

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

453



FORM APPROVED COUNTY COUNSEL
BY: Patricia Munroe 11/13/13
DATE

FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
November 14, 2013

SUBJECT: First Amendment to Lease, Department of Mental Health, Cathedral City, Two Year Lease, District 4, CEQA Exempt, [\$209,575]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached First Amendment to Lease;
2. Authorize the Chairman of the Board to execute the 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:

Summary

(Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: [Signature] 11/14/13

[Signature]

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 55,897	\$ 153,678	\$ 209,575	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 11,179	\$ 30,736	\$ 41,915	\$ 0	

SOURCE OF FUNDS: Federal 63%, State 17%, County 20%
Budget Adjustment: No
For Fiscal Year: 2013/14

C.E.O. RECOMMENDATION:

APPROVE

BY: [Signature]
Jennifer L. Sargent

County Executive Office Signature

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: November 26, 2013
xc: EDA

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

Prev. Agn. Ref.: 3.9 of 3/23/2010,

District: 4/4

Agenda Number:

3-17

By: [Signature]
Jerry Wengard
Director

- Positions Added
- Change Order
- A-30
- 4/5 Vote

Departmental Concurrence

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

Economic Development Agency

FORM 11: First Amendment to Lease, Department of Mental Health, Cathedral City, 2 – year lease, District 4, CEQA Exempt, \$209,575

DATE: November 14, 2013

Page 2 of 3

BACKGROUND:

Summary

This First Amendment to Lease represents a request from the Department of Mental Health (DMH) to increase square footage from 8,784 to 9,600 and construct improvements for its office located at 68-615A Perez Road, Suites 3, 4, 5, 6, and 7, Cathedral City. The improvements are required to accommodate program staff needs. The requested tenant improvements include replacing hardware on front doors, furnishing and installing new carpet, wall changes and opening to the existing space and new carpet base in all areas. 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 First Amendment to Lease is summarized below:

Lessor:	T W Investments c/o TW Ireland 76322 Via Chianti Indian Wells, California 92210	
Premises Location:	68-615A Perez Road, Suites 3, 4, 5, 6 and 7, Cathedral City	
Size:	Existing 8,784 square feet	Expansion 816 square feet, effective January 1, 2014
	\$ 1.40 per sq. ft. \$ 12,301.14 per month \$147,613.68 per year	\$ 1.40 per sq. ft. \$ 13,440.00 per month \$ 161,280.00 per year
Term:	Extended through March 31, 2015	
Annual Increase:	Three (3%) annual increase	
Custodial:	Lessor provides and County currently pays \$1,317.48 per month. As of February 2014, County shall pay \$1,440.00 per month in addition to base rent. Cost to be reviewed annually and adjusted as needed.	
Maintenance:	Landlord	
Improvements:	Not-to-exceed \$28,370.00; County to pay upon completion.	

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

(Continued)

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

Economic Development Agency

FORM 11: First Amendment to Lease, Department of Mental Health, Cathedral City, 2 – year lease, District 4, CEQA Exempt, \$209,575

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Page 3 of 3

BACKGROUND:

Summary (Continued)

Impact on Residents and Businesses

There will be no foreseeable impact on residents and local businesses.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibit A and B

The DMH has budgeted these costs in FY 2013/14 and will reimburse Economic Development Agency for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a two year renewal. The contract has been in place since March 23, 2010.

Attachment:

Exhibit A & B

First Amendment to Lease

Exhibit A

Mental Health Lease Cost Analysis for FY 2013/14 68615A Perez Rd., Suites 3A, 4A, 9B and 10B, Cathedral City

Square Footage-Current & New:

BUDGETED AMOUNTS

Current office:		8,784	SQFT		
Cost Per Sq. Ft:	\$	1.40			
Lease Cost per Month				\$	12,301.14
Total Lease Cost included in Budget for FY 2013-14				\$	147,613.68

ACTUAL AMOUNTS

Current office:		8,784	SQFT		
Approximate Cost per SQFT (July - Dec)	\$	1.40			
Proposed office:		9,600	SQFT		
Approximate Cost per SQFT (Jan - Feb)	\$	1.40			
Proposed office:		9,600	SQFT		
Approximate Cost per SQFT (Mar - June)	\$	1.44			
Lease Cost per Month (July - Dec)	\$	12,301.14			
Lease Cost per Month (Jan - Feb)	\$	13,440.00			
Lease Cost per Month (Mar - June)	\$	13,843.20			
Total Base Rent Cost (July - Dec)	\$			\$	73,806.84
Total Base Rent Cost (Jan - Feb)	\$			\$	26,880.00
Total Base Rent Cost (Mar - June)	\$			\$	55,372.80
Total Base Rent Cost for FY 2013/14				\$	156,059.64

Custodial Costs

Costs per Month (July - Jan)	\$	1,317.48			
Costs per Month (Feb - June)	\$	1,440.00			
Total Custodial Cost for FY 2013/14				\$	16,422.36
Total ACTUAL Lease Costs for FY 2013/14				\$	172,482.00
TOTAL LEASE COST FOR FY 2013/14				\$	24,868.32

Estimated Additional Costs:

UTILITIES

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12			
Estimated Utility Costs per Month				\$	1,054.08
Total Estimated Utility Cost for FY 2013/14				\$	12,648.96

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12			
Costs per Month (July - Dec)	\$	1,054.08	\$	6,324.48	
Costs per Month (Jan - June)	\$	1,152.00	\$	6,912.00	
Total Actuals Utility Cost for FY 2013/14			\$	13,236.48	
TOTAL UTILITIES COST VARIANCE FOR FY 2013/14			\$	587.52	

Tenant Improvement Costs

\$ 28,370.00

RCIT Costs

\$ -

EDA Budgeted Lease Management Fee (Based @ 3.89%)

\$ 5,742.17

EDA Actual Lease Management Fee (Based @ 3.89%)

\$ 7,813.14

TOTAL MANAGEMENT FEE COST VARIANCE

\$ 2,071

TOTAL LEASE COST FY 2013/14

\$ 55,896.81

Net County Cost 20%

\$ 11,179

Exhibit B

Mental Health Lease Cost Analysis for FY 2014/15 68615A Perez Rd., Suites 3A, 4A, 9B and 10B, Cathedral City

Square Footage

Current office:	9,600 SQFT		
Approximate Cost per SQFT (Jul-Feb) \$	1.44		
Approximate Cost per SQFT (Mar) \$	1.48		
Base Rent Cost per Month (Jul-Feb)	\$ 13,843.20		
Base Rent Cost per Month (Mar)	\$ 14,238.72		
Total Base Rent Cost for FY 2014/15		\$	124,984.32
 Custodial Costs			
Costs per Month	\$ 1,440.00		
Total Custodial Cost for FY 2014/15		\$	12,960.00
Total Lease Cost for FY 2014/15		\$	137,944.32
 Estimated Additional Costs:			
UTILITIES			
Utility Cost per Square Foot \$	0.12		
Estimated Utility Costs per Month	\$ 1,152.00		
Total Estimated Utility Cost for FY 2014/15		\$	10,368.00
EDA Actual Lease Management Fee (Based @ 3.89%)		\$	5,366.03
TOTAL LEASE COST FY 2014/15		\$	153,678.35
Total Net County Cost of 20%		\$	30,735.67

	Current FY		Next FY		Total Cost
Cost	\$	55,897.00	\$	153,678.00	\$ 209,575.00
Net County Cost	\$	11,179.00	\$	30,736.00	\$ 41,915.00

1 **FIRST AMENDMENT TO LEASE**

2 **68-615A Perez Road, Suites 3A, 4A, 9B and 10B, Cathedral City, California**

3 This **FIRST AMENDMENT TO LEASE** ("First Amendment"), dated as of
4 NOV. 26, 2013, is entered by and between the **COUNTY OF RIVERSIDE**, a political
5 subdivision of the State of California, ("Lessee"), and **TERRY WILLIAMS IRELAND dba T W**
6 **INVESTMENT**, hereinafter referred to as the "Lessor."

7 **RECITALS**

8 a. Lessor and County entered into a lease dated March 23, 2010 ("Original
9 Lease"), pursuant to which Lessor has agreed to lease to County and County has agreed to
10 lease from Lessor a portion of that certain building located at 68-615A Perez Road, Suites 3, 4,
11 5, 6 and 7, Cathedral City, California (the "Building"), as more particularly described in the
12 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. **DESCRIPTION.** The square footage shall increase 816 from 8,784 to 9,600
18 square feet. The increased square footage hereinafter called "New Space" as shown on
19 Exhibit "I", attached hereto and by this reference made a part of this Lease.

20 2. **RENT.** The monthly base rent shall increase from \$12,301.14 to \$13,440.00
21 on the date upon which County can take useful occupancy of the "New Space" described in
22 Paragraph 1, herein.

23 3. **CUSTODIAL.**

24 (a) Section 5.1.1. of the Lease Agreement shall be deleted in its
25 entirety and replaced with the following:

26 Lessor shall provide custodial services at a cost to the County of \$1,440.00 per
27 month.

1 (b) Section 8.1.1 of the Lease Agreement shall be deleted in its
2 entirety and replaced with the following: Notwithstanding the provisions of section 8.1 herein,
3 the cost of the monthly custodial services shall not exceed \$1,440.00. Within sixty (60) days of
4 each anniversary date of the Lease, Lessor shall prepare an itemized expense statement of
5 the actual cost for custodial services for the previous year. County shall receive a rent credit
6 for the amount overpaid. In the event costs exceed \$1,440.00, County shall reimburse Lessor
7 the difference between \$1,440.00 and the actual cost.

8 4. **TENANT IMPROVEMENTS.** Lessor to replace panic hardware on both
9 front doors, furnish and install new carpet, wall changes and opening to the existing space and
10 new carpet base in all areas. Install carpet over existing VCT and new Rubber Base in toilet
11 areas.

12 (a) County agrees to pay Lessor upon completion and amount not to
13 exceed \$28,370.00 for those certain tenant improvements described above.

14 (b) Upon completion of the leased premises, Lessor shall submit to
15 County a complete set of "As-built" drawings.

16 5. **FIRST AMENDMENT TO PREVAIL.** The provisions of this First Amendment
17 shall prevail over any inconsistency or conflicting provisions of the Lease. Any capitalized
18 terms shall have the meaning defined in the Lease, unless defined herein or context requires
19 otherwise.

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

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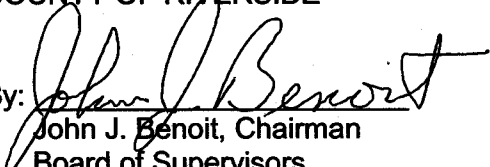
7. EFFECTIVE DATE. This First Amendment to Lease shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

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

Dated: _____

LESSEE:
COUNTY OF RIVERSIDE

LESSOR:
T.W. Investment

By: 
John J. Benoit, Chairman
Board of Supervisors

By: 
Terry William Ireland

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: 
Patricia Munroe
Deputy County Counsel