

FORM APPROVED COUNTY COUNSEL 8/31/15
 BY: GREGORY P. PRIAMOS DATE
 Departmental Control

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

353



FROM: Economic Development Agency

SUBMITTAL DATE:
 September 24, 2015

SUBJECT: Fourth Amendment to Lease, Department of Mental Health, Corona, Five Year Lease, CEQA Exempt, District 2, [\$596,812] Federal 30%, State 70%

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. Rescind its approval of the 4th Amendment to Lease made on July 7, 2015, Agenda Item 3-5;
3. Ratify the attached Fourth Amendment to Lease for a five year term period with 2.5% annual rent increases and the right to terminate after one year and 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: Susana Garcia-Bocanegra 9/25/15

[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	\$ 47,394	\$ 115,004	\$ 596,812	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Federal 30%, State 70%

Budget Adjustment: No
 For Fiscal Year: 2014/15-2019/20

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

By: *[Signature]*
 Jerry Wengert, Director
 Department of Mental Health

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

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

Economic Development Agency

FORM 11: Fourth Amendment to Lease, Department of Mental Health, Corona, Five Year Lease, CEQA

Exempt, District 2, [\$596,812] Federal 30%, State 70%

DATE: September 24, 2015

PAGE: 2 of 3

BACKGROUND:

Summary

This Fourth Amendment to Lease represents a request from the Department of Mental Health (DMH) to extend the lease term for its office located at 1195 Magnolia Avenue, Corona, California, commencing February 1, 2015 and terminating January 31, 2020 with the right to terminate after one year with ninety days advance notice for any reason. This Fourth Amendment also amends the rent amount due for the extended term including two and half percent annual rent increases for each year thereafter. This facility continues to meet the requirements of the department.

This action also includes the rescission of the Board's previous approval of the Fourth Amendment to Lease made on July 7, 2015, Board Agenda Item Number 3-5, to extend the term for only one year to provide the additional terms described above in the lease amendment.

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 Fourth Amendment to Lease is summarized as follows:

Location:	1195 Magnolia Avenue Corona, California 91720	
Lessor:	Temescal Village Partners, Ltd. 5505 Garden Grove Blvd. Suite 150 Westminster, California 92683	
Size:	Approximately 4,800 square feet	
Term:	Five years, commencing February 1, 2015 and terminating January 31, 2020.	
Rent:	\$8,562.08	February 1, 2015 to January 31, 2016
	\$8,776.13	February 1, 2016 to January 31, 2017
	\$8,995.54	February 1, 2017 to January 31, 2018
	\$9,220.42	February 1, 2018 to January 31, 2019
	\$9,450.93	February 1, 2019 to January 31, 2020
Rent Adjustment:	2.5% per year, during years 2-5 of the extend term.	
Option to Terminate:	Option for County to terminate after one year with 90 day advance notice for any reason	

The attached Fourth 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: Fourth Amendment to Lease, Department of Mental Health, Corona, Five Year Lease, CEQA
Exempt, District 2, [\$596,812] Federal 30%, State 70%
DATE: September 24, 2015
PAGE: 3 of 3

Impact on Citizens and Businesses

This facility continues to provide outpatient and case management services to children and adolescents in the western portion of Riverside.

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 five year extension. This Lease has been in place since October 1996.

Attachments:
Exhibits A, B & C
Aerial Image
Fourth Amendment to Lease
Notice of Exemption

Exhibit A

FY 2014/15

Department of Mental Health Lease Cost Analysis
1195 Magnolia Avenue, Corona, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	4,800	SQFT		
Approximate Cost per SQFT (Feb - June)	\$	1.78		
Lease Cost per Month (Feb - June)			\$	8,562.08
Total Lease Cost (Feb - June)			\$	42,810.40
Total Estimated Lease Cost for FY 2014/15			\$	42,810.40

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (Feb - June)			\$	2,880.00
Total Estimated Utility Cost			\$	2,880.00
RCIT			\$	-
Tenant Improvements Costs			\$	-
EDA Lease Management Fee - 3.98%			\$	1,703.85
Total EDA Lease Management Fee			\$	1,703.85
TOTAL ESTIMATED COST FOR FY 2014/15			\$	47,394.25

Exhibit B

FY 2015/16

**Department of Mental Health Lease Cost Analysis
1195 Magnolia Avenue, Corona, California**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		4,800	SQFT	
Approximate Cost per SQFT (July - Jan)	\$	1.78		
Approximate Cost per SQFT (Feb - June)	\$	1.83		
Lease Cost per Month (July - Jan)		\$	8,562.08	
Lease Cost per Month (Feb - June)		\$	8,776.13	
Total Lease Cost (July - Jan)			\$	59,934.56
Total Lease Cost (Feb - June)			\$	43,880.66
Total Estimated Lease Cost for FY 2015/16			\$	103,815.22
<u>Estimated Additional Costs:</u>				
Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July - June)		\$	6,912.00	
Total Estimated Utility Cost			\$	6,912.00
RCIT			\$	-
Tenant Improvements Costs			\$	-
EDA Lease Management Fee - 4.12%		\$	4,277.19	
Total EDA Lease Management Fee			\$	4,277.19
TOTAL ESTIMATED COST FOR FY 2015/16			\$	115,004.41

Exhibit C

FY 2016/17 to FY 2019/20
Department of Public Social Services Lease Cost Analysis
2055 N. Perris Blvd, Building B, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

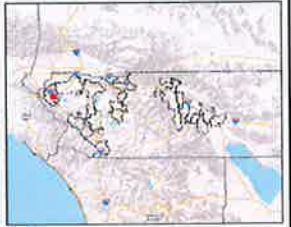
Current Office:

4800 SQFT

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Approximate Cost per SQFT (July - Jan)	\$ 1.83	\$ 1.87	\$ 1.92	\$ 1.97
Approximate Cost per SQFT (Feb - June)	\$ 1.87	\$ 1.92	\$ 1.97	\$ -
Lease Cost per Month (July - Jan)	\$ 8,776.13	\$ 8,995.54	\$ 9,220.42	\$ 9,450.93
Lese Cost per Month (Feb - June)	\$ 8,995.54	\$ 9,220.42	\$ 9,450.93	\$ -
Total Lease Cost (July - Jan)	\$ 61,432.92	\$ 62,968.75	\$ 64,542.97	\$ 66,156.54
Total Lease Cost (Feb - June)	\$ 44,977.68	\$ 46,102.12	\$ 47,254.67	\$ -
Total Estimated Lease Cost for FY 2016/17 to FY 2019/20	\$ 106,410.60	\$ 109,070.87	\$ 111,797.64	\$ 66,156.54
<u>Estimated Additional Costs:</u>				
Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 576.00	\$ 576.00	\$ 576.00	\$ 576.00
Total Estimated Utility Cost	\$ 6,912.00	\$ 6,912.00	\$ 6,912.00	\$ 4,032.00
RCIT	0	-	-	-
Tenant Improvement Costs 1/3 Annually	0	-	-	-
EDA Lease Management Fee - 4.12%	\$ 4,384.12	\$ 4,493.72	\$ 4,606.06	\$ 2,725.65
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2019/20	\$ 117,706.72	\$ 120,476.59	\$ 123,315.70	\$ 72,914.19
TOTAL COUNTY COST 0.00%	\$ -	\$ -	\$ -	\$ -

F11: Cost - Total Cost \$ 596,811.85

Department of Mental Health
1195 Magnolia Avenue, Corona, CA



Legend



0 806 1,611 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.

REPORT PRINTED ON... 9/14/2015 10:27:56 AM

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Notes

Fourth Amendment to Lease
Five Year Extension
111-380-005



NOTICE OF EXEMPTION

August 17, 2015

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

Project Number: FM042166000700

Project Location: 1195 Magnolia Avenue, Corona, California 91720;
Assessor Parcel Number: 111-380-005 (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 Temescal Village Partners, Ltd. (Lessor) commencing on February 1, 2015 through January 31, 2020. The facility currently consists of an existing building located at 1195 Magnolia Avenue, Corona, California, and continues to meet the needs and requirements of DMH. This five-year lease extension will insure the continued operation of services. The original lease, dated October 1, 1996, has been amended by that certain First Amendment to Lease dated November 25, 2003, whereby the parties extended the term period, amended the rental amounts, and construct improvements; by the Second Amendment to Lease dated August 9, 2005, whereby the parties extended the term period and construct improvements; and by the Third Amendment to Lease dated April 20, 2010, whereby the parties extended the term period, rental amounts, and options to terminate and notices. The lease dated October 1, 1996, together with its amendments, are collectively referred to as the "Lease." The parties now desire to rescind the Board of Supervisors' previous approval of the Fourth Amendment to Lease made on July 7, 2015, ratify and amend the revised Fourth Amendment to Lease for a five-year term period with two and half percent (2.5%) annual rent increases for each year thereafter, and the right to terminate after one year. The existing structure is located in a developed portion of the City of Corona. The proposed project is the letting of property involving existing facilities; no expansion of an existing use will occur. The leased premises consist of approximately 4,800 square feet for the purpose of providing outpatient and case management services to children and adolescents in the western portion of Riverside.

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;
Temescal Village Partners, Ltd.

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

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Redevelopment Agency
Workforce Development

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 rescission of the Board's previous approval of the Fourth Amendment to Lease, revised five-year term extension of the lease with annual rent increases, and the right to terminate after one year 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 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: _____

8/17/15

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



1195 Magnolia Avenue, Corona, California 91720
Assessor Parcel Number: 111-380-005

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Fourth Amendment to Lease, Department of Mental Health, Corona

Accounting String: **Fund: 524830-47220-7200400000- FM042166000700**

DATE: August 17, 2015

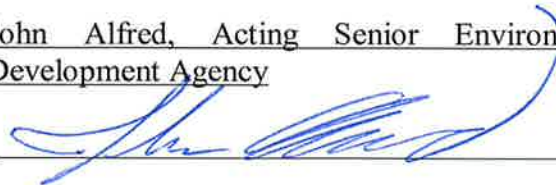
AGENCY: Riverside County Economic Development Agency

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: August 17, 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 # FM042166000700**
Fourth Amendment to Lease, Department of Mental Health, Corona

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

1 **FOURTH AMENDMENT TO LEASE**
2 **1195 Magnolia Avenue, Corona, California**

3
4 THIS FOURTH AMENDMENT TO LEASE ("4th Amendment"), dated as of
5 _____, is entered by and between the COUNTY OF RIVERSIDE, a
6 political subdivision of the State of California, as County, and TEMESCAL VILLAGE
7 PARTNERS, LTD, a California limited partnership, as Lessor, sometimes collectively
8 referred to as the "Parties."

9 **RECITALS**

10 a. Lessor and County have entered into that certain Lease dated October 1,
11 1996, (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 1195
13 Magnolia Avenue, Corona, California (the "Building"), as more particularly described in
14 the Lease (the "Original Premises").

15 b. The Original Lease has been amended by:

16 i. That certain First Amendment to Lease dated November 25, 2003,
17 by and between COUNTY OF RIVERSIDE, a political subdivision of the State of
18 California and TEMESCAL VILLAGE PARTNERS, LTD, a California limited partnership
19 (the 1st Amendment), whereby the Parties amended the Lease to, among other things,
20 to extend the term period, amend the rental amounts and construct some
21 improvements; and

22 ii. That certain Second Amendment to Lease dated August 9, 2005,
23 by and between COUNTY OF RIVERSIDE, a political subdivision of the State of
24 California and TEMESCAL VILLAGE PARTNERS, LTD, a California limited partnership
25 (the 2nd Amendment), whereby the Parties amended the Lease to, among other things,
26 to extend the term period and construct some improvements; and

27 iii. That certain Third Amendment to Lease dated April 20, 2010 by
28 and between COUNTY OF RIVERSIDE, a political subdivision of the State of California

RECEIVED SEP 03 2015

1 and TEMESCAL VILLAGE PARTNERS, LTD, a California limited partnership (the 3rd
2 Amendment), whereby the Parties amended the Lease to, among other things, to
3 extend the term period, amend the rental amounts, the option to terminate and the
4 address for both parties under Notices; and

5 c. The Original Lease together with this amendment are collectively referred
6 to as the "Lease."

7 d. The Parties now desire to amend the Lease to extend the term period,
8 rental amounts and option to terminate.

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

11 1. Term. Section 3 (a) of the Original Lease is hereby amended by the
12 following:

13 The term of this Lease shall be extended for five (5) years commencing on
14 February 1, 2015 and terminating on January 31, 2020.

15 2. Rent. Section 5 of the Original Lease is hereby amended by the
16 following:

17 County shall pay to Lessor the monthly sums as rent for the leased premises
18 during the term of this Lease as indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$8,562.08	February 1, 2015 to January 31, 2016
\$8,776.13	February 1, 2016 to January 31, 2017
\$8,995.54	February 1, 2017 to January 31, 2018
\$9,220.42	February 1, 2018 to January 31, 2019
\$9,450.93	February 1, 2019 to January 31, 2020

25 3. Option to Terminate. Section 12 (c) and (d) of the Lease shall be deleted
26 in its entirety as follows:

1 (c) Following the execution and delivery of this Fourth Amendment,
2 County shall have the right to terminate this Lease for any reason after (1) one year
3 providing six (6) month advance written notice.

4 4. CAPITALIZED TERMS. Fourth Amendment to Prevail. Unless defined
5 herein or the context requires otherwise, all capitalized terms herein shall have the
6 meaning defined in the Lease, as heretofore amended. The provisions of this Fourth
7 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
8 as heretofore amended, and shall supplement the remaining provisions thereof.

9 5. MISCELLANEOUS. Except as amended or modified herein, all the terms
10 of the Original Lease shall remain in full force and effect and shall apply with the same
11 force and effect. Time is of the essence in this Amendment and the Lease and each
12 and all of their respective provisions. Subject to the provisions of the Lease as to
13 assignment, the agreements, conditions and provisions herein contained shall apply to
14 and bind the heirs, executors, administrators, successors and assigns of the parties
15 hereto. If any provision of this Amendment or the Lease shall be determined to be
16 illegal or unenforceable, such determination shall not affect any other provision of the
17 Lease and all such other provisions shall remain in full force and effect. The language
18 in all parts of the Lease shall be construed according to its normal and usual meaning
19 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the
20 Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be
21 recorded by Lessee.

22 (Remainder of Page Intentionally Left Blank)

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1 6. EFFECTIVE DATE. This Fourth 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 Amendment as of the
5 date first written above.

6
7 LESSEE:
8 COUNTY OF RIVERSIDE

LESSOR:
9 TEMESCAL VILLAGE PARTNERS, LTD.,
10 a California limited partnership

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

By:  _____
J. Richey
Managing Partner

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

17 By: _____
18 Deputy

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

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