

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

822



FORM APPROVED COUNTY COUNSEL 10/29/15  
DATE  
BY: GREGORY P. PRIAMOS  
Departmental Conference

**FROM:** Economic Development Agency

**SUBMITTAL DATE:**

November 5, 2015

**SUBJECT:** First Amendment to Lease, Department of Mental Health, San Jacinto, Five Year Lease, CEQA Exempt, District 3, [\$1,743,022] Federal 49%, State 51%

**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 First 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) FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY: Susana Garcia-Bocanegra 11/5/15

*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	\$ 418,393	\$ 299,374	\$ 1,743,022	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** Federal 49%, State 51%  
Budget Adjustment: No  
For Fiscal Year: 2015/16-2020/21

**C.E.O. RECOMMENDATION:**

APPROVE  
BY: *Rohini Dasika*  
Rohini Dasika

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

By: *Jerry Wengard*  
Jerry Wengard, 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:** First Amendment to Lease, Department of Mental Health, San Jacinto, Five Year Lease, CEQA Exempt, District 3, [\$1,743,022] Federal 49%, State 51%

**DATE:** November 5, 2015

**PAGE:** 2 of 3

**BACKGROUND:**

**Summary**

This First Amendment to Lease represents a request from the Riverside County Department of Mental Health (RCDMH) to extend the lease for its office located at 1370 South State Street, Suite B, San Jacinto, California, extending the term through September 30, 2020. The square footage will increase from 7,313 to 15,813 square feet which will include Suite A. The Riverside County Substance Use and New Life programs are in need of expansion as they have outgrown the clinic they are currently in. This facility will improve client care and provide adequate staff space. The total cost of the improvements is \$135,400.00 to install framing, drywall, finish coat, outlets and light switches, doors, replace drop ceiling T-bar for new offices, group rooms, and storage rooms, remove and replace all drop ceilings so HVAC can be install for new areas, install HVAC ducts, inlet and exit vent throughout to balance a/c and heating in new areas, install new transaction desk in lobby area, and replace flooring in break room area with vinyl composition. The total cost of the tenant improvements is \$135,400. The Department of Mental Health will reimburse the Landlord \$127,400.00 and the landlord will pay the balance. In addition a fifteen percent contingency has been added for the County's use.

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 minor or negligible tenant improvement alterations and expansion of an existing use will occur.

The First Amendment to Lease is summarized as follows:

**Lessor:** Brotherton Family Trust dba San Jacinto Business Park  
1057 Ridge Heights Drive  
Fallbrook, California 92028

**Location:** 1370 S. State Street  
San Jacinto, California 92583

**Term:** Extended through September 30, 2020.

**Size:** Existing 7,313 sq. ft. Expansion 8,500 sq. ft.  
Totals 15,813 sq. ft.

**Rent:**

<b>Current</b>	<b>New</b>
\$ 1.40 per sq. ft.	\$ 1.40 per sq. ft.
\$ 10,211.36 per month	\$ 22,138.20 per month
\$122,536.32 per year	\$265,658.40 per year

**Rent Adjustment:** Two percent annual increase

**Utilities:** County pays for telephone and electrical services, Landlord pays for all other services.

**Custodial:** Landlord

**Maintenance:** Landlord

(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, San Jacinto, Five Year Lease, CEQA Exempt, District 3, [\$1,743,022] Federal 49%, State 51%

**DATE:** November 5, 2015

**PAGE:** 3 of 3

**BACKGROUND:**

**Summary** (Continued)

RCIT Cost: \$41,315.69

Tenant Improvements: \$127,400.00, in addition a 15% contingency for County use.

The attached First 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 effective, efficient, and culturally sensitive community-based services to severely mentally disabled adults and older adults, children at risk of mental disability, substance abusers, and individuals on conservatorship that enable them to achieve and maintain their optimal level of healthy personal and social functioning.

**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 February 8, 2011.

Attachments:

Exhibits A, B & C

First Amendment to Lease

Notice of Exemption

Aerial Image

# Exhibit A

FY 2015/16

Department of Mental Health Lease Cost Analysis  
1370 S. Street, Suites A & B, San Jacinto, California

## **ESTIMATED AMOUNTS**

### **Total Square Footage to be Leased:**

Current Office:	7,313	SQFT	
Expansion	15,813		
Approximate Cost per SQFT (July - Sept ) - Lease	\$	1.40	
Approximate Cost per SQFT (Oct - June) - 1st Amendment	\$	1.40	
Lease Cost per Month (July - Sept ) - Lease	\$	10,211.36	
Lease Cost per Month (Oct - June) - 1st Amendment	\$	22,138.20	
Total Lease Cost (July - Sept ) - Lease	\$		30,634.08
Total Lease Cost (Oct - June) - 1st Amendment	\$		199,243.80
<b>Total Estimated Lease Cost for FY 2015/16</b>			<b>\$ 229,877.88</b>

### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - Sept) - Lease	\$	2,632.68	
Estimated Utility Costs per Month (Oct - June) - 1st Amendment	\$	17,078.04	
Total Estimated Utility Cost			\$ 19,710.72
RCIT			\$ 41,315.69
Tenant Improvements Costs			\$ 146,510.00
EDA Lease Management Fee - 4.12% - Lease	\$	1,262.12	
EDA Lease Management Fee - 4.12% - 1st Amendment	\$	14,245.06	
Total EDA Lease Management Fee			\$ 15,507.18
<b>TOTAL ESTIMATED COST FOR FY 2015/16</b>			<b>\$ 452,921.47</b>
Amount Previously approved in Lease			\$ 34,528.88
Amount of FY15/16 for 1st Amendment			<u>\$ 418,392.59</u>

# Exhibit B

FY 2016/17

Department of Mental Health Lease Cost Analysis  
1370 S. State Street, Suites A & B, San Jacinto, California

## ESTIMATED AMOUNTS

### Total Square Footage to be Leased:

Current Office:	15,813	SQFT	
Approximate Cost per SQFT (July - Sept )	\$	1.40	
Approximate Cost per SQFT (Oct - June)	\$	1.43	
Lease Cost per Month (July - Sept )	\$	22,138.20	
Lease Cost per Month (Oct - June)	\$	22,580.96	
Total Lease Cost (July - Sept )			\$ 66,414.60
Total Lease Cost (Oct - June)			\$ 199,243.80
<b>Total Estimated Lease Cost for FY 2016/17</b>			<b>\$ 265,658.40</b>

### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month			<u>\$ 1,897.56</u>
Total Estimated Utility Cost			\$ 22,770.72
Tenant Improvements Costs			
EDA Lease Management Fee - 4.12%			<u>\$ 10,945.13</u>
<b>TOTAL ESTIMATED COST FOR FY 2016/17</b>			<b><u>\$ 299,374.25</u></b>



## NOTICE OF EXEMPTION

September 16, 2015

**Project Name:** First Amendment to Lease, Department of Mental Health, San Jacinto

**Project Number:** FM042642002000

**Project Location:** 1370 S. State Street, San Jacinto, California 92583; Assessor Parcel Number: 435-190-045  
(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 Brotherton Family Trust dba San Jacinto Business Park (Lessor) five years, through September 30, 2020. The premises consists of an existing building located at 1370 S. State Street, San Jacinto, California, providing effective, efficient, and culturally sensitive community-based services to severely mentally disabled adults and older adults, children at risk of mental disability, substance abusers, and individuals on conservatorship that enable them to achieve and maintain their optimal level of healthy personal and social functioning. The original lease dated February 8, 2011 by and between County and Lessor, together with its amendment, shall collectively be referred to as the "Lease." The parties now desire to amend the Lease to extend the term and minor tenant improvements. This First Amendment to Lease also represents an expansion in square footage of 8,500 sq. ft. from the current 7,313 sq. ft. The term will also be extended from the date the Certificate of Occupancy is provided by Landlord through September 30, 2020. Landlord at its sole cost and expense shall install framing, drywall, finish coat, outlets and light switches, doors, replace drop ceiling t-bar for new offices, group rooms and storage rooms, remove and replace all drop ceilings so HVAC can be installed for new areas, HVAC ducts, inlet and exit vents throughout to balance a/c and heating in new areas, install new transaction desk in lobby area, and replace floor in break room area with vinyl composition tile. The existing structure is located in a developed portion of the City of San Jacinto, and any interior improvements would have no impacts on biological or cultural resources. Further, the size and scale of such interior and exterior improvements would not result in traffic, noise, or air quality impacts during construction. 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;  
Brotherton Family Trust dba San Jacinto Business Park

**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.

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

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Graffiti Abatement


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Purchasing Group  
Real Property  
Redevelopment Agency  
Workforce Development

**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 and minor tenant improvement alterations 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 with minor tenant improvements. Any proposed improvement would not involve any changes to land use, the existing building, or environment. 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 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 minor 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: 8/18/15

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name:** First Amendment to Lease, Department of Mental Health, San Jacinto

**Accounting String:** 524830-47220-7200400000- FM042642002000

DATE: August 18, 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, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

RECEIPT # (S) \_\_\_\_\_





Date: August 18, 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 # FM042642002000**  
First Amendment to Lease, Department of Mental Health, San Jacinto

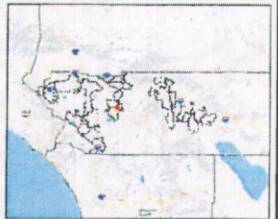
The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

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

Attachment

cc: file

**San Jacinto Mental Health**  
1370 S. State Street, Suites A & B, San Jacinto, CA



**Legend**



0 228 457 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 8/3/2015 1:07:22 PM

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**Notes**

First Amendment to Lease  
Lease Extension and Expansion

1 **FIRST AMENDMENT TO LEASE**

2 **1370 S. State Street, Suite B, San Jacinto, California**

3  
4 **THIS FIRST AMENDMENT TO LEASE** (“1<sup>st</sup> Amendment”), dated as of  
5 \_\_\_\_\_, is entered by and between the COUNTY OF RIVERSIDE, a  
6 political subdivision of the State of California, as Lessee, and BROTHERTON FAMILY  
7 TRUST, dba SAN JACINTO BUSINESS PARK, the successor-in-interest to Ranel  
8 Development Company, a California general partnership, as Lessor, sometimes  
9 collectively referred to as the “Parties.”

10 **RECITALS**

11 a. Lessor and County have entered into that certain Lease, dated February  
12 8, 2011, (the “Original Lease”) pursuant to which Lessor has agreed to lease to County  
13 and County has agreed to lease from Lessor that certain building located at 1370  
14 South State Street, Suite B, San Jacinto, California (the “Building”), as more  
15 particularly described in the Lease (the “Original Premises”).

16 b. In addition to the Original Premises, County desires to lease from Lessor  
17 and Lessor desires to lease to County Suite A, consisting of 8,500 rentable square feet  
18 (the “Expansion Space”) on the terms and conditions set forth herein. The Original  
19 Premises and the Expansion Space are collectively referred to herein as the  
20 “Premises.”

21 c. The Original Lease together with this Amendment are collectively referred  
22 to as the “Lease.”

23 d. The Parties now desire to amend the Lease to extend the term period,  
24 amend the rental amounts, increase square footage and do improvements to the  
25 Expansion Space.

26 **NOW THEREFORE**, for good and valuable consideration the receipt and  
27 adequacy of which is hereby acknowledged, the Parties agree as follows:  
28

1           1.     **Description.** Section 1 of the Original Lease is hereby replaced in its  
2 entirety by the following:

3                 a.     The term "Premises" shall mean the Rentable Area in the Building  
4 consisting of approximately 8,500 square feet in Suite A of the building, in addition to  
5 the existing 7,313 square feet in Suite B which totals 15,813 square feet, as outlined in  
6 Exhibit "A" attached hereto and incorporated herein.

7                 b.     Exhibit "A" of the Original Lease is hereby deleted in its entirety  
8 and replaced with Exhibit "A" attached hereto and incorporated herein by this  
9 reference.

10           2.     **Term.** Section 3 (a) of the Original Lease is hereby amended by the  
11 following:

12                 The term of the lease shall commence on the date County accepts the  
13 Expansion Space for occupancy ("Commencement Date"), which shall occur only after  
14 Lessor delivers to County a copy of the Certificate of Occupancy executed by  
15 appropriate governing authority, if applicable, and provided that County, is in its sole  
16 discretion, is satisfied that all leasehold improvements have been completed in  
17 accordance with Exhibit "A", excepting minor punch list items, ("Commencement  
18 Date"). The Term shall expire at midnight on the last day of the September 30, 2020,  
19 ("Expiration Date").

20           3.     **Rent.** Section 5 (a) and (b) of the Original Lease are hereby amended  
21 by the following:

22                 County shall pay to Lessor upon completion and acceptance of the Tenant  
23 Improvements the sum of \$22,138.20 monthly with a two (2%) percent annual increase  
24 through September 30, 2020.

25           4.     **Improvements by Lessor.** Section 9 (a) of the Original Lease is  
26 hereby amended by the following:

27                 (a)     The total cost of the tenant improvements is \$135,400. Lessor, at  
28 its sole cost and expense, shall construct certain tenant improvements, as set forth in

1 Exhibit "A," attached to this Amendment, and incorporated herein by reference. The  
2 cost of the tenant improvements as paid by County shall not exceed \$127,400 of the  
3 total cost, Landlord shall pay the balance. In addition a fifteen (15%) percent  
4 contingency has been added for County's use. Lessor shall provide an itemized  
5 statement of the actual cost of the tenant improvements upon completion. The  
6 Riverside County Department of Mental Health (RCDMH) will reimburse Lessor within  
7 thirty (30) days of receipt of itemized statement, or as soon thereafter as a warrant can  
8 be issued. Lessor shall submit to County a complete set of approved "As-Built"  
9 drawings.

10 5. **CAPITALIZED TERMS.** First Amendment to Prevail. Unless defined  
11 herein or the context requires otherwise, all capitalized terms herein shall have the  
12 meaning defined in the Lease, as heretofore amended. The provisions of this First  
13 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,  
14 as heretofore amended, and shall supplement the remaining provisions thereof.

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

28 (Remainder of Page Intentionally Left Blank)

1           7.     **EFFECTIVE DATE.** This First 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:

LESSOR:

8 COUNTY OF RIVERSIDE,  
9 a political subdivision of the  
10 State of California

BROTHERTON FAMILY TRUST, dba SAN  
JACINTO BUSINESS PARK (Successor in  
Interest to Ranel Development Company a  
California general partnership)

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

By: *Lucia Brotherton Juska*  
Name:  
Its:

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

17  
18 By: \_\_\_\_\_  
Deputy

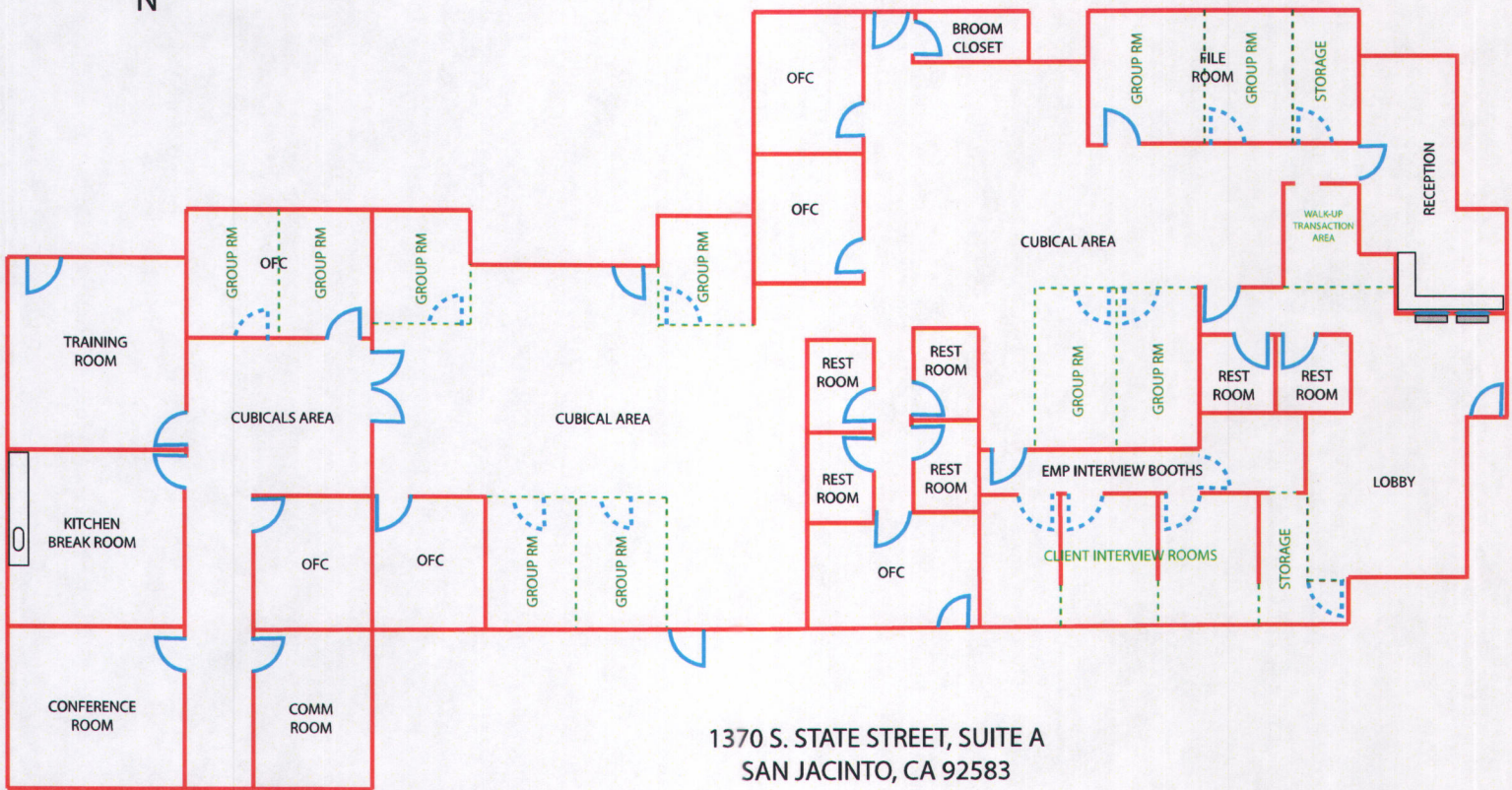
19  
20 APPROVED AS TO FORM:  
21 Gregory P. Priamos, County Counsel

22  
23 By: *Synthia M. Gunzel*  
24 **SYNTHIA M. GUNZEL**  
Deputy County Counsel

25  
26  
27  
28 MH:ra/901115/PR012/17.484 S:\Real Property\TYPING\Docs-17.000 to 17.499\17.484.doc



(NOT TO SCALE)



8,570 SQ FT

EXHIBIT "A"