

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3-27

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the recommendation from Economic Development Agency/Facilities Management regarding Approval of the Fourth Amendment to the Lease for the Department of Mental Health; and Findings of Notice of Exemption, 1st/1st District is deleted from the agenda for Tuesday, September 10, 2013.

Roll Call:

Ayes: Jeffries, Tavaglione, Stone and Benoit
Nays: None
Absent: Ashley

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on September 10, 2013 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: September 10, 2013
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

(seal)

By: Kecia Harper-Ihem Deputy

AGENDA NO.
3-27

xc: EDA

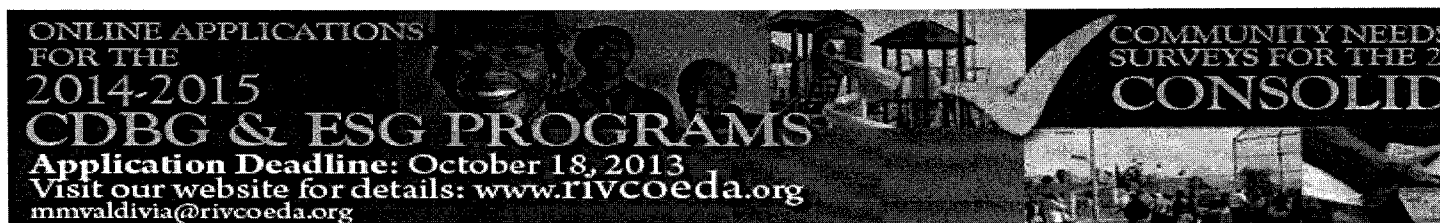
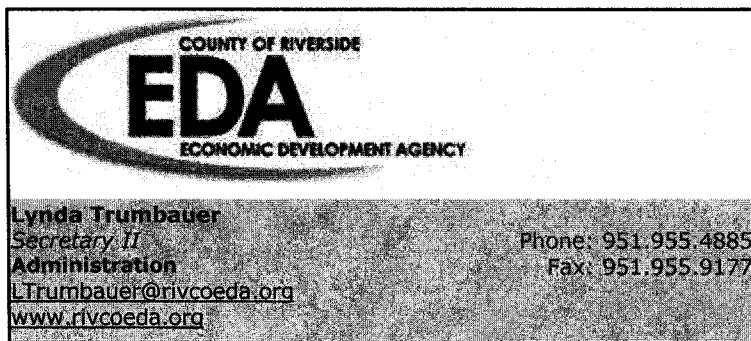
Rector, Kimberly

✓ added to
agenda
OK

From: Trumbauer, Lynda <LTrumbauer@rivcoeda.org>
Sent: Monday, September 09, 2013 8:01 AM
To: Harper-Ihem, Kecia; Rector, Kimberly; Sargent, Jennifer; Grant, Diana
Cc: Field, Robert; Brandl, Lisa; Hyer, Maribel
Subject: Fourth Amendment to Lease, Department of Mental Health - Riverside
Attachments: SKMBT_C20313090907370.pdf

Hi Kecia,

Mental Health would like us to pull the attached Form 11 from the 9/10/13 Board agenda Item 3-27. The improvements are no longer necessary.



09.10.13
3-27

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

668



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
August 28, 2013

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

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Fourth Amendment to Lease;
2. Authorize the Chairman of the Board to execute same on behalf of the County; and
3. Find that the lease of the building and improvements are exempt from CEQA pursuant to CEQA guidelines section 15061(b)(3) as it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment; and section 15301, Class 1, as the project involves negligible or no expansion of an existing use or alterations.

BACKGROUND (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER

BY: Lisette Rose 8/27/13

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL
DATA

Current F.Y. Total Cost: \$ 41,100
Current F.Y. Net County Cost: \$ 0
Annual Net County Cost: \$ 0

In Current Year Budget: No
Budget Adjustment: No
For Fiscal Year: 2013/14

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: State 100%

Positions To Be
Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent
County Executive Office Signature

Dep't Recomm.: ☐ Consent ☒ Policy
Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: 3.9 of 10/19/1999, 3.16 of 4/22/08, 3.40 of 6/29/10, 3.13 of 5/1/12

District: 1/1

Agenda Number:

3-27

ATTACHMENTS FILED

WITH THE CLERK OF THE BOARD

RIVERSIDE COUNTY
AUDITOR-CONTROL
RECEIVED RIVERSIDE COUNTY
CLERK / BOARD OF SUPERVISORS
13 AUG 26 PM 1:20 SEP -3 PM 2:15

RECEIVED RIVERSIDE COUNTY
CLERK / BOARD OF SUPERVISORS

ROED AUG27/13 PM 1:08

BACKGROUND:

This Fourth Amendment to Lease represents a request from the Department of Mental Health (DOMH) to construct improvements in Suite D2 for its office located at 1827 Atlanta Avenue, Riverside. The improvements are required due to a new program. The requested tenant improvements include new offices, interview room, update restrooms and expand lobby area. This facility continues to meet the requirements of the department.

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:	Laguna Hills Allspace, GP 77-564 Country Club Drive, Suite 100 Palm Desert, California 9221
Premises Location:	1827 Atlanta Avenue, Suites D1 D-3, Riverside, California
Size:	28,691 Square Feet
Rent:	<u>Current</u> \$ 1.37 per sq. ft. \$ 39,189.29 per month \$472,622.84 per year (includes May and June increase)
Annual Increase:	3% annual increase
RCIT Cost:	\$2,200.00
Custodial:	Landlord
Maintenance:	Landlord
Utilities:	County pays for telephone and electrical services, Landlord pays for all others services.
Improvements:	Not-to-exceed \$39,561.15; this amount includes 15% contingency fee, paid upon completion by the Department of Mental Health.

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

FINANCIAL DATA:

The Department of Mental Health has budgeted these costs in FY 2013/14 and will reimburse EDA for all lease costs on a monthly basis. EDA will request a budget adjustment during the first quarter of FY 2013/14.

Attachments: Fourth Amendment to Lease, Exhibit A

Exhibit A

Department of Mental Health Lease Cost Analysis FY 2013/14 1827 Atlanta Avenue, Suite D1-D3, Riverside, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office: 28,691 SQFT
Total Expected Lease Cost for FY 2013/14 \$ 472,622.84

ACTUAL AMOUNTS

Current Office: 28,691 SQFT
Proposed Office: 28,691 SQFT

Approximate Cost per SQFT (July - April) \$ 1.37
Approximate Cost per SQFT (May - June) \$ 1.41

Lease Cost per Month (July - April) \$ 39,189.29
Lease Cost per Month (May - June) \$ 40,364.97

Total Lease Cost (July - April) \$ 391,892.90
Total Lease Cost (May - June) \$ 80,729.94
Total Actual Lease Cost for FY 2013/14 \$ 472,622.84
Total Lease Cost Variance for FY 2013/14 \$ -

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs per Month \$ 3,442.92

Total Expected Additional Cost for FY 2013/14 \$ 41,315.04

RCIT \$ 2,200.00

Tenant Improvements

EDA Lease Management Fee (Based @ 3.89%) \$ 18,385.03
Total Estimated Expected Cost for FY 2013/14 \$ 61,900.07

ACTUAL AMOUNTS

Utility Cost per Square Foot \$ 0.12

Costs per Month (July - April) \$ 34,429.20
Costs per Month (May - June) \$ 6,885.84
Total Estimated Actual Utility Cost for FY 2013/14 \$ 41,315.04

RCIT \$ 2,200.00

Tenant Improvements \$ 39,561.15

EDA Lease Management Fee (Based @ 3.89%) \$ 19,923.96
Total Estimated Actual Cost for FY 2013/14 \$ 103,000.15

Total Estimated Cost Variance for FY 2013/14 \$ 41,100.08

TOTAL ESTIMATED COST FOR FY 2013/14 \$ 41,100.08

1 **FOURTH AMENDMENT TO LEASE**

2 **1827 Atlanta Avenue, Suites D1-D3, Riverside, California**

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4 This **FOURTH AMENDMENT TO LEASE** (Fourth Amendment), dated as of
5 _____, is entered by and between the **COUNTY OF RIVERSIDE**, a political
6 subdivision of the State of California, (Lessee), and **LAGUNA HILLS ALLSPACE, GP.**, a
7 General Partnership (Lessor), sometimes collectively referred to as the "Parties."

8 **1. Recitals.**

9 a. Property Asset Management, Inc., a Delaware Corporation, predecessor to
10 Lessor and County entered into that certain Lease dated October 19, 1999, (the "Original
11 Lease") pursuant to which Lessor has agreed to lease to County and County has agreed to
12 lease from Lessor a portion of that certain building located at 1827 Atlanta Avenue, Suites D1-
13 D-3, Riverside, California (Building), as more particularly described in Exhibit A of the Original
14 Lease.

15 b. The amendments of the Original Lease are summarized as follows:

16 i. The First Amendment to Lease dated April 22, 2008, by and
17 between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California
18 (Lessee), and **LAGUNA HILLS ALLSPACE, GP.**, (First Amendment).

19 ii. The Second Amendment to Lease dated June 29, 2010, by and
20 between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California
21 (Lessee), and **LAGUNA HILLS ALLSPACE, GP.**, (Second Amendment).

22 iii. The Third Amendment to Lease dated May 1, 2012, by and
23 between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California
24 (Lessee), and **LAGUNA HILLS ALLSPACE, GP.**, (Third Amendment).

25 iv. The Original Lease, together with its amendments, is hereafter
26 referred to as the "Lease."

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

1 **2. Rent.** Section 5, subsection (a) and (b) of the Lease are hereby amended as
2 follows: Monthly rent shall be paid as follows through the extended term:

<u>Monthly Rent Amount</u>	<u>Time Period</u>
\$40,364.97	May 1, 2014 to April 30, 2015
\$41,575.92	May 1, 2015 to April 30, 2016
\$42,823.20	May 1, 2016 to December 31, 2016

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7 **3. Improvements by Lessor.** Section 9 subsection (a) of the Lease is hereby
8 amended by adding the following:

9 (a) Following the execution and delivery of this Fourth Amendment to Lease, Lessor shall,
10 at its sole cost and expense, shall complete the Tenant Improvements, as more particularly
11 shown on Exhibit "A" attached to this Fourth Amendment. The County will reimburse Lessor
12 for \$39,561.15 (which includes a 15% contingency) for the improvements. Lessor shall provide
13 an itemized statement of the actual cost of the tenant improvements, upon completion. The
14 Riverside County Department of Mental Health (RCDMH) will reimburse Lessor within thirty
15 (30) days of receipt of itemized statement, or as soon thereafter as a warrant can be issued.

16 **4. Fourth Amendment to Prevail.** The provisions of this Fourth Amendment to
17 Lease shall prevail over any inconsistency or conflicting provisions of the Lease. Any
18 capitalized terms shall have the meaning defined in the Lease, unless defined herein or context
19 requires otherwise.

20 **5. Miscellaneous.** Except as amended or modified herein, all the terms of the
21 Lease shall remain in full force and effect. If any provisions of this Amendment shall be
22 determined illegal or unenforceable, such determination shall not affect any other provision of
23 the Lease. Neither this Amendment nor the Lease shall be recorded by the Lessee.

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1 **6. Effective Date.** This Fourth 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 Fourth Amendment as of the
5 date first written above.

6 Dated: _____

7 LESSEE:

LESSOR:

LAGUNA HILLS ALLSPACE GP,

9 By: _____

10 John J. Benoit, Chairman
Board of Supervisors

By: 

11 Name: Dennis D. French
Its: Managing Partner

13 ATTEST:

14 Kecia Harper-Ihem
Clerk of the Board

16 By: _____

Deputy

18 APPROVED AS TO FORM:

19 Pamela J. Walls
County Counsel

21 By: 

22 Patricia Munroe
Deputy County Counsel

27 MH:ra/071813/RV241/16.041 S:\Real Property\TYPING\Docs-16.000 to 16.499\16.041.doc