



762

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

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

**SUBMITTAL DATE:**  
August 16, 2012

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

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

1. Ratify the attached Second 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 8/15/12  
 SAMUEL WONG

*Robert Field*

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 2,001	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 1,828	Budget Adjustment:	No
	Annual Net County Cost:	\$ 21,027	For Fiscal Year:	2012/13

**COMPANION ITEM ON BOARD AGENDA:** No

<b>SOURCE OF FUNDS:</b> State 8.62%; County 91.38%	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<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 Tavaglione, 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: August 28, 2012  
 xc: EDA, Mental Health, Auditor

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

Prev. Agn. Ref.: 3.18 of 2/9/2010      District: 4/4      Agenda Number: **3.41**

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL  
BY: PATRICIA MUNROE  
DATE

By: Jerry Wepfer  
 Jerry Wepfer, Mental Health Director  
 Riverside County Department of Mental Health

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

**BACKGROUND:**

This Second Amendment to Lease represents a request from the Department of Mental Health (DOMH) to amend Exhibit B, Paragraph 3 of the Lease, to perform custodial services five days a week during the hours of 5:00 pm to 1:00 am. County shall pay an additional \$175.00 a month beginning August 1, 2012 and continuing throughout the term of the lease. County's rent effective August 1, 2012 shall increase to \$1,708.00.

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

This Second Amendment to Lease is summarized below:

Lessor: King Street Partners  
78-100 Main Street, Ste. 205  
La Quinta California, 92253

Premises Location: 82-632 Highway 111, Suite A-3, Indio, California 92201

Size: 780 square feet

Custodial Services: County shall pay \$175.00 per month commencing August 1, 2012, increasing the rental amount to \$1,708.00 throughout the term of the Lease.

Rent Adjustments: Three percent annual increase

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

Maintenance: Landlord

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 DOMH budget. The DOMH has budgeted these costs in FY 2012/13. 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 costs. The amount of the cost increase is not material therefore DOMH and EDA are not requesting a budget adjustment at this time.

Attachments:  
Second Amendment to Lease  
Exhibit A  
Exhibit B

# Exhibit A

## Department of Mental Health Lease Cost Analysis FY 2012/13 82-632 Highway 111, Suite A-3, Indio , California

**Total Square Footage to be Leased:**

**EXPECTED AMOUNTS**

Current office:	780 SQFT	
<b>Total Expected Lease Cost for FY 2012/13</b>		<b>\$ 18,396.00</b>

**ACTUAL AMOUNTS**

Current Office:	780 SQFT	
Proposed Office:	780 SQFT	

Approximate Cost per SQFT (July)	\$	1.97	
Approximate Cost per SQFT ( Aug- June)	\$	2.19	

Lease Cost per Month (July )	\$	1,533.00	
Lease Cost per Month ( Aug - June)	\$	<u>1,708.00</u>	

Total Lease Cost (July)	\$	1,533.00	
Total Lease Cost (Aug - June)	\$	<u>18,788.00</u>	
<b>Total Actual Lease Cost for FY 2012/13</b>			<b>\$ 20,321.00</b>
<b>Total Lease Cost Variance for FY 2012/13</b>			<b>\$ 1,925.00</b>

**Estimated Additional Costs:**

**EXPECTED AMOUNTS**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	93.60	

<b>Total Expected Additional Cost for FY 2012/13</b>	\$	<b>1,123.20</b>
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RCIT	\$	-
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Tenant Improvements	\$	-
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EDA Lease Management Fee (Based @ 3.93%)	\$	<u>722.96</u>	
<b>Total Estimated Expected Cost for FY 2012/13</b>			<b>\$ 1,846.16</b>

**ACTUAL AMOUNTS**

Utility Cost per Square Foot	\$	0.12	
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Costs per Month (July - June)	\$	93.60	
<b>Total Estimated Actual Utility Cost for FY 2012/13</b>	\$	<b>1,123.20</b>	

RCIT	\$	-
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Tenant Improvements	\$	-
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EDA Lease Management Fee (Based @ 3.93%)	\$	<u>798.62</u>	
<b>Total Estimated Actual Cost for FY 2012/13</b>			<b>\$ 1,921.82</b>

<b>Total Estimated Cost Variance for FY 2012/13</b>	\$	<u>75.65</u>
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<b>TOTAL ESTIMATED COST FOR FY 2012/13</b>	\$	<u><u>2,000.65</u></u>
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<b>TOTAL COUNTY COST 91.38% FOR FY 2012/13</b>	\$	<u><u>1,828.20</u></u>
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# Exhibit B

## Department of Mental Health Lease Cost Analysis for FY 2013/14 82-632 Highway 111, Suite A-3, Indio, California

### Current Square Feet Occupied:

Office: 780 SQFT

Approximate Cost per SQFT (July) \$ 2.19

Approximate Cost per SQFT ( Aug- June) \$ 2.26

Lease Cost per Month (July) \$ 1,708.00

Lease Cost per Month ( Aug - June) \$ 1,759.24

Total Lease Cost (July) \$ 1,708.00

Total Lease Cost (Aug - June) \$ 19,351.64

**Total Estimated Lease Cost for FY 2013/14** \$ 21,059.64

### Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs \$ 93.60

**Total Estimated Utility Cost for FY 2013/14** \$ 1,123.20

**EDA Lease Management Fee (Based @ 3.93%)** \$ 827.64

**Total Estimated Lease Cost FY 2013/14:** \$ 23,010.48

**TOTAL COUNTY COST 91.38%** \$ 21,026.98

1 **SECOND AMENDMENT TO LEASE**

2 **Department of Mental Health**

3 **82-632 Highway 111, Suite A-3, Indio, California**

4  
5 This **SECOND AMENDMENT TO LEASE** ("Second Amendment"), dated as of  
6 August 28, 2012, is entered by and between the **COUNTY OF RIVERSIDE**, a  
7 political subdivision of the State of California, ("Lessee"), and **KING STREET**  
8 **PARTNERS**, ("Lessor"), sometimes collectively referred to as the "Parties."

9 **1. Recitals.**

10 a. Lessor and County entered into a Lease dated August 16, 2006, pursuant  
11 to which Lessor has agreed to lease to County and County has agreed to lease from  
12 Lessor a portion of that certain building located at 82-632 Highway 111, Suite A-3,  
13 Indio, California (Building), as more particularly described in the Lease.

14 b. The Lease has been amended by:

15 i. The First Amendment to Lease dated February 9, 2010.

16 ii. The lease dated August 16, 2006, together with its  
17 amendments, shall be collectively referred to as the "Lease."

18 c. The Parties now desire to amend the Lease to provide additional janitorial  
19 services five days a week, update County's representative and notices.

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

22 **2. Custodial Services.** Section 3 of the Exhibit "B" of the Lease is hereby  
23 amended by the following:

24 3. Perform services five days a week during the hours of 5:00 p.m. to  
25 1:00 a.m. only. County shall pay an additional \$175.00 a month beginning August 1,  
26 2012 and continuing throughout the term of the Lease. County's rent effective August  
27 1, 2012 shall increase to \$1,708.00.

1           **3. Notice.** Section 12 of the Lease shall be amended as follows: Any  
2 notices required or desired to be served by either party upon the other shall be  
3 addressed to the 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:**

              King Street Partners  
              78-100 Main Street, Ste. 205  
              La Quinta, CA 92253  
              Attn: Larry Langner

9           **4. County's Representative.** Section 18 of the Lease shall be amended as  
10 follows: County hereby appoints the Assistant County Executive Officer of the  
11 Economic Development Agency as its authorized representative to administer this  
12 Lease.

13           **5. Capitalized Terms:** Second Amendment to Prevail. Unless defined  
14 herein or the context requires otherwise, all capitalized terms herein shall have the  
15 meaning defined in the Lease. The provisions of this Second Amendment shall prevail  
16 over any inconsistency or conflicting provisions of the Lease.

17           **6. Miscellaneous.** Except as amended or modified herein, all the terms of  
18 the Lease shall remain in full force and effect and shall apply with the same force and  
19 effect. Time is of the essence in this Second Amendment and the Lease and each and  
20 all of their respective provisions. Subject to the provisions of the Lease as to  
21 assignment, the agreements, conditions and provisions herein contained shall apply to  
22 and bind the heirs, executors, administrators, successors and assigns of the parties  
23 hereto. If any provision of this Second Amendment or the Lease shall be determined  
24 to be illegal or unenforceable, such determination shall not affect any other provision of  
25 the Lease and all such other provisions shall remain in full force and effect. The  
26 language in all parts of the Lease shall be construed according to its normal and usual  
27 meaning and not strictly for or against either Lessor or Lessee. Neither this Second  
28

1 Amendment, nor the Lease, nor any notice nor memorandum regarding the terms  
2 hereof, shall be recorded by County.

3 **7. Effective Date.** This Second Amendment to Lease shall not be binding or  
4 consummated until its approval by the Riverside County Board of Supervisors and fully  
5 executed by the Parties.

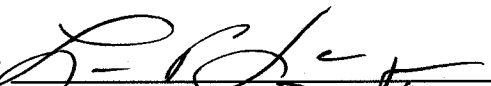
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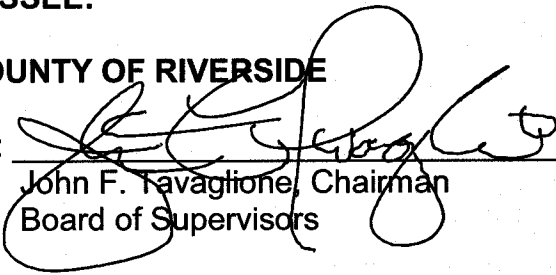
1 IN WITNESS WHEREOF, the parties have executed this Amendment as of the date  
2 first written above.

3 Dated: \_\_\_\_\_

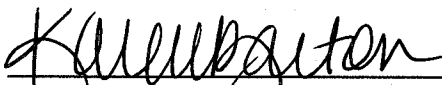
4 **LESSOR:**  
5 **KING STREET PARTNERS**

6  
7 By:   
8 Name: LAWRENCE P. LATKEWITZ  
9 Its: Partner


10 **LESSEE:**  
11 **COUNTY OF RIVERSIDE**

12  
13 By:   
14 John F. Favagione, Chairman  
15 Board of Supervisors

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

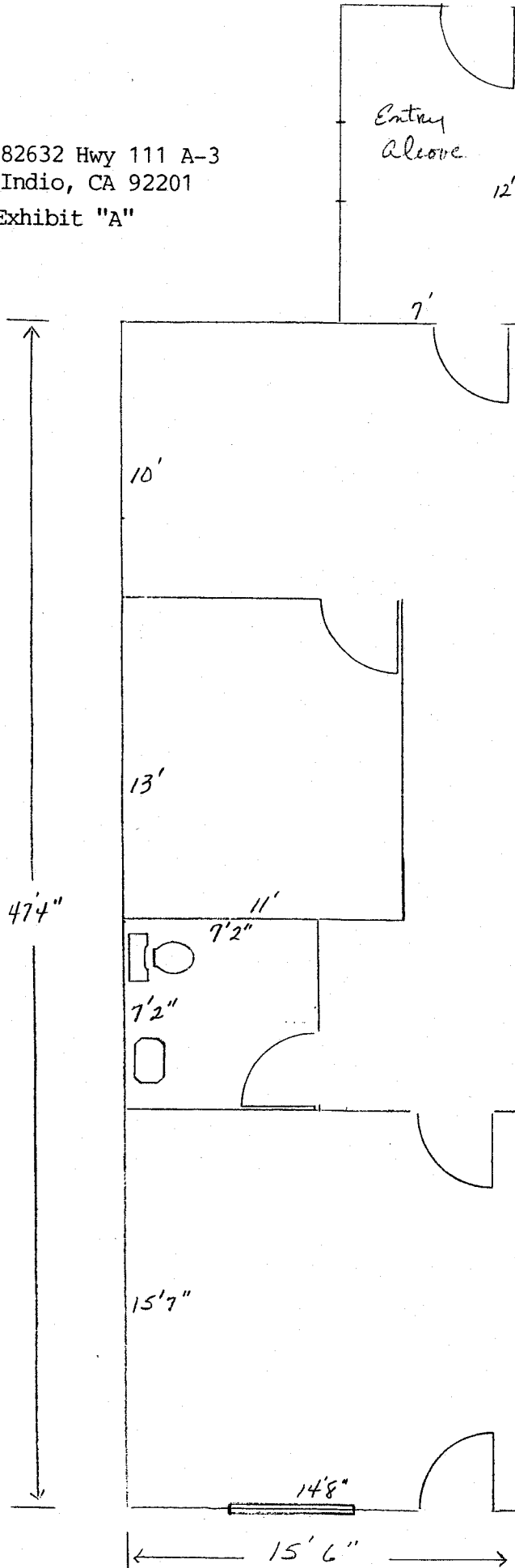
19  
20 By:   
21 Deputy

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

25 By:   
26 Patricia Munroe  
27 Deputy County Counsel



82632 Hwy 111 A-3  
Indio, CA 92201  
Exhibit "A"



**EXHIBIT "A"**