

BY: Patricia Wengard 7/21/13
DATE
Departmental Concurrence

By: Jerry Wengard
Riverside County Department of Mental Health

Policy Policy
Consent Consent

Dep't Recomm.: Per Exec. Ofc.:

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

460



SUBMITTAL DATE:
August 8, 2013

FROM: Economic Development Agency / Facilities Management

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

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First Amendment to Lease;
2. Authorize the Chairman of the Board to execute same on behalf of the County; 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)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Lisette Rose 8/7/13
Lisette Rose

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (33,067)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2013/14

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Federal 58.8%, State 33.3%, Other 7.9%	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature

BY: Jennifer Sargent
Jennifer Sargent

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: August 20, 2013
EDA, Mental Health, Auditor

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

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 83-912 Avenue 45, Suites 3, 5, 7, 8 and 9, Indio, extending the term through August 30, 2018. The improvements required include new carpet, vinyl flooring (VCT) and paint throughout the entire facility. The total cost of the improvements are estimated to be \$25,000. The County shall only pay \$12,441.50 of the total cost, and the Landlord shall pay the balance.

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:	Seecon XVII Partners 44-917 Golf Center Parkway, Suite 5 Indio, California 92201		
Premises Location:	83-912 Avenue 45, Suites 3, 5, 7, 8 and 9, Indio		
Size:	6,200 Square Feet		
Rent:	Current	New	
	\$ 1.91 per sq. ft.	\$ 1.40 per sq. ft.	
	\$ 11,862.87 per month	\$ 8,680.00 per month	
	\$142,354.44 per year	\$104,160.00 per year	
Savings:	Per Sq. Ft.	\$.51	
	Per Month	\$ 3,182.87	
	Per Year	\$38,194.44	
Term:	September 1, 2013 through August 30, 2018		
Rent Adjustment:	Three percent annual increase		
Utilities:	County pays for telephone and electrical services, Landlord pays for all others services.		
Custodial Services:	Landlord		
Maintenance:	Landlord		
Option to Terminate:	Termination for any reason after twenty-four months with ninety day notice.		
Improvements:	New carpet, VCT and paint throughout the entire facility.		

(Continued)

BACKGROUND: (Continued)

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

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 2013/14 and will reimburse Economic Development Agency for all lease costs on a monthly basis.

Attachments:

First Amendment to Lease
Exhibit A

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2013/14 83-912 Avenue 45, Suites 3, 5, 7, 8 and 9, Indio, CA

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office:	6,200 SQFT	
Total Expected Lease Cost for FY 2013/14		\$ 142,354.44

ACTUAL AMOUNTS

Current Office:	6,200 SQFT	
Proposed Office:	6,200 SQFT	

Approximate Cost per SQFT (July - Aug)	\$ 1.91	
Approximate Cost per SQFT (Sept - June)	\$ 1.40	

Lease Cost per Month (July - Aug)	\$ 11,862.87	
Lease Cost per Month (Sept - June)	<u>\$ 8,680.00</u>	

Total Lease Cost (July - Aug)	\$ 23,725.74	
Total Lease Cost (Sept - June)	<u>\$ 86,800.00</u>	
Total Actual Lease Cost for FY 2013/14		\$ 110,525.74
Total Lease Cost Variance for FY 2013/14		\$ (31,828.70)

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month	\$ 744.00	

Total Expected Additional Cost for FY 2013/14	\$ 8,928.00	
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RCIT	\$ -	
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Tenant Improvements	\$ -	
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EDA Lease Management Fee (Based @ 3.89%)	<u>\$ 5,537.59</u>	
Total Estimated Expected Cost for FY 2013/14		\$ 14,465.59

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ 0.12	
Costs per Month	\$ 744.00	

Total Estimated Actual Utility Cost for FY 2013/14	\$ 8,928.00	
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RCIT	\$ -	
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Tenant Improvements	\$ -	
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EDA Lease Management Fee (Based @ 3.89%)	<u>\$ 4,299.45</u>	
Total Estimated Actual Cost for FY 2013/14		\$ 13,227.45

Total Estimated Cost Variance for FY 2013/14		\$ (1,238.14)
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TOTAL ESTIMATED COST FOR FY 2013/14		<u>\$ (33,066.84)</u>
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1 **FIRST AMENDMENT TO LEASE**

2 **83-912 Avenue 45, Suites 3, 5, 7, 8 and 9, Indio, California**

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4 This **FIRST AMENDMENT TO LEASE** ("First Amendment"), dated as of
5 August 20, 2013, is entered by and between the **COUNTY OF RIVERSIDE**, a political
6 subdivision of the State of California, ("Lessee"), and **SEECON XVII TIC** ("Lessor") sometimes
7 collectively referred to as the "Parties."

8 **RECITALS**

9 a. Lessor and County entered into a lease dated June 17, 2008, pursuant to which
10 Lessor has agreed to lease to County and County has agreed to lease from Lessor a portion of
11 that certain building located at 83-912 Avenue 45, Suites 3, 5, 7, 8 and 9, Indio, California (the
12 "Building"), as more particularly described in the lease.

13 b. The Original Lease, together with the First Amendment, is collectively referred to
14 hereinafter as the "Lease."

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

17 1. **TERM.** Section 3, subsection (a) of the Lease is deleted and replaced with
18 the following language: The term of this lease shall be extended for five years commencing on
19 September 1, 2013 and shall expire on August 30, 2018.

20 2. **RENT.** Section 5, subsection (a) of the Lease is hereby amended by adding
21 the following: Commencing September 1, 2013, the monthly base rent shall be \$8,680.00 per
22 month with a three (3%) percent annual increase.

23 3. **IMPROVEMENTS.** Lessor shall install new carpet and baseboard, new VCT
24 and paint the entire facility. The County will reimburse Landlord for \$12,441.50 of the total cost
25 of tenant improvements to the premises and Landlord will pay for the balance. Lessor shall
26 provide an itemized statement of the actual cost of the tenant improvements, upon completion.
27 The Riverside County Department of Mental Health (RCDMH) will reimburse Lessor within
28

1 thirty (30) days of receipt of itemized statement, or as soon thereafter as a warrant can be
2 issued.

3 **4. COUNTY'S RIGHT TO EARLY TERMINATION.** Section 13 subsection (c)
4 and (d) are hereby deleted in its entirety and replaced with the following:

5 County shall have the right to terminate this Lease for any reason after twenty-four (24)
6 months by providing Lessor ninety (90) days advance written notice.

7 **5. CERTIFIED ACCESS SPECIALIST INSPECTION:** Adding Section 24 that
8 states: California law requires the Lessor to notify Lessee whether Lessor has had the Leased
9 Premises inspected by a Certified Access Specialist. Lessor has not caused the Leased
10 Premises to be so inspected.

11 **6. FIRST AMENDMENT TO PREVAIL.** The provisions of this First Amendment
12 shall prevail over any inconsistency or conflicting provisions of the Lease. Any capitalized
13 terms shall have the meaning defined in the Lease, unless defined herein or context requires
14 otherwise.

15 **7. MISCELLANEOUS.** Except as amended or modified herein, all terms of the
16 Lease shall remain in full force and effect. If any provisions of this Amendment shall be
17 determined to be illegal or unenforceable, such determination shall not affect any other
18 provision of the Lease. Neither this Amendment nor the Lease shall be recorded by the
19 Lessee.

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1 8. **EFFECTIVE DATE.** This First Amendment to Lease shall not be binding or
2 consummated until its approval by the Riverside County Board of Supervisors and fully
3 executed by the Parties.

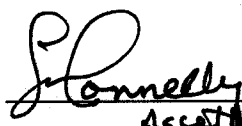
4 WITNESS WHEREOF, the parties have executed this First Amendment as of
5 the date first written above.

6 Dated: AUG 20 2013

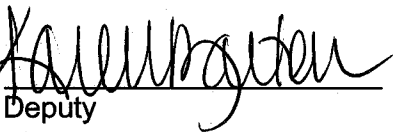
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8 LESSEE:
9 COUNTY OF RIVERSIDE

LESSOR:
SEECON XVII TIC


10 By: 
11 John J. Benoit, Chairman
Board of Supervisors

By: 
Asset Manager

12
13 ATTEST:
14 Kecia Harper-Ihem
Clerk of the Board

15 By: 
16 Deputy

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18 APPROVED AS TO FORM:
19 Pamela J. Walls
County Counsel

20 By: 
21 Patricia Munroe
22 Deputy County Counsel

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