

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

565



SUBMITTAL DATE:
July 5, 2012

FROM: Economic Development Agency / Facilities Management

SUBJECT: First Amendment to Lease, Department of Mental Health, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached First Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and
2. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Samuel Wong 7/5/12
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 10,620	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Federal 2.37%, State 97.62%, 3rd Party .01%

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
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Benoit and Ashley
Nays: None
Absent: Stone
Date: July 17, 2012
xc: EDA, Mental Health

Kecia Harper-Ihem
Clerk of the Board
By: [Signature]
Deputy

Prev. Agn. Ref.: 3.28 of 7/17/2007

District: 2/2

Agenda Number:

3.20

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 6/20/12
DATE
SYNTHIA M. GUNZEL
Departmental Concurrence

By: [Signature]
Jerry Wengert, Director
Riverside County Mental Health

Dept't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

BACKGROUND:

This First Amendment to Lease represents a request from the Department of Mental Health (DOMH) to extend the lease for its office located at 3833 Tenth Street, Riverside, California, commencing June 1, 2012 and terminating May 31, 2013, the rent will remain the same. This facility continues to meet the needs of the department. The Real Estate Division has negotiated a one year lease renewal with a 6% rental rate reduction, saving the department \$4,325.64

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Lease, is the letting of property involving existing facilities and no expansion of an existing use will occur.

This First Amendment to Lease is summarized below:

Lessor: Parkfront Properties, LLC
6256 Riverside Avenue
Riverside, California 92506

Premises Location: 3833 Tenth Street, Riverside, California 92501

Size: 2,390 square feet

\$ 2.50 per sq. ft.	\$ 2.35 per sq. ft.
\$ 5,976.97 per month	\$ 5,616.50 per month
\$71,723.64 per year	\$67,398.00 per year

Savings: Per Sq. Ft. \$.15
Per Month \$360.47
Per Year \$4,325.64

Term: Effective June 1, 2012 through May 31, 2013

Rent Adjustment: None

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

Custodial Services: Landlord

Maintenance: Landlord

Option to Terminate: County shall have the right to terminate Lease for any reason after February 1, 2013

The attached First 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 First Amendment to Lease will be fully funded through the DOMH budget. The DOMH has budgeted these costs in FY 2012/13. While the Economic Development Agency (EDA) will front the costs for the First Amendment to Lease with the property owners, the DOMH will reimburse EDA for all associated costs.

Attachments:
First Amendment to Lease
Exhibit A

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2012/13 3833 Tenth Street, Riverside, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office: 2,390 SQFT
Total Expected Lease Cost for FY 2012/13 \$ 71,723.64

ACTUAL AMOUNTS

Current Office: 2,390 SQFT
Approximate Cost per SQFT (July - May) \$ 2.35
Lease Cost per Month (July - May) \$ 5,616.50
Total Lease Cost (July - May) \$ 61,781.50
Total Actual Lease Cost for FY 2012/13 \$ 61,781.50
Total Lease Cost Variance for FY 2012/13 \$ (9,942.14)

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs per Month (July - June) \$ 286.80
Total Estimated Utility Cost for FY 2012/13 \$ 3,441.60
RCIT \$ -
Tenant Improvements \$ -
EDA Lease Management Fee (Based @ 3.93%) \$ 2,818.74
Total Estimated Expected Cost for FY 2012/13 \$ 6,260.34

ACTUAL AMOUNTS

Utility Cost per Square Foot \$ 0.12
Costs per Month (July - May) \$ 286.80
Total Estimated Actual Utility Cost for FY 2012/13 \$ 3,154.80
RCIT \$ -
Tenant Improvements \$ -
EDA Lease Management Fee (Based @ 3.93%) \$ 2,428.01
Total Estimated Actual Cost for FY 2012/13 \$ 5,582.81
Total Estimated Cost Variance for FY 2012/13 \$ (677.53)
TOTAL ESTIMATED COST FOR FY 2012/13 \$ (10,619.67)

1 **FIRST AMENDMENT TO LEASE**

2 3833 Tenth Street, Riverside, California

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4 This **FIRST AMENDMENT TO LEASE** (First Amendment), dated as of
5 July 17, 2012, is entered by and between the **COUNTY OF RIVERSIDE**, a political
6 subdivision of the State of California, (Lessee), and **PARKFRONT PROPERTIES, LLC.**, a
7 California limited liability company, (Lessor), sometimes collectively referred to as the "Parties".

8 **1. Recitals.**

9 a. Parkfront Properties, LLC., as Lessor, and County as Lessee, have entered into
10 that certain Lease dated July 17, 2007, (the "Original Lease") pursuant to which Lessee has
11 agreed to lease from Lessor a portion of that certain building located at 3833 Tenth Street,
12 Riverside, California (Building), as more particularly described in the Original Lease.

13 b. The Parties now desire to extend the term period, amend the rental amounts,
14 revise the early termination clause, and update Notices and County's Representative.

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

17 **2. Rent.** Section 5 of the Original Lease is hereby amended by the following:

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

<u>Monthly Amount</u>	<u>Year</u>
\$5,616.50	June 1, 2012 to May 31, 2013

22 **3. County's Options to Terminate.** Section 12 Subsections (c) and (d) of the

23 Lease are hereby deleted in its entirety, and the following new language substituted as follows:

24 12. (c) Following the execution and delivery of this First Amendment, County
25 shall have the right to terminate this Lease for any reason after February 1, 2013 by giving
26 Lessor sixty (60) days advance written notice.

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

4 **COUNTY:**

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

LESSOR:

 Parkfront Properties, LLC.
 6256 Riverside Drive
 Riverside, CA 92506

9 **5. County's Representative.** Section 20 of the Lease shall be amended as
10 follows: County hereby appoints the Assistant County Executive Officer of the Economic
11 Development Agency as its authorized representative to administer this Lease.

12 **6. Capitalized Terms:** First Amendment to Prevail. Unless defined herein or the
13 context requires otherwise, all capitalized terms herein shall have the meaning defined in the
14 Lease, as heretofore amended. The provisions of this First Amendment shall prevail over any
15 inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall
16 supplement the remaining provisions thereof.

17 **7. Miscellaneous.** Except as amended or modified herein, all the terms of the
18 Original Lease shall remain in full force and effect and shall apply with the same force and
19 effect. This is of the essence in this Amendment and the Lease and each and all of their
20 respective provisions. Subject to the provisions of the Lease as to assignment, the
21 agreements, conditions and provisions herein contained shall apply to and bind the heirs,
22 executors, administrators, successors and assigns of the parties hereto. If any provision of this
23 Amendment or the Lease shall be determined to be illegal or unenforceable, such
24 determination shall not affect any other provision of the Lease and all such other provisions
25 shall remain in full force and effect. The language in all parts of the Lease shall be construed
26 according to its normal and usual meaning and not strictly for or against either Lessor or

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1 Lessee. Neither this Amendment, nor the Original Lease, nor any notice nor memorandum
2 regarding the terms hereof, shall be recorded by County.

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8. Effective Date. This First Amendment to Lease shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

Dated: _____

LESSOR:

PARKFRONT PROPERTIES, LLC.

By: Joseph P. Guzzetta
Joseph P. Guzzetta

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: Kelli Burton
Deputy

LESSEE:

COUNTY OF RIVERSIDE

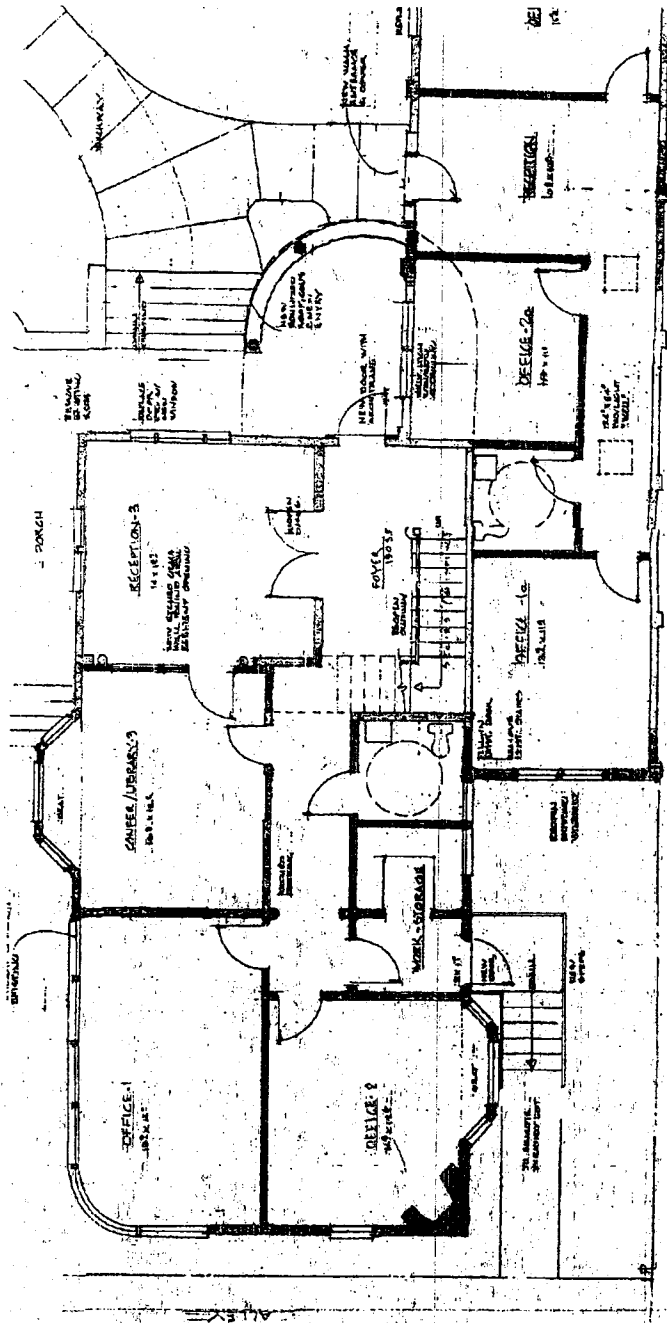
By: John F. Tavaglione
John F. Tavaglione, Chairman
Board of Supervisors

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

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

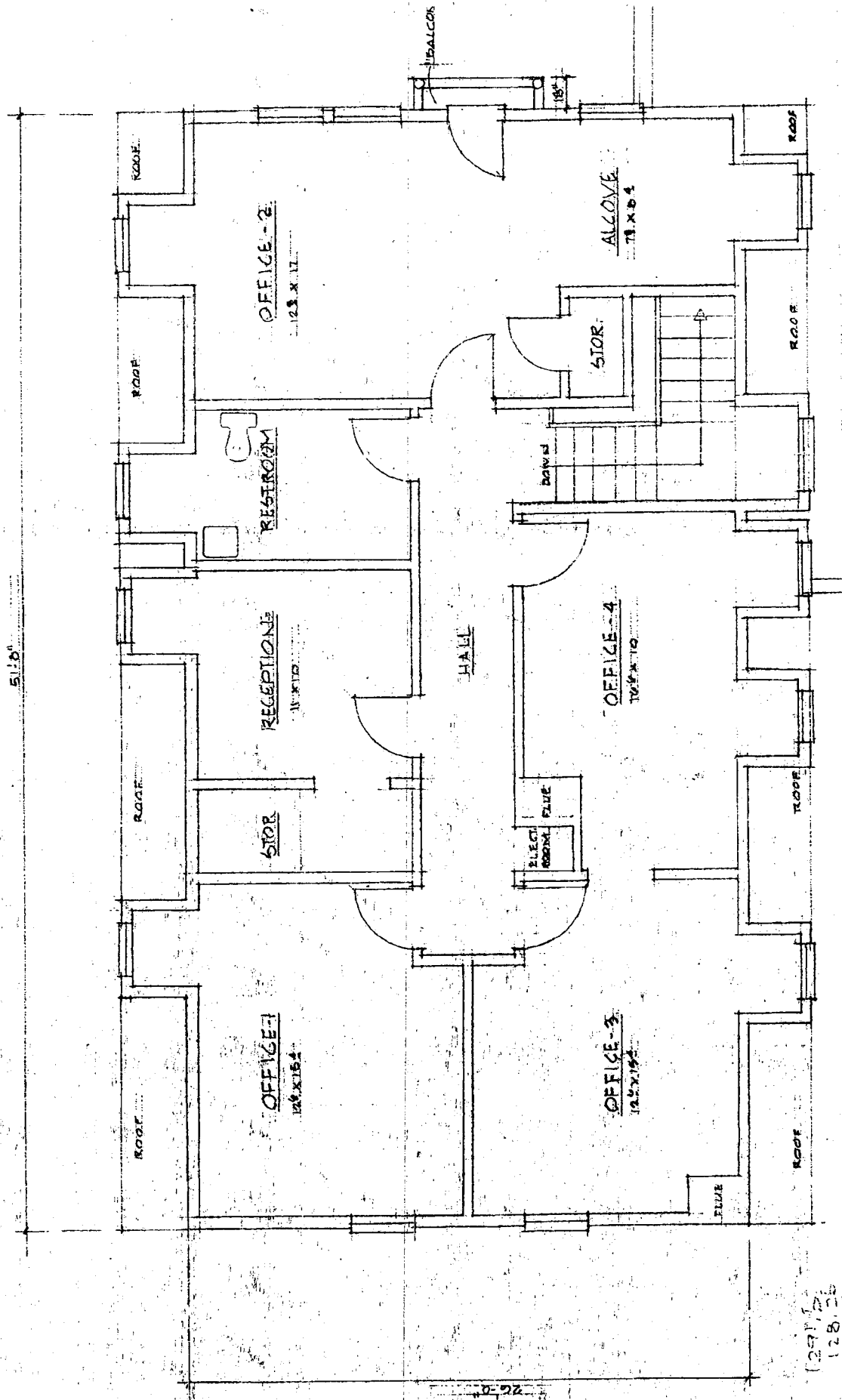
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SCHEME ONE-P

Ground floor



2nd floor

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128.25