

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

939



FROM: Economic Development Agency

SUBMITTAL DATE:
August 20, 2015

SUBJECT: Third Amendment to Lease, Department of Mental Health, Riverside, Three Year Lease, CEQA Exempt, District 1, [\$73,270] Federal 28%, State 62%, Grants/MOU/3rd Party 10%

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities and Section 15061(b)(3);
2. Approve the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. 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)

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	\$ 5,982	\$ 24,113	\$ 73,270	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: Federal 28%, State 62%, Grants/MOU/3 rd Party 10%				Budget Adjustment: No	
				For Fiscal Year: 2015/16-2018-19	

C.E.O. RECOMMENDATION:

APPROVE

BY:
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: 8/20/15
 SUSANA GARCIA-BOCANEGRA
 Departmental Accounting
 GREGORY P. PRIAMOS
 DATE
 JERRY WENGERT, Director
 Department of Mental Health
 By:

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

3-9

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, Three Year Lease, CEQA Exempt, District 1, [\$73,270] Federal 28%, State 62%, Grants/MOU/3rd Party 10%

DATE: August 20, 2015

PAGE: 2 of 3

BACKGROUND:

Summary

This Third Amendment to Lease represents a request from the Department of Mental Health (DMH) to extend the lease for its storage facility located at 11681 Sterling, #8F1 and #8G1, Riverside, California, commencing April 1, 2016 and terminating March 31, 2019. This storage facility continues to meet the requirements of the department.

Pursuant to the California Environmental Quality Act (CEQA), the Lease amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1-Existing Facilities and Section 15061(b)(3). The proposed project, the Lease Amendment, is the continuation of the letting of property involving existing facilities with no tenant improvement alterations and no expansion of an existing use will occur.

The Third Amendment to Lease is summarized as follows:

Lessor:	Biltmore Riverside 1, LLC 11860 Magnolia Avenue, Suite I Riverside, California 92503	
Premises Location:	11681 Sterling, Suites 8F1 and 8G1, Riverside, California	
Size:	1,984 Square Feet	
Rent:	Current	New
	\$ 0.85 per sq. ft.	\$ 0.85 per sq. ft.
	\$ 1,686.40 per month	\$ 1,686.40 per month
	\$ 20,236.80 per year	\$ 20,236.80 per year
Term:	April 1, 2016 through March 31, 2019	
Rent Adjustment:	Year 2 and 3, \$0.88 per sq. ft. \$1,745.92 per month	
Utilities:	County pays for telephone services, Lessor pays for all other services.	
Maintenance:	Lessor	
Option to Terminate:	Termination for any reason providing ninety day advance 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 Lease will allow Mental Health to store and reuse furniture for future needs rather than re-purchase.

SUPPLEMENTAL:

Additional Fiscal Information

(Commences on Page 3)

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Economic Development Agency

FORM 11: Third Amendment to Lease, Department of Mental Health, Riverside, Three Year Lease, CEQA Exempt, District 1, [\$73,270] Federal 28%, State 62%, Grants/MOU/3rd Party 10%

DATE: August 20, 2015

PAGE: 3 of 3

SUPPLEMENTAL:

Additional Fiscal Information

DMH budgeted these costs in FY 2015/16 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a three year extension. This Lease has been in place since March 31, 2009.

Attachments:

Exhibits A, B & C

Aerial Image

Third Amendment to Lease

Notice of Exemption

Exhibit A

FY 2015/16

Department of Mental Health Lease Cost Analysis
11681 Sterling, 8F1 & 8G1, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	1,984	SQFT	
Approximate Cost per SQFT (July - March) 2nd Amendment \$	0.85		
Approximate Cost per SQFT (April - Jun) 3rd Amendment \$	0.85		
Lease Cost per Month (July - March) 2nd Amendment	\$	1,686.40	
Lease Cost per Month (April - June) 3rd Amendment	\$	1,686.40	
Total Lease Cost (July - March) 2nd Amendment		\$	15,177.60
Total Lease Cost (April - June) 3rd Amendment		\$	5,059.20
Total Estimated Lease Cost for FY 2015/16		\$	20,236.80

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - March)	\$	2,142.72	
Estimated Utility Costs per Month (April - June)	\$	714.24	
Total Estimated Utility Cost			\$ 2,856.96
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee (Based @ 4.12%) - 2nd Amendment	\$	625.32	
EDA Lease Management Fee (Based @ 4.12%) - 3rd Amendment	\$	208.44	
Total EDA Lease Management Fee			\$ 833.76
TOTAL ESTIMATED COST FOR FY 2015/16			\$ 23,927.52
Amount Previously approved in 2nd Amendment			\$ 17,945.64
Amount of FY15/16 for 3rd Amendment			\$ 5,981.88

Exhibit B

FY 2016/17

Department of Mental Health Lease Cost Analysis 11681 Sterling, 8F1 & 8G1, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	1,984	SQFT	
Approximate Cost per SQFT (July - March)	\$	0.85	
Approximate Cost per SQFT (April - Jun)	\$	0.88	
Lease Cost per Month (July - March)	\$	1,686.40	
Lease Cost per Month (April - June)	\$	1,745.92	
Total Lease Cost (July - March)			\$ 15,177.60
Total Lease Cost (April - June)			\$ 5,237.76
Total Estimated Lease Cost for FY 2016/17			\$ 20,415.36

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - March)		\$	2,142.72
Estimated Utility Costs per Month (April - June)		\$	714.24
Total Estimated Utility Cost			\$ 2,856.96
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee (Based @ 4.12%)		\$	625.32
EDA Lease Management Fee (Based @ 4.12%)		\$	215.80
Total EDA Lease Management Fee			\$ 841.11
TOTAL ESTIMATED COST FOR FY 2016/17			\$ 24,113.43

Exhibit C

FY 2017/18-18/19

Department of Mental Health Lease Cost Analysis

11681 Sterling, 8F1 & 8G1, Riverside, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 1,984 SQFT

	FY 2017/18	FY 2018/19
Approximate Cost per SQFT (July - March)	\$ 0.88	\$ 0.88
Approximate Cost per SQFT (April - Jun)	\$ 0.88	\$ -
Lease Cost per Month (July - March)	\$ 1,745.92	\$ 1,745.92
Lease Cost per Month (April - June)	\$ 1,745.92	
Total Lease Cost (July - March)	\$ 15,713.28	\$ 15,713.28
Total Lease Cost (April - June)	\$ 5,237.76	\$ -
Total Estimated Lease Cost for FY 2017/18 to FY 2018/19	\$ 20,951.04	\$ 15,713.28

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 238.08	\$ 238.08
Total Estimated Utility Cost	\$ 2,856.96	\$ 2,142.72
EDA Lease Management Fee (Based @ 4.12%)	\$ 863.18	\$ 647.39
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2019/20	\$ 24,671.18	\$ 18,503.39

TOTAL REMAINING COST: \$ 43,174.57

TOTAL COST F11: Total Cost \$ 73,269.88

11681 Sterling, 8F1 & 8G1, Riverside
Department of Mental Health Storage Facility



Legend

RCLIS Parcels



0 815 1,631 Feet



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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Notes

RV088
APN#132-020-021

1 **THIRD AMENDMENT TO LEASE**

2 **11681 Sterling, 8F1 and 8G1, Riverside, California**

3
4 **THIS THIRD AMENDMENT TO LEASE** ("3rd Amendment"), dated as of
5 _____, is entered into by and between the COUNTY OF RIVERSIDE, a
6 political subdivision of the State of California, as Lessee, and BILTMORE RIVERSIDE
7 I, LLC, an Arizona limited liability company, as Lessor, sometimes collectively referred
8 to as the "Parties."

9 **RECITALS**

10 a. Lessor and County have entered into that certain Lease dated March 31,
11 2008, (the "Original Lease") pursuant to which Lessor has agreed to lease to County
12 and County has agreed to lease from Lessor that certain building located at 11681
13 Sterling, 8F1 and 8G1 (the "Building"), as more particularly described in the Lease (the
14 "Original Premises").

15 b. The Original Lease has been amended by:

16 i. That certain First Amendment to Lease dated March 15, 2011, by
17 and between County of Riverside and BILTMORE RIVERSIDE I, LLC, an Arizona
18 limited liability company (the 1st Amendment), whereby the Parties amended the Lease
19 to, among other things, to extend the term period, amend the monthly amounts, option
20 to terminate, County's representative and the address for both parties under Notices;
21 and

22 ii. The Second Amendment to Lease dated March 18, 2014, by and
23 between County of Riverside and BILTMORE RIVERSIDE I, LLC, an Arizona limited
24 liability company (the 2nd Amendment), whereby the Parties amended the Lease to,
25 among other things, to extend the term, amend the monthly amounts and the option to
26 terminate.

27 c. The Original Lease together with this Amendment are collectively referred
28 to herein as the "Lease."

1 d. The Parties now desire to amend the Lease to extend the term period
2 and the monthly amounts.

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

5 1. **Term.** Section 3 of the Original Lease is hereby amended by the
6 following:

7 The term of this Lease shall be extended for three (3) years commencing on
8 April 1, 2016 and terminating on March 31, 2019.

9 2. **Rent.** Section 4 of the Original Lease is hereby amended by the
10 following:

11 County shall pay to Lessor the monthly sum as rent for the leased premises
12 during the term of this Lease as indicated below.

<u>Monthly Amount</u>	<u>Year</u>
\$1,686.40	April 1, 2016 to March 31, 2017
\$1,745.92	April 1, 2017 to March 31, 2018
\$1,745.92	April 1, 2018 to March 31, 2019

17 3. **CAPITALIZED TERMS.** Third Amendment to Prevail. Unless defined
18 herein or the context requires otherwise, all capitalized terms herein shall have the
19 meaning defined in the Lease, as heretofore amended. The provisions of this Third
20 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
21 as heretofore amended, and shall supplement the remaining provisions thereof.

22 4. **MISCELLANEOUS.** Except as amended or modified herein, all the terms
23 of the Original Lease shall remain in full force and effect and shall apply with the same
24 force and effect. Time is of the essence in this Amendment and the Lease and each
25 and all of their respective provisions. Subject to the provisions of the Lease as to
26 assignment, the agreements, conditions and provisions herein contained shall apply to
27 and bind the heirs, executors, administrators, successors and assigns of the parties
28 hereto. If any provisions of this Amendment or the Lease shall be determined to be

1 illegal or unenforceable, such determination shall not affect any other provision of the
2 Lease and all such other provisions shall remain in full force and effect. The language
3 in all parts of the Lease shall be construed according to its normal and usual meaning
4 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the
5 Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be
6 recorded by Lessee.

7 (Remainder of Page Intentionally Left Blank)

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

6
7 LESSEE:
8 COUNTY OF RIVERSIDE, a political
9 Subdivision of the State of California

LESSOR:
BILTMORE RIVERSIDE I, LLC,
an Arizona limited liability company
By: Biltmore-Riverside Management, Inc.
a California corporation
Its: Manager

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

By:  _____
Name: Michael D. Wilson
Title: President

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

17
18 By: _____
19 Deputy

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

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

26
27 MH:tg/061615/RV008/17.590 S:\Real Property\TYPING\Docs-17.500 to 17.999\17.590.doc
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NOTICE OF EXEMPTION

July 2, 2015

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

Project Number: FM042611008800

Project Location: 11681 Sterling, Suites 8F1 and 8G1, Riverside, California 92505;
Assessor Parcel Number: 132-020-021 (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 Biltmore Riverside 1, LLC (Lessor) from April 1, 2016 through March 31, 2019. The premise consists of existing buildings located at 11681 Sterling, Suites 8F1 and 8G1, Riverside, California, providing DMH storage space. The original lease, dated March 31, 2008, has been amended by the First Amendment to Lease dated March 15, 2011 by and between County and Lessor, and the Second Amendment to Lease dated March 18, 2014 by and between County and Lessor. The original lease, 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 and amending the monthly amounts. The leased premises consist of approximately 1,984 square feet for the purpose of providing storage space 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. The proposed project is the letting of property involving existing facilities; 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;
Biltmore Riverside 1, LLC

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 of the lease is not anticipated to result in any significant physical environmental impacts.

- 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

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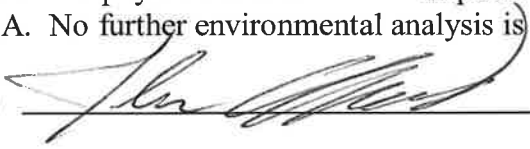
exemption only involves negligible or no expansion of the previous site's use. The Project as proposed is the extension to the term of an existing lease. The option to extend the lease will not increase or expand the use of the site, and merely allows for the continued use of the site in a similar capacity; 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. 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: _____

7/2/15

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



11681 Sterling Avenue, Riverside CA 92505
Assessor Parcel Number: 132-020-021

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- FM042611008800**

DATE: July 1, 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) _____