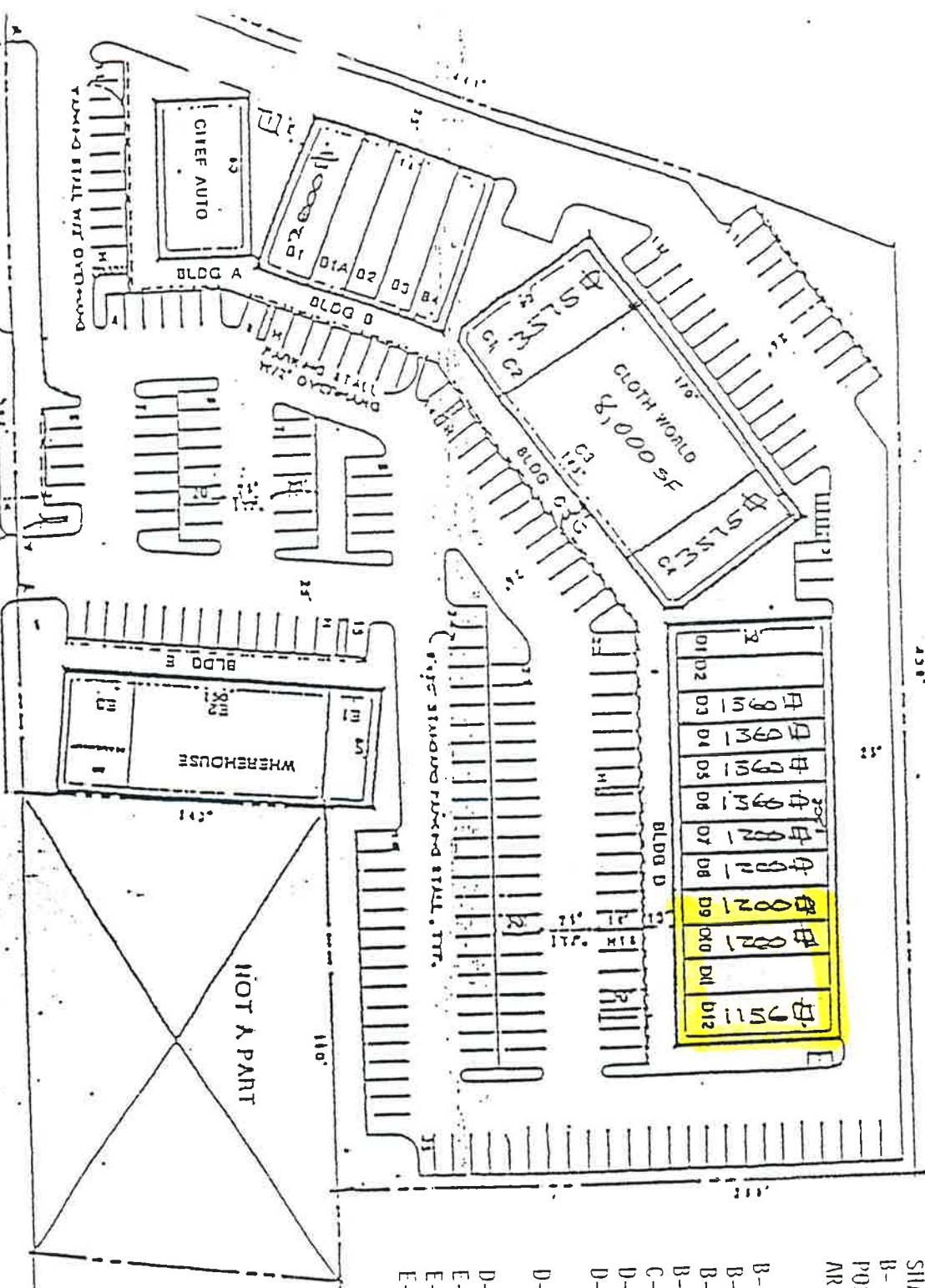
APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: *Synthia M. Gunzel*
Synthia M. Gunzel
Deputy County Counsel

MH;jw
03/01/10
CR012
13.207

MAIN STREET

CENTER LD. ROAD



SHADING INDICATES
 B-1 and C-1
 POSSIBLE OUTSIDE DINING
 AREAS.

- B-1/A H. Salt Fish n' Chips
- B-2 Wok Express
- B-3 Subway
- B-4 Nikko's Burgers
- C-3 Cloth World
- D-1 Dry Cleaners
- D-2 Mini's Tailoring
- D-5 thru D-8 Tux Rental
- D-11 Prudential Real Estate
- E-1 Enterprise Rent A Car
- E-2 Happy Nails
- E-3 Warehouse Records
- Western Dental

EXHIBIT "A"