

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

323



FROM: Economic Development Agency

SUBMITTAL DATE:
September 23, 2010

SUBJECT: Fifth Amendment to Lease – Department of Mental Health, San Jacinto

RECOMMENDED MOTION: That the Board of Directors:

1. Ratify the attached Fifth Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County of Riverside; 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 9/23/10
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (3,736)	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: 48.79% Federal, 50.49% State, .72% 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

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: November 2, 2010
xc: EDA, Mental Health, EO, Auditor

Kecia Harper-Ihem
Clerk of the Board
By: Kecia Harper-Ihem
Deputy

Prev. Agn. Ref.: 3.27 of 7/27/93; 3.22 of 6/23/89; 3.28 of 8/13/02;
3.43 of 8/24/04; 3.21 of 10/6/07

District: 3

Agenda

3.22

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

MARIA T. MABEY, ASST DIRECTOR
RIVERSIDE CO DEPT OF MENTAL HEALTH

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Guinzel 9/23/10
SYNTHIA M. GUINZEL
Departmental Concurrence DATE

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

BACKGROUND:

This Fifth Amendment to Lease represents a request from Mental Health to extend the lease for its office located at 950 N. Ramona Boulevard, Suites 1-3, San Jacinto, California, commencing on September 1, 2010 through August 31, 2012. This facility continues to meet the requirements of the department. The Real Estate Division has negotiated a 2 year lease renewal with a 7% rental rate reduction.

Lessor: LA AVALON APTS, LLC
P.O. Box 491099
Los Angeles, California 90049

Premises Location: 950 N. Ramona Blvd., #1-3, San Jacinto, California

Size: 3,600 sq. ft.

Term: September 1, 2010 through August 31, 2012

Rent:

	<u>Current</u>	<u>New</u>
	\$ 1.45 per sq. ft.	\$ 1.35 per sq. ft.
	\$ 5,220.00 per month	\$ 4,860.00 per month
	\$62,640.00 per year	\$ 58,320.00 per year

Savings

Per Sq. Ft.	\$.10
Per Month	\$ 360.00
Per Year	\$4,320.00

Rental Adjustments: None

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

Custodial Services: Landlord

Maintenance: Landlord

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

Improvements: None

RCIT Costs: None

Market Data:

1330 S. State Street, San Jacinto	\$1.43
1497 S. San Jacinto Street, San Jacinto	\$2.00

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

FINANCIAL DATA:

All associated costs for this Fifth 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. This fifth amendment is only to increase term, there will be no financial impact, but if there is, then the Economic Development Agency (EDA) will front the costs for the Fifth 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	\$3,600
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Decrease Estimated Revenues:

47220-7200400000-777330 – Leasing Services	\$3,600
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Exhibit A

Department of Mental Health Lease Cost Analysis FY 2010/11 950 N. Ramona Blvd., Suites 1-3, San Jacinto, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		3,600 SQFT	
Cost Per Sq. Ft:	\$	1.45	
Lease Cost per Month		\$ 5,220.00	
Total Lease Cost included in Budget for FY 2010/11		\$	62,640.00

ACTUAL AMOUNTS

Current office:		3,600 SQFT	
Approximate Cost per SQFT (July - Aug)	\$	1.45	
Approximate Cost per SQFT (Sept - June)	\$	1.35	
Lease Cost per Month (July -Aug)	\$	5,220.00	
Lease Cost per Month (Sept -June)	\$	4,860.00	
Total Lease Cost (July - Aug)		\$ 10,440.00	
Total Lease Cost (Sept- June)		\$ 48,600.00	
Total Lease Cost for FY 2010/11		\$	59,040.00
TOTAL LEASE COST SAVINGS FOR FY 2010/11		\$	(3,600.00)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 432.00	
Total Estimated Utility Cost for FY 2010/11		\$	5,184.00
Tenant Improvement Costs		N/A	
RCIT Costs		N/A	
EDA Lease Management Fee (Based @ 3.79%)		\$	2,374.06
Total Estimated Additional Costs included in Budget for FY 2010/11		\$	7,558.06

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 432.00	
Total Additional Estimated Utility Cost for FY 2010/11		\$	5,184.00
EDA Lease Management Fee (Based @ 3.79%)		\$	2,237.62
Total Estimated Additional Costs for FY 2010/11		\$	7,421.62
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11		\$	(136.44)
TOTAL SAVINGS FOR LEASE COST FY 2010/11		\$	(3,736.44)

1
2 **FIFTH AMENDMENT TO LEASE**
3 **950 N. Ramona Boulevard, Suites 1-3, San Jacinto, California**

4 This **FIFTH AMENDMENT TO LEASE** ("Fifth Amendment") is made as of
5 November 2, 2010 by and between the **COUNTY OF RIVERSIDE**, a political subdivision
6 of the State of California ("County"), and **LA AVALON APTS, LLC**, ("Lessor").

7 **1. Recitals.**

8 a. Lessor (as the successor-in-interest to Alfred Fikse) and County entered
9 into that certain lease dated July 27, 1993, (the "Original Lease") pursuant to which County
10 leased a portion of that certain building located at 950 North Ramona Boulevard, San Jacinto,
11 California (the "Building"), as more particularly shown on Exhibit "A", attached hereto and
12 made a part hereof.

13 b. The Original Lease has been amended by:

14 i. That certain First Amendment to Lease dated June 23, 1998,
15 (the "First Amendment").

16 ii. That certain Second Amendment to Lease dated August 13,
17 2002, (the "Second Amendment").

18 iii. That certain Third Amendment to Lease dated August 24, 2004,
19 (the "Third Amendment").

20 iv. That certain Fourth Amendment to Lease dated October 16,
21 2007, (the "Fourth Amendment").

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

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

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

32 **3. Lease Term.** Section 1 of the Fourth Amendment to Lease shall be amended
33 as follows: The term of this Lease shall be extended twenty-four (24) months commencing on
34 September 1, 2010 and terminating on August 31, 2012.

35 //

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

<u>Monthly Amount</u>	<u>Year</u>
\$4,860.00	September 1, 2010 to August 31, 2012

4 **5. Options to Terminate.** Section 12 Subsection (d) of the Lease shall be
5 amended in its entirety as follows:

6 (d) Following the execution and delivery of this Fifth Amendment, County shall
7 have the right to terminate this Lease for any reason after (1) year by giving Lessor sixty (60)
8 days advance written notice.

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

COUNTY:	LESSOR:
Economic Development Agency	LA AVALON APTS, LCC
County of Riverside	P.O. Box 491099
3403 Tenth Street, Suite 500	Los Angeles, California 90049
Riverside, California 92501	

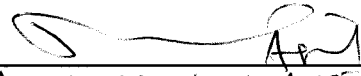
13 **7.** Except as modified or supplemented by this Fifth Amendment to Lease, all
14 provisions of this Lease shall remain in full force and effect.

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


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

3 Dated: _____

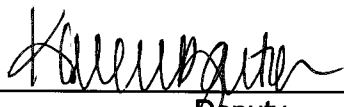
4 LA AVALON APTS, LLC

5
6 By: 
7 LA AVALON APTS, LLC

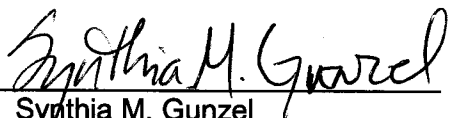
8 COUNTY OF RIVERSIDE

9
10
11 By: 
12 Marion Ashley, Chairman
 Board of Supervisors

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

16 By: 
 Deputy

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

20 By: 
 Cynthia M. Gunzel
 Deputy County Counsel

21
22 MH:ra
23 080410
24 SJ010
25 13.580

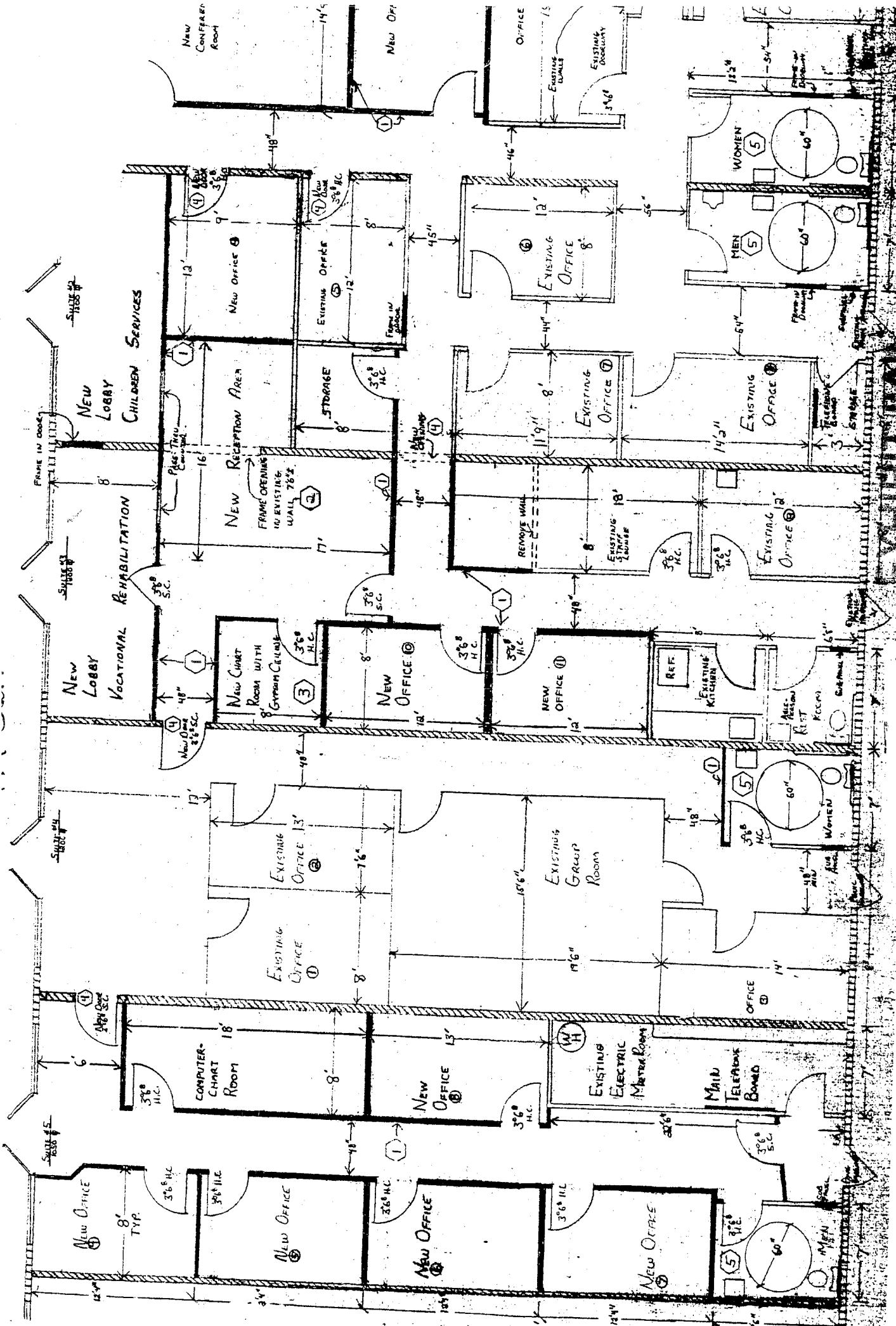


EXHIBIT A

950 S. Ramona Blvd. San Jacinto, CA

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3.10

On motion of Supervisor Stone, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from the Economic Development Agency regarding Approval of the Fifth Amendment to Lease – Department of Mental Health, San Jacinto, 3rd District is continued to Tuesday, November 2, 2010 at 9:00 a.m.

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on October 5, 2010 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: October 5, 2010
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

(seal)

By: *Kecia Harper-Ihem* Deputy

AGENDA NO.
3.10

xc: EDA, Mental Health, COB