

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

505



*Maria T. Massey*  
MARIA T. MASSEY, ASST. DIRECTOR  
RIVERSIDE COUNTY DMH

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

**SUBMITTAL DATE:**

January 12, 2012

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

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

Approve the attached Second Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County.

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

FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY: *Samuel Wong 1/9/12*  
SAMUEL WONG

*Robert Field*  
Robert Field  
Assistant County Executive Officer/EDA

August 4, 2011

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ (8,294)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

**SOURCE OF FUNDS:** 97.95% State, 2.05% 3<sup>rd</sup> Party

Positions To Be Deleted Per A-30   
Requires 4/5 Vote

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

BY: *Jennifer L. Sargent*  
Jennifer L. Sargent

**County Executive Office Signature**

August 4, 2011

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Stone, seconded by Supervisor Benoit 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: January 24, 2012  
xc: EDA, Auditor, Mental Health

Kecia Harper-Ihem  
Clerk of the Board  
By: *Jennifer L. Sargent*  
Deputy

Prev. Agn. Ref.: 3.23 of 1/27/09

District: 1

Agenda Number:

3.18

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL  
BY: *Synthia M. Gunzel 7-19-11*  
DATE: 7-19-11  
SYNTHIA M. GUNZEL  
Departmental Concurrence

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



**BACKGROUND:**

This Second Amendment to Lease represents a request from the Department of Mental Health to extend the lease term for its office located at 2800 Hulen Place, Riverside, California. The term will be extended from February 1, 2012 through January 31, 2015. This facility is occupied by the Department of Mental Health (DOMH), Safe Haven Homeless Shelter and continues to meet the requirements of the department. The Real Estate Division has negotiated a three (3) year lease renewal with a 10% rental rate reduction, saving the department \$11,100.24 per year.

Lessor: City of Riverside  
General Services Department  
Property Management Division  
8095 Lincoln Avenue  
Riverside, California 92504

Premises Location: 2800 Hulen Place, Riverside, California 92507

Size: 4,680 sq. ft.

Term: February 1, 2012 through January 31, 2015

Rent:	<u>Current</u>		<u>New</u>	
	\$ 2.00	per sq. ft.	\$ 1.80	per sq. ft.
	\$ 9,349.02	per month	\$ 8,424.00	per month
	\$112,188.24	per year	\$101,088.00	per year

<u>Savings</u>	
Per Sq. Ft.	\$ .20
Per Month	\$ 925.02
Per Year	\$11,100.24

Rental Adjustments: Three (3%) percent on year 3

Option to Terminate: Termination for any reason after one year with sixty (60) days advance written notice

Improvements: None

RCIT Costs: None

The attached second 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 Second Amendment to Lease will be fully funded through the Department of Mental Health budget. The DOMH has budgeted these costs in FY2011/12. While the Economic Development Agency (EDA) will front the costs for the Second Amendment to Lease with the property owners, the DOMH will reimburse EDA for all associated lease costs.

**ATTACHMENTS:**

Exhibit A  
Second Amendment to Lease



# Exhibit A

## Department of Mental Health Lease Cost Analysis FY 2011/12 2800 Hulen Place, Riverside

### Total Square Footage to be Leased:

#### **EXPECTED AMOUNTS**

Current office:	4,680 SQFT	
Lease Cost included in Budget for FY 2011/12		\$ 115,553.88

#### **ACTUAL AMOUNTS**

Current office:	4,680 SQFT	
Approximate Cost per SQFT (July-Jan)	\$ 2.00	
Approximate Cost per SQFT (Feb-June)	\$ 1.80	
Lease Cost per Month (July-Jan)	\$ 9,349.02	
Lease Cost per Month (Feb-June)	\$ 8,424.00	
Lease Cost (July-Jan)	\$ 65,443.14	
Lease Cost (Feb-June)	\$ 42,120.00	
Lease Cost for FY 2011/12		\$ 107,563.14
TOTAL LEASE COST (SAVINGS) FOR FY 2011/12		\$ (7,990.74)

### Estimated Additional Costs:

#### **EXPECTED AMOUNTS**

EDA Lease Management Fee (Based @ 3.79%)	\$ 4,379.49	
Total Estimated Additional Costs included in Budget for FY 2011/12		\$ 4,379.49

#### **ACTUAL AMOUNTS**

EDA Lease Management Fee (Based @ 3.79%)	\$ 4,076.64	
Total Estimated Additional Costs for FY 2011/12		\$ 4,076.64
TOTAL ESTIMATED ADDITIONAL COST (SAVINGS) FOR FY 2011/12		\$ (302.85)
TOTAL ADDITIONAL LEASE COST (SAVINGS) FY 2011/12		\$ (8,293.59)





WHEN DOCUMENT IS FULLY EXECUTED RETURN  
CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

**SECOND AMENDMENT TO LEASE**

(Department of Mental Health

2800 Hulen Place, Riverside, California)

This **SECOND AMENDMENT TO LEASE** (Second Amendment) is made as of  
January 24, 2012 by and between the **COUNTY OF RIVERSIDE**, a political  
subdivision of the State of California (County), and **CITY OF RIVERSIDE**, a California charter  
city and municipal corporation, (Lessor).

**1. Recitals.**

a. Lessor and County entered into that certain Lease dated September 1,  
2006, (Original Lease) pursuant to which County leased a portion of that certain building  
located at 2800 Hulen Place, Riverside, California (Building), as more particularly described in  
the Original Lease.

b. The Original Lease has been amended by that certain First Amendment  
to Lease dated February 26, 2009, by and between the County and Lessor (First Amendment),  
whereby the parties agreed to extend the term and amend the monthly rent.

c. The Original Lease, as heretofore, currently, or hereafter amended,  
together with the Second Amendment, 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.

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1           **3. Lease Term.** Section 3 of the Lease is hereby amended in its entirety to read  
2 as follows:

3                   3. The term of this Lease shall from period beginning on September 1, 2006  
4 and terminating on January 31, 2015.

5           **4. Rent.** Section 5 of the Lease shall be amended add the following  
6 subparagraph (d):

7                   (d) County shall pay to Lessor the monthly sums as rent for the leased premises  
8 during the term of this Lease as indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$8,424.00	February 1, 2012 to January 31, 2013
\$8,424.00	February 1, 2013 to January 31, 2014
\$8,676.72	February 1, 2014 to January 31, 2015

9           **5. Options to Terminate.** Section 12 of the Lease shall be amended in its  
10 entirety as follows:

11                   12. **Option to Terminate.** Following the execution and delivery of this Second  
12 Amendment, County shall have the right to terminate this Lease for any reason after one year  
13 with sixty days advance written notice.

14           **6. Notices.** Section 13 of the Lease shall be amended to revise the notices as  
15 follows:

16           **COUNTY:**  
17 Economic Development Agency  
18 County of Riverside  
19 3403 Tenth Street, Suite 500  
20 Riverside, California 92501

21           **LESSOR:**  
22 City of Riverside  
23 General Services Department  
24 Property Management Division  
25 8095 Lincoln Avenue  
26 Riverside, California 92504

27 ///  
28 ///  
///  
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1           7.     **County's Representative.** Section 19 of the Lease shall be amended in its  
2 entirety as follows:

3                     19. **County's Representative.** County hereby appoints the Assistant County  
4 Executive Officer of the Economic Development Agency as its authorized representative to  
5 administer this Lease.

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

8           9.     This Second Amendment to Lease shall not be binding or consummated until its  
9 approval by the Board of Supervisors for the County of Riverside and by the City Council for  
10 the City of Riverside.

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

13 **CITY OF RIVERSIDE**, a California charter  
14 city and municipal corporation

15 By: \_\_\_\_\_  
16 City Manager

17 Date: \_\_\_\_\_

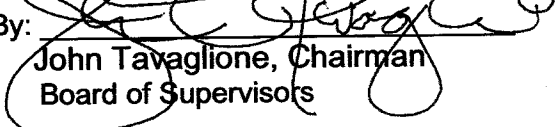
18 **ATTEST:**  
19 City Clerk

20 By: \_\_\_\_\_  
21 City Clerk

22 **APPROVED AS TO FORM:**

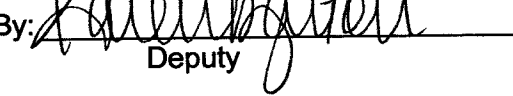
23 By: \_\_\_\_\_  
24 Supervisor Deputy City Attorney

**COUNTY OF RIVERSIDE** a political  
subdivision of the State of California

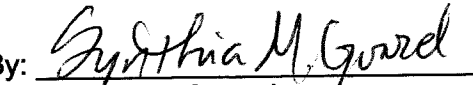
15 By:   
16 John Tavaglione, Chairman  
Board of Supervisors

17 Date: \_\_\_\_\_

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

20 By:   
21 Deputy

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

24 By:   
25 Synthia M. Gunzel  
26 Deputy County Counsel

