

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE: 3/17/15

Departmental Concurrence

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

613



FROM: Economic Development Agency

SUBMITTAL DATE:
 April 2, 2015

SUBJECT: Second Amendment to Lease for the Department of Mental Health, Riverside, 3 – Year Extension, CEQA Exempt, District 2, [\$616,088] Federal 24%, State 76%

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities;
2. Ratify the attached Second Amendment to Lease;
3. Authorize the Chairman of the Board to execute the same on behalf of the County; and
4. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk upon approval by the Board.

BACKGROUND:

Summary

(Commences on Page 2)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Esteban Hernandez 4/1/15

Robert Field

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	\$ 85,568	\$ 205,363	\$ 616,088	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Federal 24%, State 76%
 Budget Adjustment: No
 For Fiscal Year: 2014/15-2017/18

C.E.O. RECOMMENDATION:

APPROVE
 BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

By: Jerry Wengert
 Mental Health Director

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

3-7

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

Economic Development Agency

FORM 11: Second Amendment to Lease for the Department of Mental Health, Riverside, 3 – Year Extension, CEQA Exempt, District 2, [\$616,088] Federal 24%, State 76%

DATE: April 2, 2015

PAGE: 2 of 3

BACKGROUND:

Summary

This Second Amendment to Lease represents a request from the Department of Mental Health (DMH) to extend the lease for its office located at 10182, 10190 and 10228 Indiana Avenue, Riverside, extending the term from February 1, 2015 through January 31, 2018. This facility continues to meet the requirements of the department. The Economic Development Agency (EDA), Real Estate Division, has negotiated a three year lease renewal with a 49% rental rate reduction.

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 Second Amendment to Lease is summarized below:

Lessor:	Cyrus G. Etemad Nakissa C. Etemad 333 Grand Avenue, Suite 709 San Francisco, California 94108	
Premises Location:	10182, 10190 and 10228 Indiana Avenue, Riverside, CA 92503	
Size:	12,522 Square Feet	
Rent:	Current	New
	\$ 2.38 per sq. ft.	\$ 1.20 per sq. ft.
	\$ 29,739.75 per month	\$ 15,026.40 per month
	\$356,877.00 per year	\$180,316.80 per year
Savings:	Per Sq. Ft.	\$ 1.18
	Per Month	\$ 14,713.35
	Per Year	\$176,560.20
Term:	February 1, 2015 through January 31, 2018	
Utilities:	County pays for telephone and electrical services, Landlord pays for all others services.	
Custodial Services:	Landlord	
Maintenance:	Landlord	

The attached Second 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: Second Amendment to Lease for the Department of Mental Health, Riverside, 3 – Year Extension, CEQA Exempt, District 2, [\$616,088] Federal 24%, State 76%

DATE: April 2, 2015

PAGE: 3 of 3

Impact on Residents and Businesses

DMH will continue to provide services to the community at this location which will benefit residents and businesses.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibit A, B & C

The DMH has budgeted these costs in FY 2014/15 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a three year renewal with a 49% rental rate reduction. This contract has been in place since February 5, 2008.

Attachment:

Exhibits A, B & C

Second Amendment to Lease

Notice of Exemption

Exhibit A

FY 2014/15

Department of Mental Health Lease Cost Analysis
10182,10190,10228 Indiana Avenue, Riverside, Ca. 92503

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	12,522 SQFT		
Approximate Cost per SQFT (July - Jan) - 1st Amendment	\$	2.38	
Approximate Cost per SQFT (Feb - June) - 2nd Amendment	\$	1.20	
Lease Cost per Month (July - Jan) - 1st Amendment	\$	29,739.75	
Lease Cost per Month (Feb - June) - 2nd Amendment	\$	15,026.40	
Total Lease Cost (July - Jan) - 1st Amendment	\$		208,178.25
Total Lease Cost (Feb - June) - 2nd Amendment	\$		75,132.00
Total Estimated Lease Cost for FY 2014/15	\$		283,310.25

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - Jan) - 1st Amendment	\$	10,518.48	
Estimated Utility Costs per Month (Feb - June) - 2nd Amendment	\$	7,513.20	
Total Estimated Utility Cost	\$		18,031.68
RCIT	\$		-
Tenant Improvements Costs	\$		-
EDA Lease Management Fee - 3.89% - 1st Amendment	\$	8,098.13	
EDA Lease Management Fee - 3.89% - 2nd Amendment	\$	2,922.63	
Total EDA Lease Management Fee	\$		11,020.77
TOTAL ESTIMATED COST FOR FY 2014/15	\$		312,362.70
Amount Previously approved in 1st Amendment	\$		226,794.86
Amount of FY14/15 for 2nd Amendment	\$		85,567.83

Exhibit B

FY 2015/16

Department of Mental Health Lease Cost Analysis
10182,10190,10228 Indiana Avenue, Riverside, Ca. 92503

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	12,522	SQFT	
Approximate Cost per SQFT (July - June)	\$	1.20	
Lease Cost per Month (July - June)		\$	15,026.40
Total Lease Cost (July - June)			\$ 180,316.80
Total Estimated Lease Cost for FY 2015/16			\$ 180,316.80

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	<u>1,502.64</u>
Total Estimated Utility Cost			\$ 18,031.68
EDA Lease Management Fee - 3.89%			\$ <u>7,014.32</u>
TOTAL ESTIMATED COST FOR FY 2015/16			\$ <u><u>205,362.80</u></u>

Exhibit C

FY 2016/17

Department of Mental Health Lease Cost Analysis
10182,10190,10228 Indiana Avenue, Riverside, Ca. 92503

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

12,522 SQFT

	FY 2016/17	FY 2017/18
Approximate Cost per SQFT (July - Jan)	\$ 1.20	\$ 1.20
Approximate Cost per SQFT (Feb - June)	\$ 1.20	\$ -
Lease Cost per Month (July - Jan)	\$ 15,026.40	\$ 15,026.40
Lease Cost per Month (Feb - June)	\$ 15,026.40	\$ -
Total Lease Cost (July - Jan)	\$ 105,184.80	\$ 105,184.80
Total Lease Cost (Feb - June)	\$ 75,132.00	\$ -
Total Estimated Lease Cost for FY 2016/17	\$ 180,316.80	\$ 105,184.80
<u>Estimated Additional Costs:</u>		
Estimated Utility Costs per Month (July - Jan) - 1st Amendment	\$ 1,502.64	\$ 1,502.64
Estimated Utility Costs per Month (Feb - June) - 2nd Amendment	\$ 1,502.64	\$ -
Total Estimated Utility Cost	\$ 18,031.68	\$ 10,518.48
Tenant Improvements Costs	\$ -	\$ -
EDA Lease Management Fee - 3.89%	\$ 7,014.32	\$ 4,091.69
TOTAL ESTIMATED COST FOR FY 2016/17	\$ 205,362.80	\$ 119,794.97
TOTAL COUNTY COST 0.00%	\$ -	

F11: Cost - Total Cost \$ 616,088.41

1 3. COUNTY'S RIGHT TO EARLY TERMINATION, Section 6.4 of the Lease
2 is hereby deleted in its entirety.

3 4. SECOND AMENDMENT TO PREVAIL. The provisions of this Second
4 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease.
5 Any capitalized terms shall have the meaning defined in the Lease, unless defined
6 herein or context requires otherwise.

7 5. MISCELLANEOUS. Except as amended or modified herein, all terms of
8 the Lease shall remain in full force and effect. If any provisions of this Amendment
9 shall be determined to be illegal or unenforceable, such determination shall not affect
10 any other provision of the Lease. Neither this Amendment nor the Lease shall be
11 recorded by the County.

12 ///

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

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

4 IN WITNESS WHEREOF, the parties have executed this Second Amendment to Lease
5 as of the date first written above.

6
7 LESSEE:
8 COUNTY OF RIVERSIDE

LESSOR:
9 CYRUS G. ETEMAD AND
10 NAKISSA C. ETEMAD, tenants in
11 Common

12 By: _____
13 Marion Ashley, Chairman
14 Board of Supervisors

By: 
15 _____
16 Cyrus G. Etemad

By: 
17 _____
18 Nakissa C. Etemad

19 ATTEST:
20 Kecia Harper-Ihem
21 Clerk of the Board

22 By: _____
23 Deputy

24 APPROVED AS TO FORM:
25 Gregory P. Priamos
26 County Counsel

By: 
27 _____
28 Patricia Munroe
Deputy County Counsel



NOTICE OF EXEMPTION

March 27, 2015

Project Name: County of Riverside, Second Amendment to Lease, Department of Mental Health, Riverside

Project Number: FM042611036100

Project Location: 10182, 10190 and 10228 Indiana Avenue, Riverside, California;
Assessor Parcel Number: 234-160-061 (see attached exhibits)

Description of Project: County of Riverside (County) on behalf of the Department of Mental Health (DMH), proposes to amend and extend the term of the lease with Cyrus G. Etemad and Nakissa C. Etemad (Lessor) from February 1, 2015 through January 31, 2018. The premise consists of existing buildings located at 10182, 10190 and 10228 Indiana Avenue, Riverside, California, providing public services to the community which benefits residents and businesses. The original lease, dated February 5, 2008, has been amended by the First Amendment to Lease dated December 3, 2013. The lease dated February 5, 2008, together with its amendments, shall collectively be referred to as the "Lease." County and Lessor desire to further amend the Lease by extending the term three years. DMH has occupied this office in the City of Riverside and it continues to meet the requirements of DMH. The premise currently consists of an existing building providing approximately 7,518 square feet of office space. The Second Amendment to the original lease (Project) is the extension of the term for the lease for the use by DMH of the existing facilities in a similar manner as provided under the original lease. The Project does not involve any changes to land use, the existing building, or the physical environment. No tenant improvements are authorized as part of the Project and no physical changes or upgrades would occur to the existing site.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency

Exempt Status: State California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b)(3), General Rule or "Common Sense" Exemption.

Reasons Why Project is Exempt: The Project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project will not cause any impacts to scenic resources, historic resources, or unique sensitive biological environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The extension of the term for the lease for an existing facility is not anticipated to result in any significant physical environmental impacts. Further, while no future tenant improvements are envisioned at this time, any such

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686

www.rivcoeda.org

Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

Housing
Housing Authority
Information Technology
Maintenance
Marketing

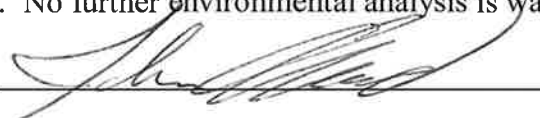
Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

improvements would be limited to the interior of the existing structure; no direct or indirect physical environmental impacts would be anticipated from such improvements.

- Section 15301 – Class 1 Existing Facilities Exemption. This exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site’s use. The Project as proposed is the extension to the term of an existing lease with no physical improvements anticipated at this time. No substantial construction impacts would occur and the facility will continue to operate in a similar use, capacity, and intensity. There will be no increase or expansion in the use of the site. Any future tenant improvements would only entail minor interior improvements and will not result in any direct or indirect physical environmental impacts, and once the improvements are complete, the structure will continue to operate in a similar use, capacity, and intensity. Therefore, the project meets the scope and intent of the Class 1 Exemption.
- Section 15061 (b)(3) – “Common Sense” Exemption. In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b)(3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *Muzzy Ranch Co. v Solano County Airport Land Use Comm’n* (2007) 41 Cal.4th 372. With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed extension to the term of the lease will not have an effect on the environment. The use and operation of the facility will be substantially similar to the existing uses and will not create any new environmental impacts to the surrounding area. Additionally, while not planned, any upgrades to the site would only entail interior tenant improvements which would not result in any direct or indirect physical environmental impacts. Therefore, in no way would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the Project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed:  Date: 3/27/15

John Alfred, Acting Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Second Amendment to Lease, Department of Mental Health, Riverside

Accounting String: **Fund: 524830-47220-7200400000- FM042611036100**

DATE: March 27, 2015

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: John Alfred, Acting Senior Environmental Planner, Economic Development Agency

Signature:  _____

PRESENTED BY: Maribel Hyer, Real Property Agent III, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____



Date: March 27, 2015

To: Mary Ann Meyer, Office of the County Clerk

From: John Alfred, Acting Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM042611036100**
Second Amendment to Lease, Department of Mental Health, Riverside

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to Mail Stop #1330 Attention: John Alfred, Acting Senior Environmental Planner, Economic Development Agency, 3403 10th Street, Suite 400. Riverside, CA 92501. If you have any questions, please contact John Alfred at 955-4844.

Attachment

cc: file