

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

322



SUBMITTAL DATE:
September 23, 2010

FROM: Economic Development Agency

SUBJECT: Second Amendment to Lease – Department of Mental Health, Banning

RECOMMENDED MOTION: That the Board of Supervisors:

- 1 Approve the attached Second 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 2010/11 budget as outlined on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER

BY: Samuel Wong 9/21/10
SAMUEL WONG

Robert Field
Assistant County Executive Officer/EDA

| | | | | |
|-----------------------|-------------------------------|------------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. Total Cost: | (\$11,209) | In Current Year Budget: | No |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | Yes |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: | 2010/11 |

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 39.01% Federal, 58.86% State, 2.13% 3rd Party

| | |
|----------------------------------|-------------------------------------|
| Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| Requires 4/5 Vote | <input checked="" type="checkbox"/> |

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature: Jennifer L. Sargent

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

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, 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: October 5, 2010

Kecia Harper-Ihem
Clerk of the Board
By:

Prev. Agn. Ref.: 3.13 of 4/16/02; 3.41 of 9/19/09
District: 5

Agenda Number: 3.9

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

This Second Amendment to Lease represents a request from Mental Health to extend the lease for its office located at 1330 West Ramsey Street, Banning, California, commencing on November 1, 2010 through October 31, 2012. This facility continues to meet the requirements of the department. The Real Estate Division has negotiated a 2 year lease renewal with an 11% rental rate reduction, saving the department \$16,200 per year.

Lessor: B.H. Properties, LLC
11111 Santa Monica, Blvd., #600
Los Angeles, California 90025

Premises Location: 1330 W. Ramsey Street, Banning, California 90025

Size: 9,000 sq. ft.

Term: Two (2) years, November 1, 2010 through October 31, 2012

Rent:

| | <u>Current</u> | | <u>New</u> | |
|--|----------------|-------------|--------------|-------------|
| | \$ 1.40 | per sq. ft. | \$ 1.25 | per sq. ft. |
| | \$ 12,600.00 | per month | \$ 11,250.00 | per month |
| | \$151,200.00 | per year | \$135,000.00 | per year |

Savings

| | |
|-------------|-------------|
| Per Sq. Ft. | \$.15 |
| Per Month | \$ 1,350.00 |
| Per Year | \$16,200.00 |

Rental Adjustments: None

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

Custodial Services: Landlord

Maintenance: Landlord

Option to Terminate: Termination for any reason with ninety (90) days notice

Improvements: None

RCIT Costs: None

Market Data: 3055 W. Ramsey, Banning \$1.72
63 S. Fourth Street, Banning \$1.42

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

FINANCIAL DATA:

All associated costs for this Second 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 2010/11. While the Economic Development Agency (EDA) will front the costs for the Second Amendment to Lease with the property owners, the Department of Mental Health will reimburse EDA for all association lease costs.

ATTACHMENT: Exhibit A

Schedule A

Decrease Appropriations:

| | |
|--|-----------|
| 47220-7200400000-526700 – Rent/Lease Buildings | \$ 10,800 |
|--|-----------|

Decrease Estimated Revenues:

| | |
|--|----------|
| 47220-7200400000-777330 – Leasing Services | \$10,800 |
|--|----------|

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2010/11 1330 W. Ramsey Street, Banning

Total Square Footage to be Leased:

BUDGETED AMOUNTS

| | | | | |
|---|-------|------|-----------|----------------------|
| Current office: | 9,000 | SQFT | | |
| Cost Per Sq. Ft: | \$ | 1.40 | | |
| Lease Cost per Month | | \$ | 12,600.00 | |
| Total Lease Cost included in Budget for FY 2010/11 | | | | \$ 151,200.00 |

ACTUAL AMOUNTS

| | | | | |
|---|-------|-----------|-----------|-----------------------|
| Current office: | 9,000 | SQFT | | |
| Approximate Cost per SQFT (July - Oct) | \$ | 1.40 | | |
| Approximate Cost per SQFT (Nov - June) | \$ | 1.25 | | |
| Lease Cost per Month (July -Oct) | \$ | 12,600.00 | | |
| Lease Cost per Month (Nov- June) | \$ | 11,250.00 | | |
| Total Lease Cost (July - Oct) | | \$ | 50,400.00 | |
| Total Lease Cost (Nov - June) | | \$ | 90,000.00 | |
| Total Lease Cost for FY 2010/11 | | | | \$ 140,400.00 |
| TOTAL LEASE COSTS FOR FY 2010/11 | | | | \$ (10,800.00) |

Estimated Additional Costs:

BUDGETED AMOUNTS

| | | | | |
|---|----|------|-------------|---------------------|
| Utility Cost per Square Foot | \$ | 0.12 | | |
| Estimated Utility Costs per Month | | | \$ 1,080.00 | |
| Total Estimated Utility Cost for FY 2010/11 | | | | \$ 12,960.00 |
| EDA Lease Management Fee (Based @ 3.79%) | | | | \$ 5,730.48 |
| Total Estimated Additional Costs included in Budget for FY 2010/11 | | | | \$ 18,690.48 |

ACTUAL AMOUNTS

| | | | | |
|--|----|------|-------------|-----------------------|
| Utility Cost per Square Foot | \$ | 0.12 | | |
| Estimated Utility Costs per Month | | | \$ 1,080.00 | |
| Total Additional Estimated Utility Cost for FY 2010/11 | | | | \$ 12,960.00 |
| EDA Lease Management Fee (Based @ 3.79%) | | | | \$ 5,321.16 |
| Total Estimated Additional Costs for FY 2010/11 | | | | \$ 18,281.16 |
| TOTAL ESTIMATED ADDITIONAL COSTS FOR FY 2010/11 | | | | \$ (409.32) |
| TOTAL LEASE COST FY 2010/11 | | | | \$ (11,209.32) |

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**SECOND AMENDMENT TO LEASE
1330 West Ramsey Street, Banning, California**

This **SECOND AMENDMENT TO LEASE** ("Second Amendment") is made as of October 5, 2010 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **B. H. PROPERTIES, L.L.C.**, a California Limited Liability Company, ("Lessor").

1. Recitals.

a. Lessor and County entered into that certain lease dated April 16, 2002, (the "Original Lease") pursuant to which County leased a portion of that certain building located at 1330 West Ramsey Street, California (the "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated September 29, 2009, (the "First Amendment").

c. 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: Second 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 Second 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 Second Amendment.

3. Lease Term. Section 3 of the First Amendment to Lease shall be amended as follows: The term of this Lease shall be extended twenty-four (24) months commencing on November 1, 2010 and terminating on October 31, 2012.

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> |
|-----------------------|--------------------------------------|
| \$11,250.00 | November 1, 2010 to October 31, 2012 |

5. Options to Terminate. Section 6.4 Subsection 6.4.1 of the Lease shall be amended in its entirety as follows:

(d) Following the execution and delivery of this Second Amendment, County

1 shall have the right to terminate this Lease for any reason giving Lessor ninety (90) days
2 advance written notice.

3 **6. Notices.** Section 20.17 of the Lease shall be amended as follows. Any
4 notices required or desired to be served by either party upon the other shall be addressed to
5 the respective parties as set forth below:

6 **COUNTY:**

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

11 **LESSOR:**

12 B.H. Properties, LLC
13 a California Limited Liability
14 11111 Santa Monica Blvd., #600
15 Los Angeles, California 90025

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

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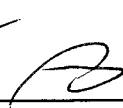

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1 8. This Second Amendment to Lease shall not be binding or consummated until
2 its approval by the Board of Supervisors of Riverside County.


3 Dated: _____

4 **B.H. PROPERTIES, LLC.,**
5 a California Limited Liability Company

6 By:  

7
8 By: _____

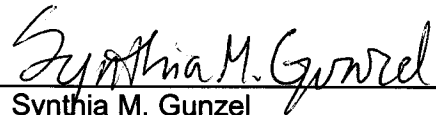
9
10 **COUNTY OF RIVERSIDE**

11
12 By: 
13 Marion Ashley, Chairman
Board of Supervisors

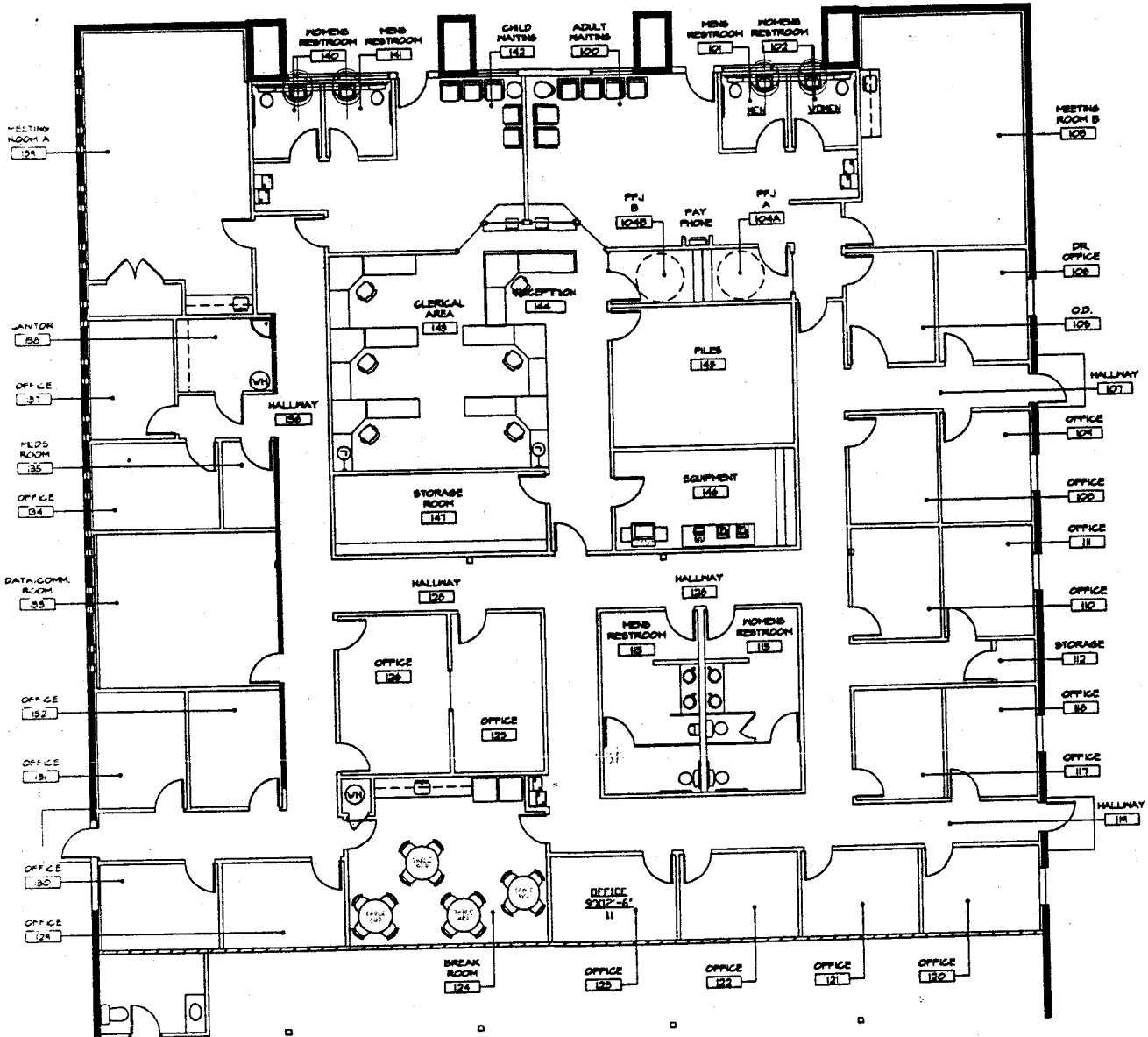
14 **ATTEST:**
15 Kecia Harper-Ihem
Clerk of the Board

16 By: 
Deputy

17
18 **APPROVED AS TO FORM:**
19 Pamela J. Walls
County Counsel

20 By: 
21 Cynthia M. Gunzel
22 Deputy County Counsel

MH:ra
090110
13.523



LEGEND

- NEW CEILING HEIGHT PARTITION
- EXISTING PARTITION TO REMAIN
- NEW DEMISING PARTITION
- NEW 1/4" TEMPERED GLASS IN PAINTED ALUMINUM FRAME. SEE ELEVATIONS FOR SPECIFICATION.
- NEW BLDG. STD. DOOR FRAME AND LEVER HARDWARE. SEE NOTES FOR SPECIFICATION
- HALL MOUNTED DUPLEX
- HALL-MOUNTED FOUR-FLEX
- HALL MOUNTED SEPARATE CIRCUIT
- HALL MOUNTED TELE/DATA/TV OUTLET
- HALL MOUNTED J-BOX OUTLET FOR FURNITURE HOOK-UP

PLAN SPECIFIC NOTES

- ① DEMO EXISTING WALLS, CEILINGS AND FINISHES THROUGHOUT, UNLESS NOTED OTHERWISE ON PLAN.
- ② INSTALL NEW CEILING HEIGHT PARTITIONS AS INDICATED. PROVIDE COST TO INSTALL R-11 INSULATION IN WALLS OF OFFICES & GROUP ROOMS. INSTALL R-11 INSULATION IN RESTROOM WALLS AND ABOVE CEILINGS.
- ③ REMOVE EXISTING WINDOW ASSEMBLY AND REPLACE WITH DUAL PANE LOW-E REFLECTIVE GLASS.
- ④ PROVIDE NEW BIRCH 5'-0"x6'-8"x1-3/4" STAIN GRADE SOLID CORE BIRCH DOORS WITH ANODIZED "TIMELY" FRAMES.
- ⑤ REPLACE EXISTING SLIDING DOOR WITH NEW HOLLOW METAL FRAME AND DOOR WITH VISION PANEL.
- ⑥ FURR AND FILL IN OPENINGS WHERE DOOR ASSEMBLIES ARE BEING REMOVED. FINISH TO MATCH EXISTING BLDG. FINISH AND COLOR.
- ⑦ PROVIDE NEW OPENINGS AND INSTALL NEW HOLLOW METAL DOOR ASSEMBLY WITH PANIC HARDWARE.
- ⑧ PROVIDE NEW 2'X4' SECOND LOOK ARMSTRONG TILE WITH APPROXIMATELY (126) 2'X4' FLUORESCENT LIGHT FIXTURES WITH PRISMATIC LENSES. NOTES FIXTURES TO HAVE ENERGY SAVING BALLASTS AND T8 LAMPS.
- ⑨ CUT IN NEW OPENINGS AND PROVIDE EXTERIOR CLERESTORY WINDOWS IN PAINTED HOLLOW METAL FRAMES. SEE TYPICAL ELEVATION.