

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

715



FORM APPROVED COUNTY COUNSEL
BY: Sybil M. Gunzlee 1-20-12
DATE

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

January 26, 2012

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

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Third Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County.

BACKGROUND: (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	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: Federal 42.12%, State 56.12%, 3 rd Party 1.76%	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Stone 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: February 7, 2012
xc: EDA, Mental Health

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.: 3.8 of 12/2/1997; 3.20 of 5/11/04; 3.20 of 4/17/07

District: 5/5

Agenda Number:

3.8

By: Nancy J. Wengert
Nancy J. Wengert, Director
Department of Mental Health

Dep't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

BACKGROUND:

This Third Amendment to Lease represents a request from the Department of Mental Health (DOMH) to extend the lease for its office located at 23119 Cottonwood Avenue, Building A, Moreno Valley, California, commencing on March 1, 2012 through February 28, 2017. This facility continues to meet the program's location and space requirements. This renewal will extend the term 5 years and the rent will remain the same for FY 2011/12. The annual increase has been reduced from five percent to four percent and will take effect in FY 2012/13. In addition, the Lessor, at his sole cost and expense, will touch up and paint throughout, paint office 104 and replace carpet throughout, during year three of the lease term at no cost to the County. This Third Amendment to Lease is summarized below:

Lessor: Bel Air Plaza, LTD
1875 Century Park East, Suite 1350
Los Angeles, California 90067

Location: 23119 Cottonwood Avenue, Building A
Moreno Valley, California 92553

Term: Extended five years effective March 1, 2012

Size: 6,193 square feet

Rent: \$1.82 per square foot
\$11,291.45 per month
\$135,497.40 per year

Annual Increase: Four percent

Improvement Cost: At Lessors sole cost and expense

Utilities: County pays for telephone and electrical services, Lessor pays for all other

Custodial Services: Lessor

Maintenance: Lessor

RCIT: None

Option to Terminate: Termination for any reason with ninety day notice.

The attached Third 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 Third Amendment to Lease will be fully funded through the DOMH budget. The DOMH has budgeted these costs in FY 2011/12. While the Economic Development Agency (EDA) will front the costs for the Third Amendment to Lease with the property owners, the DOMH will reimburse EDA for all associated costs.

Attachment:
Third Amendment to Lease

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2011/12 23119 Cottonwood Avenue, Moreno Valley, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:		6,193 SQFT	
Cost Per Sq. Ft:	\$	1.82	
Lease Cost per Month		\$ 11,291.45	
Total Lease Cost included in Budget for FY 2011/12		\$ 11,291.45	\$ 135,497.40

ACTUAL AMOUNTS

Current office:		6,193 SQFT	
Approximate Cost per SQFT (July - Feb)	\$	1.82	
Approximate Cost per SQFT (March - June)	\$	1.82	
Lease Cost per Month (July - Feb)	\$	11,291.45	
Lease Cost per Month (March- June)	\$	11,291.45	
Total Lease Cost (July -Feb)	\$	90,331.60	
Total Lease Cost (March - June)	\$	45,165.80	
Total Lease Cost for FY 2011/12		\$ 45,165.80	\$ 135,497.40
TOTAL LEASE COST FOR FY 2011/12			\$ 135,497.40

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	743.16	
Total Estimated Utility Cost for FY 2011/12		\$ 8,917.92	
EDA Lease Management Fee (Based @ 3.79%)		\$ 5,135.35	
Total Estimated Additional Costs included in Budget for FY 2011/12		\$ 5,135.35	\$ 14,053.27

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	743.16	
Total Additional Estimated Utility Cost for FY 2011/12 (July - June)		\$ 8,917.92	
EDA Lease Management Fee (Based @ 3.79%)		\$ 5,135.35	
Total Estimated Additional Costs for FY 2011/12		\$ 5,135.35	\$ 14,053.27
TOTAL ESTIMATED ADDITIONAL COST FOR FY 2011/12			\$0

Exhibit B

Department of Mental Health Lease Cost Analysis for FY 2012/13 23119 Cottonwood Avenue, Moreno Valley, California

Current Square Feet Occupied:

Office:		6,193 SQFT	
Cost per Square Foot:	\$	1.90	
Lease Cost per Month		\$	11,743.11
Total Estimated Lease Cost for FY 2012/13			\$ 140,917.32

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs		\$	743.16
Total Estimated Utility Cost for FY 2012/13			\$ 8,917.92
EDA Lease Management Fee (Based @ 3.79%)			\$ 5,340.77
Total Estimated Lease Cost FY 2012/13:			<u>\$ 155,176.01</u>

1 **THIRD AMENDMENT TO LEASE**

2 (Department of Mental Health

3 23119 Cottonwood Avenue, Building A, Moreno Valley, California)

4
5 This **Third Amendment to Lease** (Third Amendment) is made as of February 7,
6 2012 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of
7 California (County), and **BEL AIR PLAZA, LTD.**, a California limited partnership (Lessor).

8 **1. Recitals.**

9 a. Lessor and County entered into that certain Lease December 2, 1997,
10 (Original Lease) pursuant to which County leased a portion of that certain building located at
11 23119 Cottonwood Avenue, Building A, Moreno Valley, California (Building), as more
12 particularly described in the Original Lease.

13 b. The Original Lease has been amended by:

14 i. That certain First Amendment to Lease dated May 11, 2004,
15 (First Amendment).

16 ii. That certain Second Amendment to Lease dated April 17, 2007,
17 (Second Amendment).

18 c. The Original Lease, as heretofore, currently, or hereafter amended,
19 together with this Third Amendment, shall hereafter be referred to as the Lease.

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

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

28

1 **3. Lease Term.** Section 1 of the Second Amendment shall be amended as
2 follows: The term of this Lease shall be extended for five (5) years commencing on March 1,
3 2012 and terminating February 28, 2017.

4 **4. Rent.** Section 2 of the Second Amendment to Lease shall be amended as
5 follows: County shall pay to Lessor the monthly sum of \$11,291.45 to Lessor as rent for the
6 leased premises effective as of March 1, 2012. Thereafter, the monthly rent shall be adjusted
7 on each anniversary of this lease extension by an amount equal to four (4%) percent of such
8 monthly rent.

9 **5. County's Options to Terminate.** The language in Section 12 Subsections (d)
10 and (e) is hereby deleted, and the following new language substituted as follows:

11 12. (d). County shall have the right to terminate this Lease for any reason
12 provided County submits written notice to Lessor ninety (90) days in advance.

13 **6. Improvements by Lessor.** Section (3) of the Second Amendment to Lease
14 shall be amended in its entirety as follows:

15 (a) Following the execution and delivery of this Third Amendment to
16 Lease, Lessor shall, at its sole cost and expense, provide touch up and paint throughout the
17 facility and paint Room 104.

18 (b) Lessor, at his expense, shall install new carpet in year three (3)
19 of the lease term.

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

23 COUNTY:	23 LESSOR:
24 Economic Development Agency	24 Bel Air Plaza, LTD.
25 County of Riverside	25 9201 Wilshire Blvd., Suite 103
26 3403 Tenth Street, Suite 500	26 Beverly Hills, CA 90210
27 Riverside, California 92501	
28	

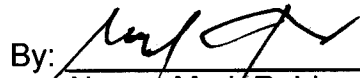
1 **8. County's Representative.** Section 19 of the Lease shall be amended as
2 follows: County hereby appoints the Assistant County Executive Officer of the
3 Economic Development Agency as its authorized representative to administer this
4 Lease.

5 **9.** Except as modified or supplemented by this Third Amendment to Lease,
6 all other provisions of the Lease remain the same and shall remain in full force and
7 effect.

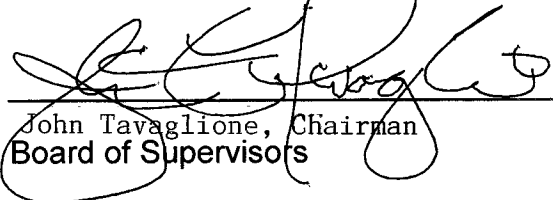
8 **10.** This Third Amendment to Lease shall not be binding or consummated
9 until its approval by the Board of Supervisors for the County of Riverside.

10 Dated: 1-10-12

11 **BEL AIR PLAZA, LTD.,** a California limited
12 partnership

13 By: 
14 Name: Mark Rubin
15 Title: Pres.

16 **COUNTY OF RIVERSIDE,** a political
17 subdivision of the State of California

18 By: 
19 John Tavaglione, Chairman
20 Board of Supervisors

21 **ATTEST:**
22 Kecia Harper-Ihem
23 Clerk of the Board

24 By: 
25 Deputy

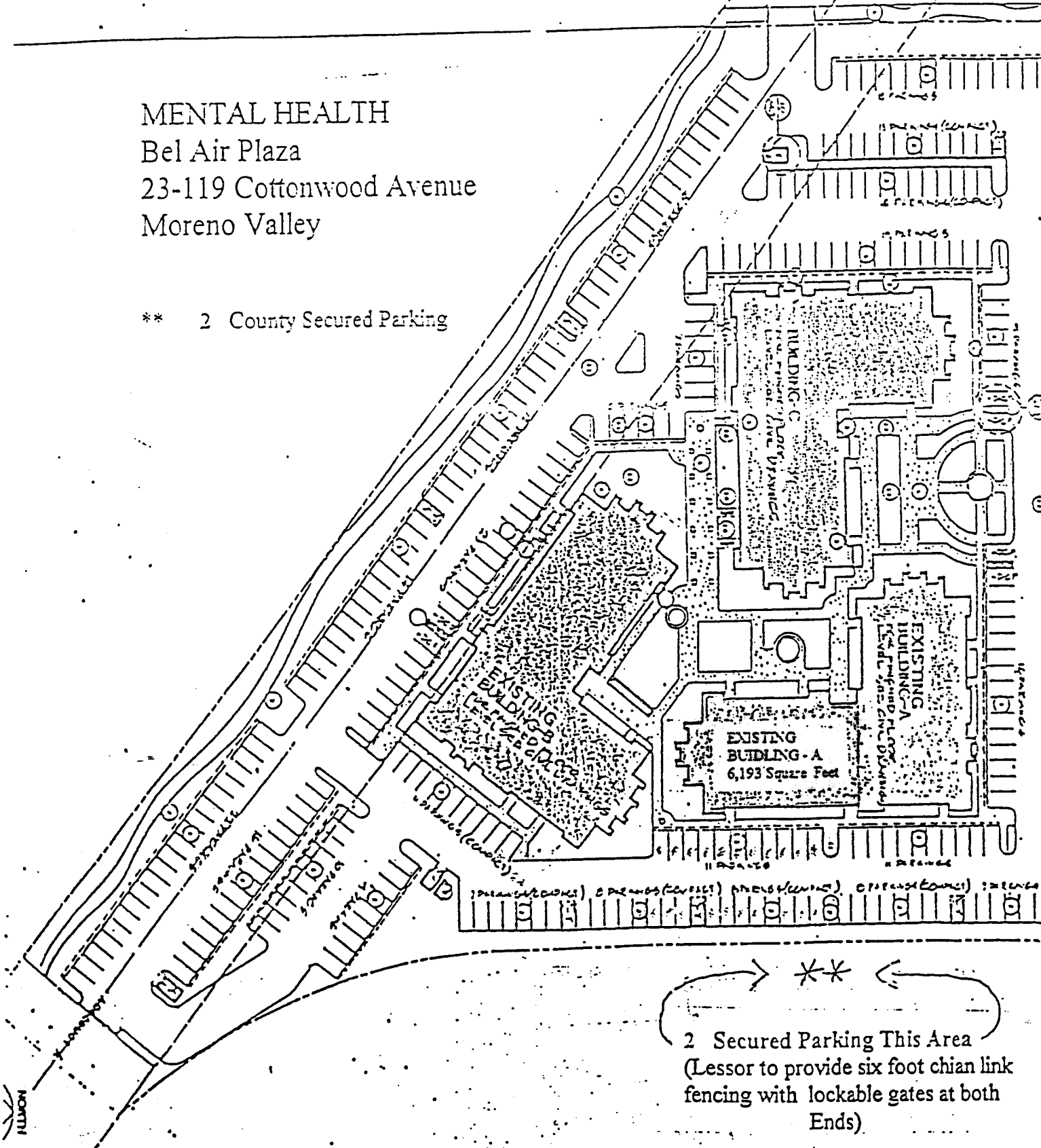
26 **APPROVED AS TO FORM:**
27 Pamela J. Walls
28 County Counsel

By: 
Cynthia M. Gunzel
Deputy County Counsel

FREDERICK STREET

MENTAL HEALTH
Bel Air Plaza
23-119 Cottonwood Avenue
Moreno Valley

** 2 County Secured Parking



→ ** ←
2 Secured Parking This Area
(Lessor to provide six foot chain link
fencing with lockable gates at both
Ends)

Exhibit A