

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

792



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
August 16, 2012

SUBJECT: Fourth Amendment to Lease – Department of Mental Health, Perris

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Fourth Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County;
2. Approve and direct the Auditor-Controller to adjust the Economic Development Agency' FY 2012/13 budget as outlined on Schedule A; and
3. 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)

Robert Field

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: *Samuel Wong 8/16/12*
SAMUEL WONG

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 300,543	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Federal 24%, State 76%	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

Serenia Chon
Reviewed by

CIP TEAM

County Executive Office Signature

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

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, E.O.

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

Prev. Agn. Ref.: 3.23 of 6/23/1998; 3.17 of 1/13/2009, 3.67 of 11/24/2009
3.26 of 7/13/2010

District: 5/5

Agenda Number:

3.44

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: *Patricia Munroe* PATRICIA MUNROE
DATE: 8/17/12
Jarry Weygerd, Director
Riverside County Department of Mental Health

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

BACKGROUND:

This Fourth Amendment to Lease represents a request from the Department of Mental Health (DOMH) to extend the lease for its office located at 1688 N. Perris N. Blvd., Suites L7-L10, Perris, California, commencing August 1, 2012 and terminating July 31, 2015. The square footage will increase from 8,460 to 13,931, which includes new Suites L1, L2 and L6. The Landlord will cover \$16,413 of the total cost of the improvements for the paint and carpet for the new suites.

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 Fourth Amendment to Lease is summarized below:

Lessor: Coudures Family Limited Partnership
c/o 1st Commercial Real Group Inc.
2009 Porterfield Way, Suite P
Upland, California 91786

Premises Location: 1688 North Perris Boulevard, Suites L1, L2, L6 & L7-L10, Perris, California

Size:	8,460 Existing	13,931 New
\$	1.50 per sq. ft.	\$ 1.40 per sq. ft.
\$	12,690.00 per month	\$ 19,503.40 per month
\$	152,280.00 per year	\$234,040.80 per year

Term: Effective August 1, 2012 through July 31, 2015

Rent Adjustment: No Annual Increase

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

Custodial Services: Landlord

Maintenance: Landlord

Improvements: \$207,282.00 County cost. Lessor shall cover \$16,413.00 of total cost

RCIT Costs: \$44,500.00

(Continued)

BACKGROUND: (Continued)

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

FINANCIAL DATA:

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

Attachments:

Fourth Amendment to Lease

Exhibit A

Schedule A

SCHEDULE A

Increase Appropriations:

47220-7200400000-526700-Rent/Lease	\$ 74,947
47220-7200400000-522410- Maint-Tenant Improvements	\$207,282

Increase Estimated Revenues:

47220-7200400000-777330-Leasing Services	\$ 74,947
47220-7200400000-781360-Misc. Revenue	\$207,282

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2012/13 1688 North Perris Blvd., Perris, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:	8,460 SQFT	
Total Expected Lease Cost for FY 2012/13		\$ 152,280.00

ACTUAL AMOUNTS

Current Office:	8,460 SQFT	
Proposed Office:	13,931 SQFT	

Approximate Cost per SQFT (July)	\$ 1.50	
Approximate Cost per SQFT (Aug - June)	\$ 1.40	

Lease Cost per Month (July)	\$ 12,690.00	
Lease Cost per Month (Aug - June)	<u>\$ 19,503.40</u>	

Total Lease Cost (July)	\$ 12,690.00	
Total Lease Cost (Aug - June)	<u>\$ 214,537.40</u>	
Total Actual Lease Cost for FY 2012/13		\$ 227,227.40
Total Lease Cost Variance for FY 2012/13		\$ 74,947.40

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month	\$ 1,015.20	

Total Expected Additional Cost for FY 2012/13	\$ 12,182.40	
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RCIT	\$ 44,500.00	
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Tenant Improvements	\$ -	
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EDA Lease Management Fee (Based @ 3.93%)	<u>\$ 5,984.60</u>	
Total Estimated Expected Cost for FY 2012/13		\$ 62,667.00

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
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Costs per Month (July)	\$ 1,015.20	
Costs per Month (Aug - June)	\$ 1,671.72	

Total Estimated Actual Utility Cost for FY 2012/13	\$ 19,404.12	
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RCIT	\$ 44,500.00	
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Tenant Improvements	\$ 207,282.00	
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EDA Lease Management Fee (Based @ 3.93%)	<u>\$ 17,076.22</u>	
Total Estimated Actual Cost for FY 2012/13		\$ 288,262.34

Total Estimated Cost Variance for FY 2012/13		\$ 225,595.34
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TOTAL ESTIMATED COST FOR FY 2012/13		\$ 300,542.74
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1 **FOURTH AMENDMENT TO LEASE**

2 **1688 N. Perris Blvd., Suites L1, L2, L6, L7-L11, Perris, California**

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4 This **FOURTH AMENDMENT TO LEASE** ("Fourth Amendment"), dated as of
5 August 28, 2012, is entered by and between the **COUNTY OF RIVERSIDE**, a
6 political subdivision of the State of California, ("Lessee"), and **COUDURES FAMILY**
7 **LIMITED PARTNERSHIP**, ("Lessor"), sometimes collectively referred to as the
8 "Parties."

9 **1. Recitals.**

10 a. Lessor and County entered into a lease dated June 23, 1998, pursuant to
11 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 1688 North Perris Boulevard, Suites
13 L7-L11, Perris, 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 December 15, 2008.
16 ii. The Second Amendment to Lease dated November 24,
17 2009.
18 iii. The Third Amendment to Lease dated July 13, 2010.
19 iv. The lease dated June 23, 1998, together with its
20 amendments, shall be collectively referred to as the "Lease."

21 c. The Parties now desire to amend the Lease with this Fourth Amendment
22 to extend the term period, the rental amounts, increase the rentable square footage
23 and improvements to new and existing space.

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

26 **2. Lease Term.** Section 3 of the Lease is hereby amended to extend the
27 lease term from August 1, 2012 through July 31, 2015.
28

1 **3. Rent.** Section 5(a) of the Lease is hereby amended by the following:
2 County shall pay to Lessor upon completion and acceptance of the Tenant
3 Improvements the sum of \$19,503.40 monthly through July 31, 2015.

4 **4. Description.** Section 1 of the Lease is hereby amended by the
5 following:

6 The square footage of the premises shall increase 5,471 (Expansion Space)
7 from 8,460 to 13,931 square feet, which includes Suites L-1, L2 and L-6, as more
8 particularly shown on Exhibit "A," attached hereto and incorporated herein.

9 a. Exhibit "A" of the Lease is hereby deleted in its entirety and
10 replaced with Exhibit A attached hereto and incorporated herein by this reference.

11 **5. Tenant Improvements.** Section 9 (a) of the Lease shall be amended in
12 its entirety. In addition subsection (d), (e) and (f) should be added as follows:

13 (a) Lessor, at its sole cost and expense, shall construct certain tenant
14 improvements, as set forth in Exhibit "A," attached to this amendment, and
15 incorporated herein by reference.

16 (d) Lessor understands and agrees not to make any modifications to
17 the specifications as set forth in Exhibit "A," without first obtaining written approval from
18 County. Any changes to these specifications without first acquiring written approval will
19 be at the expense of the Lessor and not the County of Riverside.

20 (e) The cost of the tenant improvements as paid for by County shall
21 not exceed \$207,282.00. Lessor shall cover \$16,413.00 of the total cost of the
22 improvements (paint & carpet for Suites L-1, L-2 and L-6). Lessor shall provide an
23 itemized statement of the actual cost of the tenant improvements, upon completion.
24 The Department of Mental Health shall reimburse Lessor within thirty (30) days or as
25 soon thereafter as a warrant can be issued in the normal course of County's business.

26 (f) Lessor shall submit to County a complete set of approved "As-
27 Built" drawings.

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1 **6. Capitalized Terms:** Fourth Amendment to Prevail. Unless defined
2 herein or the context requires otherwise, all capitalized terms herein shall have the
3 meaning defined in the Lease. The provisions of this Fourth Amendment shall prevail
4 over any inconsistency or conflicting provisions of the Lease.

5 **7. Miscellaneous.** Except as amended or modified herein, all the terms of
6 the Lease shall remain in full force and effect and shall apply with the same force and
7 effect. Time is of the essence in this Fourth Amendment and the Lease and each and
8 all of their respective provisions. Subject to the provisions of the Lease as to
9 assignment, the agreements, conditions and provisions herein contained shall apply to
10 and bind the heirs, executors, administrators, successors and assigns of the parties
11 hereto. If any provision of this Fourth Amendment or the Lease shall be determined to
12 be illegal or unenforceable, such determination shall not affect any other provision of
13 the Lease and all such other provisions shall remain in full force and effect. The
14 language in all parts of the Lease shall be construed according to its normal and usual
15 meaning and not strictly for or against either Lessor or Lessee. Neither this Fourth
16 Amendment, nor the Lease, nor any notice nor memorandum regarding the terms
17 hereof, shall be recorded by County.

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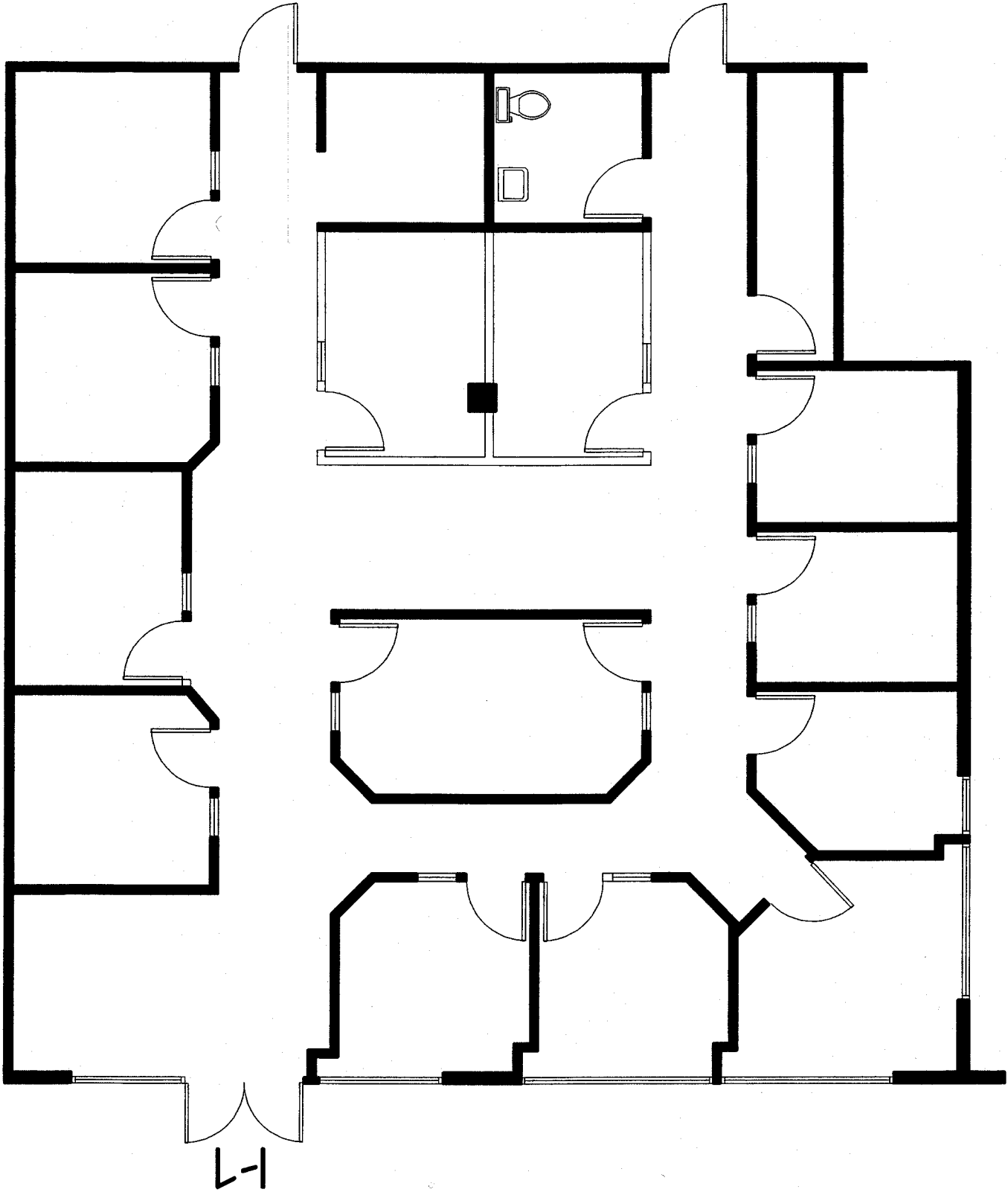
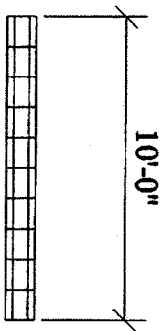
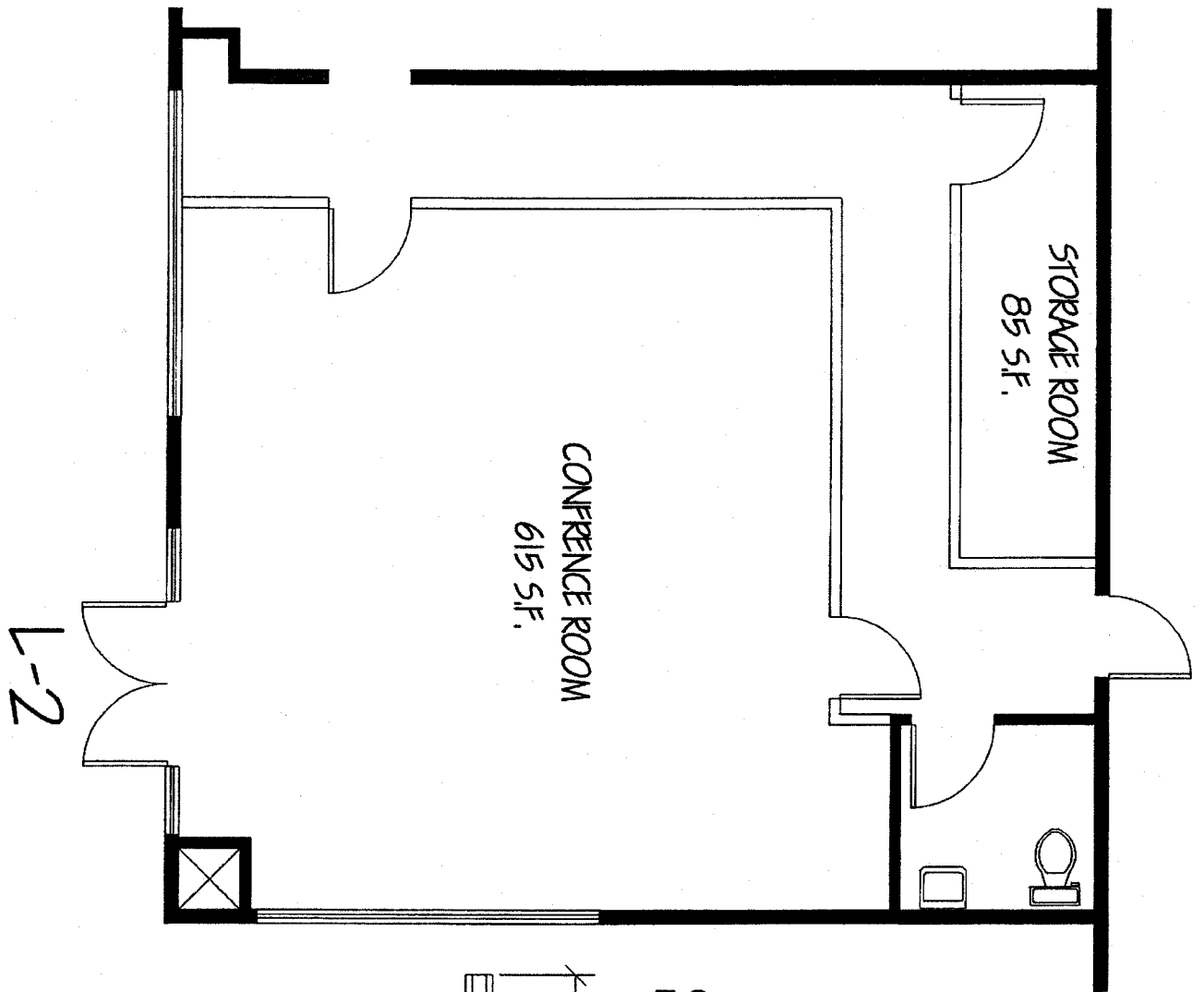


EXHIBIT "A"



SCALE

EXHIBIT "A"

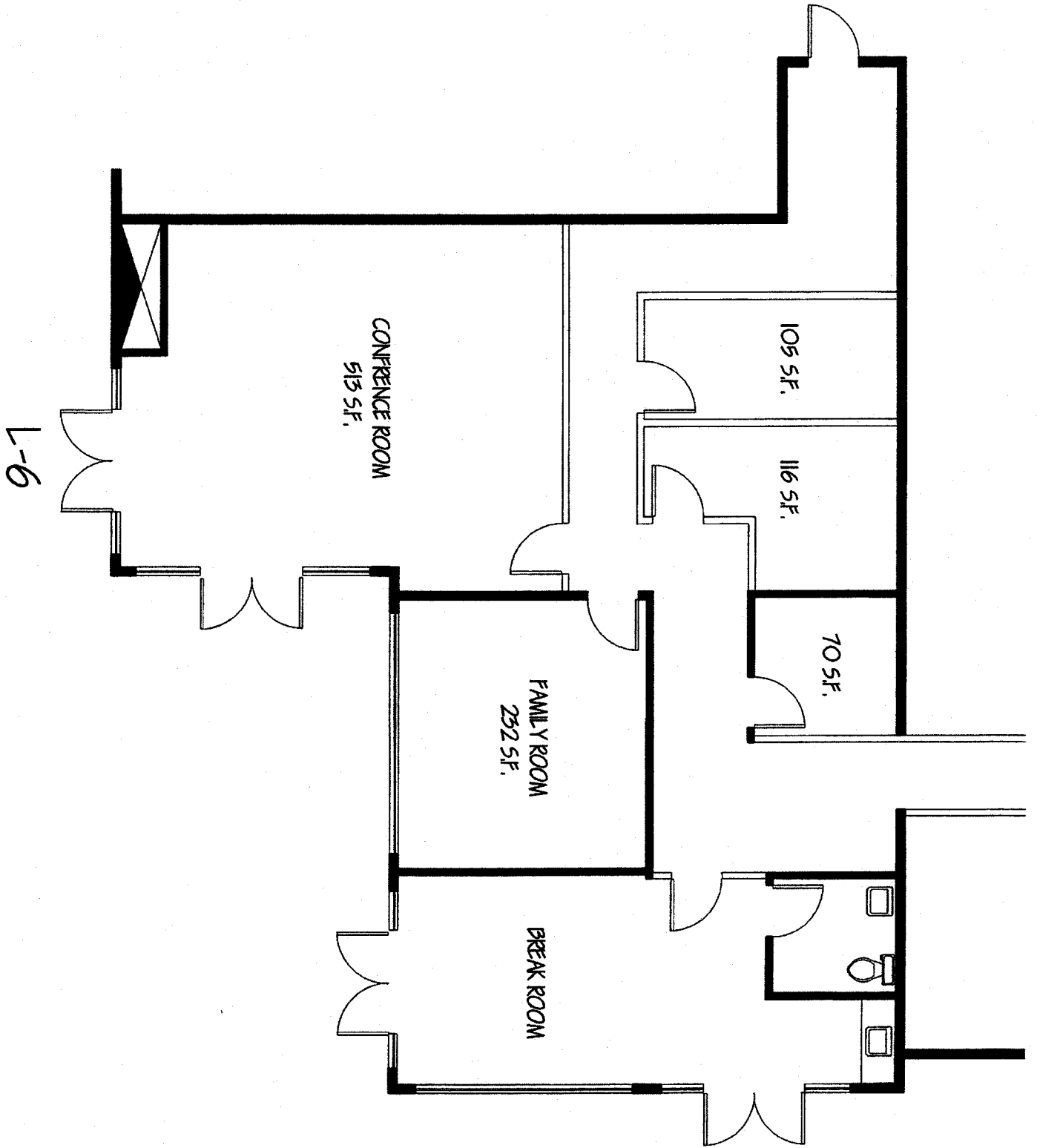


EXHIBIT "A"