

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS
 DATE: 3/19/15
 Departmental Council

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

128



FROM: Economic Development Agency

SUBMITTAL DATE:
 April 16, 2015

SUBJECT: Third Amendment to Lease, Department of Mental Health, Riverside, CEQA Exempt, District 1, [\$ 141,185] Federal 45%, State 55%

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. Approve the attached Third 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.

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

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	\$ 0	\$ 141,185	\$ 141,185	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Federal 45%, State 55%
 Budget Adjustment: No
 For Fiscal Year: 2014/15-2015/16

C.E.O. RECOMMENDATION: APPROVE
 BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

- By: Jerry Wengert
 Jerry Wengert, Director
 Department of Mental Health
- A-30
 - 4/5 Vote
 - Positions Added
 - Change Order

Prev. Agn. Ref.: 3.11 of 11/4/03; 3.19 of 3/12/13 | District: 1 | Agenda Number:

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

Economic Development Agency

FORM 11: Third Amendment to Lease, Department of Mental Health, Riverside, CEQA Exempt, District 1, [\$141,185] Federal 45%, State 55%

DATE: April 16, 2015

PAGE: 2 of 2

BACKGROUND:

Summary

The Riverside County Department of Mental Health (DMH) has occupied this office for use by their integrated adult outpatient clinic and it continues to meet the requirements of the department. This Third Amendment to Lease represents a request from the DMH to replace some of the existing cubicles and construct new offices in Suite 769 to accommodate twelve offices for existing staff to provide medical and clinical services for increased service provision. This remodel is required due to the increased needs of the community for the services provided at this facility. The total cost of the improvements is approximately \$141,185.20, which includes a 15% contingency. The DMH will reimburse Landlord for \$141,185.20 upon completion of the tenant improvements in fiscal year 2015-2016.

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 Third Amendment to Lease is summarized below:

Lessor: B. H. Properties, LLC
11111 Santa Monica Blvd., #1800
Los Angeles, California 90025

Premises Location: 769, 771 and 761 Blaine Street, Riverside, CA 92507

Tenant Improvements: County shall pay \$141,185.20 upon completion which includes a 15% contingency for County use.

Option to Terminate: Termination for any reason after twenty-four months with one hundred-twenty days' notice

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

Impact on Citizens and Businesses

This facility continues to provide integrated adult outpatient services, providing services to adults ages 18 - 59 who have a serious mental illness; services include crisis intervention, psychiatric assessments, recovery management, medication services, case management, and dual-diagnosis treatment. An Urgent Care Program provides crisis resolution and problem solving.

SUPPLEMENTAL:

Contract History and Price Reasonableness

This contract has been in place since November 4, 2003.

Attachments: Third Amendment to Lease; Notice of Exemption

1 **THIRD AMENDMENT TO LEASE**

2 **769, 771 and 741 Blaine Street**

3 **Riverside, California**

4
5 **THIS THIRD AMENDMENT TO LEASE** ("Third Amendment"), dated as of
6 _____, 2015, is entered into by and between the **COUNTY OF**
7 **RIVERSIDE**, a political subdivision of the State of California, as Lessee ("County"), and
8 **B. H. PROPERTIES, L.L.C.**, a California limited liability company, ("Lessor"),
9 sometimes hereinafter collectively referred to as the "Parties."

10 **RECITALS**

11 a. Lessor and County have entered into that certain Lease dated November
12 4, 2003, ("Original Lease") pursuant to which Lessor agreed to lease to County and
13 County agreed to lease from Lessor that certain building located at 769 Blaine Street,
14 Riverside, as more particularly described in the Lease.

15 b. The Lease has been amended by:

16 i. The First Amendment to Lease dated September 29, 2009 by and
17 between County and B. H. Properties, L.L.C., a California limited liability company,
18 whereby the Parties amended the Original Lease to, among other things, extend the
19 term period and reduce the monthly rent amount.

20 ii. The Second Amendment to Lease dated March 12, 2013 by and
21 between County of Riverside and B. H. Properties, L.L.C., a California limited liability
22 company, whereby the Parties amended the Lease to, among other things, extend the
23 term period, expand and add 771 and 741 Blaine Street to the leased premises and
24 amend the monthly rent amount.

25 c. The Original Lease together with its amendments are collectively referred
26 to as the "Lease."

27 d. The Parties now desire to amend the Lease to provide terms for
28 improvements to be made by the Lessor.

1 **NOW THEREFORE**, for good and valuable consideration the receipt and
2 adequacy of which is hereby acknowledged, the Parties agree to amend the Lease as
3 follows:

4 1. **IMPROVEMENTS BY LESSOR.** Section 11.1 of the Lease is hereby
5 amended by adding subsection 11.1.10 to the Lease as follows:

6 11.1.10 Lessor, at its sole cost and expense, shall construct certain
7 tenant improvements to Suite 769 as set forth in Exhibit "A" and "B", attached to
8 this amendment and incorporated herein by referenced. The cost to complete
9 tenant improvements under this Third Amendment to Lease shall not exceed
10 \$141,185.20, in addition a fifteen (15%) percent contingency has been added for
11 County's use. Lessor shall provide an itemized statement of the actual cost of
12 the tenant improvements, upon completion. The Riverside County Department
13 of Mental Health (RCDMH) will reimburse Lessor within thirty (30) days of
14 receipt of itemized statement, or as soon thereafter as a warrant can be issued.

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

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

24 ///

25 ///

26 ///

27

28

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

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

7
8 LESSEE:
9 COUNTY OF RIVERSIDE

LESSOR:
B.H. PROPERTIES L.L.C.

10 By: _____
11 Marion Ashley, Chairman
12 Board of Supervisors

By:  _____
Arsalan Gozini, General Manager

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

16 By: _____
17 Deputy

18
19
20
21 APPROVED AS TO FORM:
22 Gregory P. Priamos, County Counsel

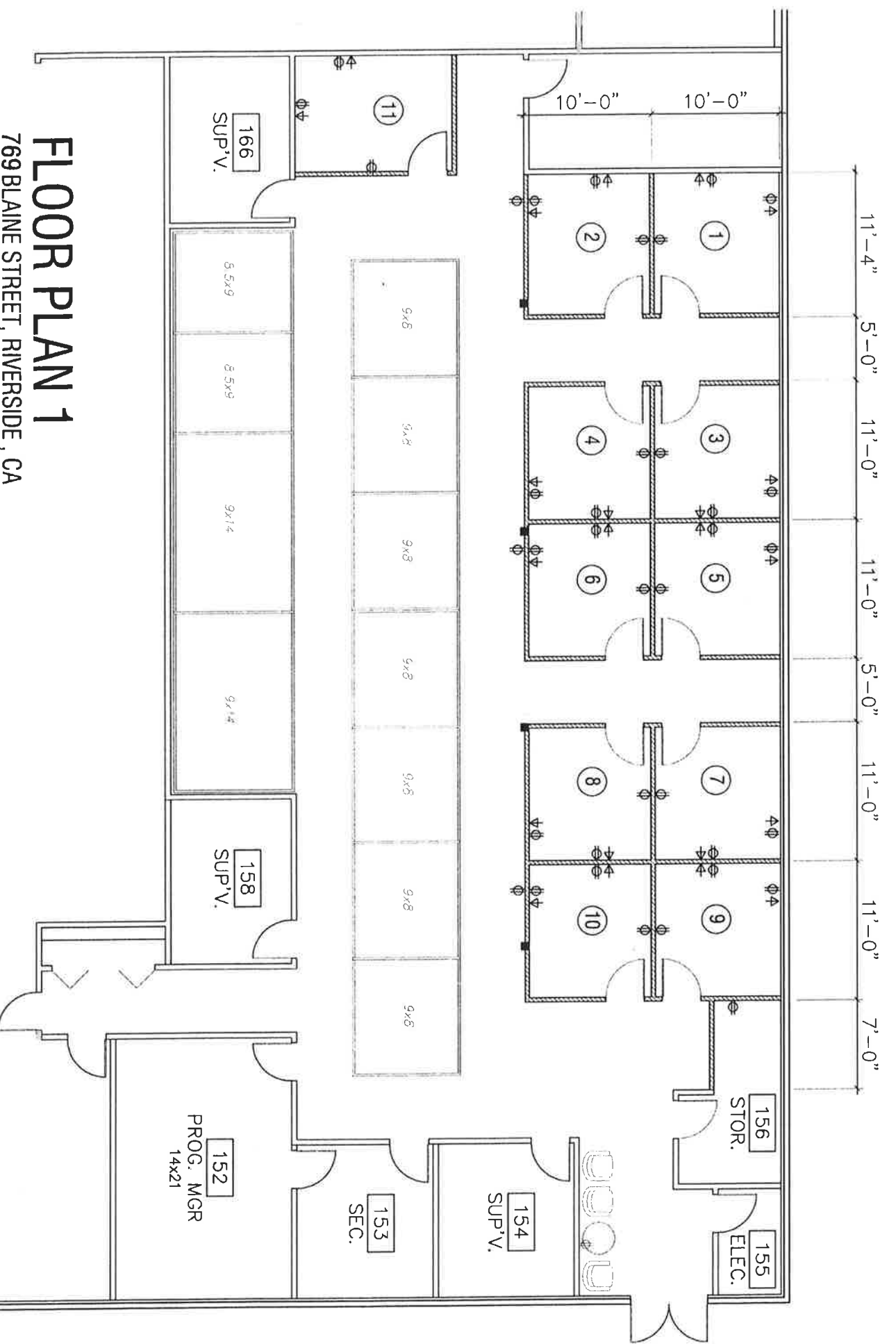
23 By:  _____
24 SYNTHIA M. GUNZEL
25 Deputy County Counsel

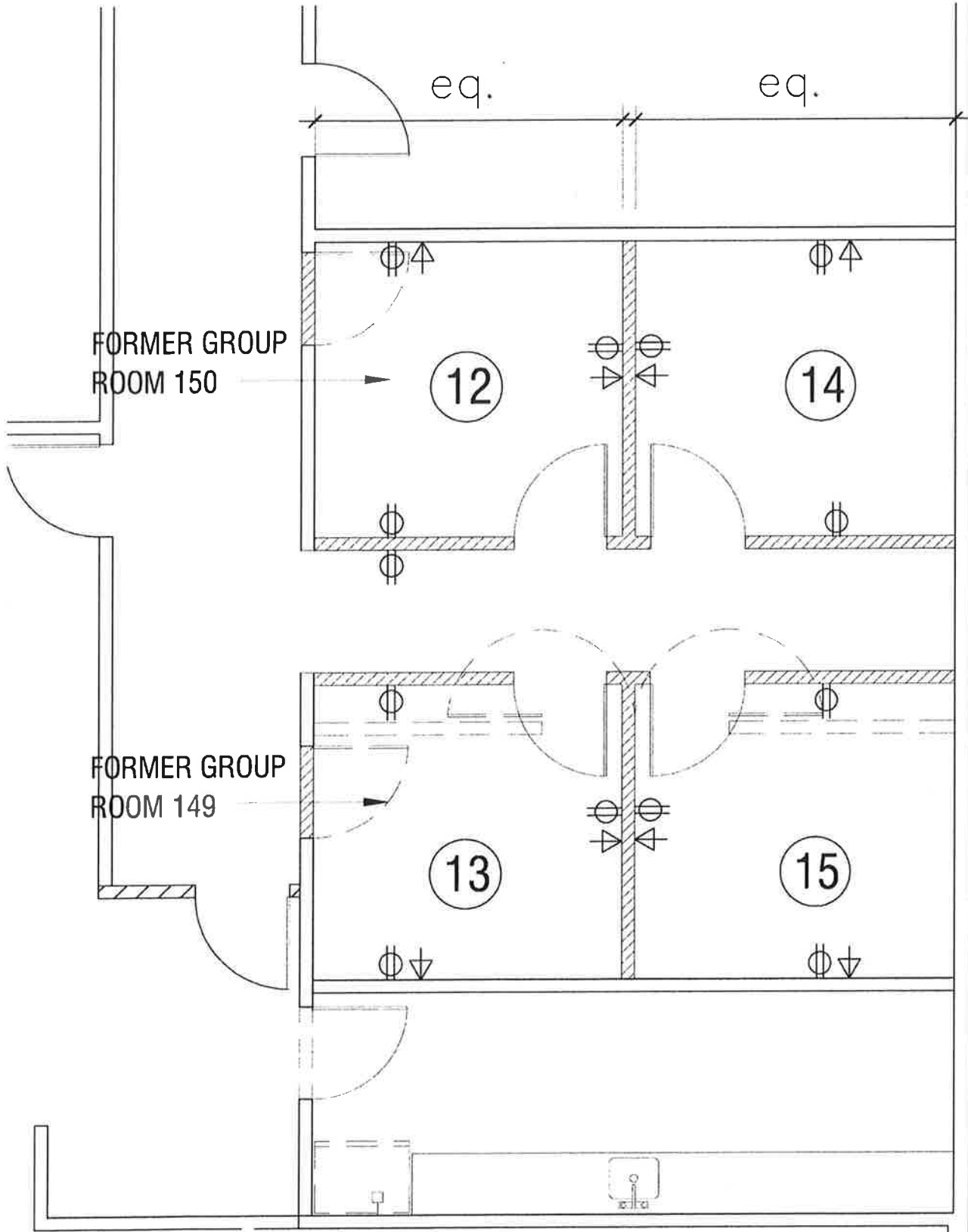
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27 MH:ra/012815/RV310/17.417 S:\Real Property\TYPING\Docs-17.000 to 17.499\17.417.doc

FLOOR PLAN 1

769 BLAINE STREET, RIVERSIDE, CA

EXHIBIT A





FLOOR PLAN 2
769 BLAINE STREET, RIVERSIDE, CA

EXHIBIT "A"

2

KEVIN BARRETT CONSTRUCTION COMPANY, INC.

P.O. Box 7865 * Redlands, CA 92375-0865 * Tel. (909) 796-1500 * Fax (909) 796-1555
kbarrettconst@aol.com

November 6, 2014

BH PROPERTIES. LLC
11111 Santa Monica Blvd., Suite 600
Los Angeles, CA 90025
Attn: Gino Camilleri

RE: Riverside Department Of Mental Health
769 W. Blaine St., Suite B
Riverside, CA 92507

PROPOSAL

FRAMING & DRYWALL:	20,430.00
INSULATION: R-11 in walls, R-19 on ceilings.	2,980.00
DOORS: 16 – New to match existing, relocate (1) existing. Includes Schlage D-53 locks on all doors.	9,520.00
CEILINGS: New in construction areas.	9,240.00
PAINTING: Includes areas marked in blue on plan.	6,970.00
FLOORING: Budget allowance of 35.00 per yard for carpet tile, top-set base. Includes areas marked in blue on plan.	22,880.00
FIRE SPRINKLERS:	7,900.00
H.V.A.C.: Re-ducting of existing system using alumaflex and glassflex ductwork. Relocate (1) existing thermostat.	10,330.00
ELECTRICAL: 24 – Relocate existing lights. 48 – Duplex outlets. 30 – Data sleeves. 15 – Wall motion sensors. 1 – Dedicated outlet for copier.	14,345.00
DEMOLITION: Flooring, ceilings, walls.	3,900.00

EXHIBIT "B"

Riverside Department Of Mental Health (continued)

SUPERVISION:	3,750.00
GENERAL CONDITIONS:	5,800.00
SUB-TOTAL:	118,045.00
PROFIT & OVERHEAD:	<u>17,710.00</u>
TOTAL:	\$ 135,755.00

Work to be performed in one phase with temporary wall to control noise and dust.
Portion of work to be performed after hours.

Exclusions: Plans, permits, fire and security alarms, furniture moving, voice/data wiring.

Regards,



Kevin Barrett
President



NOTICE OF EXEMPTION

April 1, 2015

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

Project Number: FM042611031000

Project Location: 769, 771 and 761 Blaine Street, Riverside, California 92507;
Assessor Parcel Number: 251-070-007 (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 B. H. Properties, LLC. (Lessor) through December 31, 2017. The premise consists of existing buildings located at 769, 771 and 761 Blaine Street, Riverside, California, providing an integrated adult outpatient clinic. The original lease, dated November 4, 2003, has been amended by the First Amendment to Lease dated September 29, 2009 by and between County and Lessor, and the Second Amendment to Lease dated March 12, 2013 by and between County and Lessor. The lease dated November 4, 2003, 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 two years. DMH has occupied this office in the City of Riverside, providing services to adults ages 18 - 59 with serious mental illness. Services include crisis intervention, psychiatric assessments, recovery management, medication services, case management, and dual-diagnosis treatment. An Urgent Care Program provides crisis resolution and problem solving. This Third Amendment to Lease includes a request from the DMH to replace some of the existing cubicles and construct new offices in Suite 769 to accommodate twelve offices for existing staff to provide medical and clinical services for increased service provision. This remodel is required due to the increased needs of the community for the services provided at this facility. The DMH will reimburse Lessor for the tenant improvements. The leased premises consist of approximately 29,120 square feet for the purpose of providing services for the DMH and shall not be used for any other purpose. The Project does not involve any changes to land use, the existing building, or the physical environment and the tenant improvements are limited to the interior of the structure. The Proposed project is the letting of property involving existing facilities with minor tenant improvement alterations and no expansion of an existing use will occur.

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

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6486

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Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

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 of the lease and minor tenant improvement alterations is not anticipated to result in any significant physical environmental impacts. Further, any tenant improvements are 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 minor tenant improvements. 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. 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 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 and minor tenant improvements 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, 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: _____



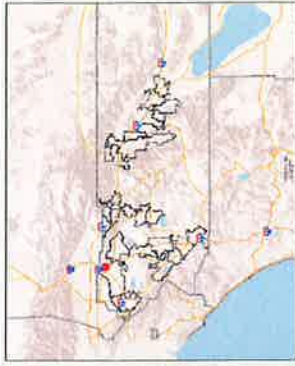
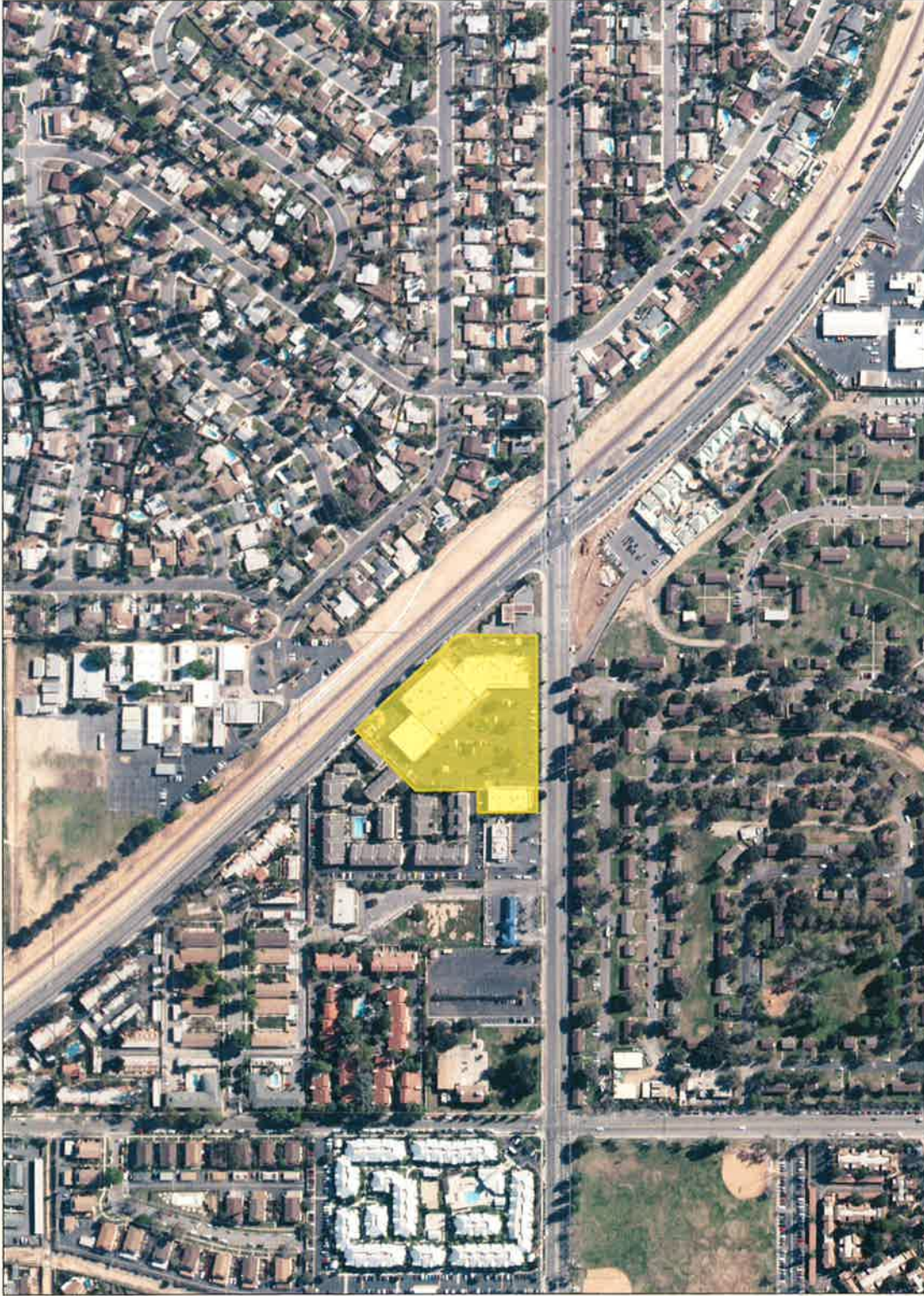
Date: _____

3/31/15

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

251-070-007

769, 771, and 761 Blaine Street, Riverside, CA 92507



Legend

-  Display Parcels
- roadsanno
- highways
-  HWY
-  INTERCHANGE
-  INTERSTATE
-  OFFRAMP
-  ONRAMP
-  USHWY
- counties
- cities
- hydrographylines
- waterbodies
 -  Lakes
 -  Rivers

Notes

IMPORTANT Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.



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RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

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

Accounting String: **Fund: 524830-47220-7200400000- FM042611031000**

DATE: March 31, 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) _____