

FORM APPROVED COUNTY COUNSEL 4/18/16
 BY: GREGORY P. PRIAMOS DATE
 Departmental Concurrence

344



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

FROM: Economic Development Agency

SUBMITTAL DATE:
 April 14, 2016

SUBJECT: Second Amendment to Lease, Riverside University Health System – Behavioral Health, Cathedral City, Four Year Lease, CEQA Exempt, District 4, [\$947,604] Federal 15%, State 85%

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. Ratify the attached Second 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 4/19/16

Robert Field
 Assistant County Executive Officer/EDA
 By: Jeff Van Wagenen, Managing Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 56,602	\$ 229,727	\$ 947,604	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Federal 15%, State 85%
Budget Adjustment: No
For Fiscal Year: 2014/15-2018/19

C.E.O. RECOMMENDATION:
 Reviewed by Alex Hann
 CIP TEAM

APPROVE
 BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

By: Steve Steinberg, Director

- 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: Second Amendment to Lease, Riverside University Health System – Behavioral Health, Cathedral City, Four Year Lease, CEQA Exempt, District 4, [\$947,604] Federal 15%, State 85%

DATE: April 14, 2016

PAGE: 2 of 3

BACKGROUND:

Summary

This Second Amendment to Lease represents a request from the Riverside University Health System – Behavioral Health to extend the lease for its office located at 68-615A Perez Road, Suites 3, 4, 5, 6, and 7, Cathedral City. The requested improvements include relocation of doors and build out of new walls to accommodate the new door openings, lockset on new doors, paint Room 1 and 7, and 39, replace VCT and baseboards in Restrooms 4 and 27, replace carpet in Room 4 and lobby, install carpet and VCT in Room #1 and Suite 7A. The landlord will cover the cost for the improvements. This facility continues to meet the requirements of the department.

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:	T W Investments c/o TW Ireland 76322 Via Chianti Indian Wells, California 92210	
Premises Location:	68-615A Perez Road, Suites 3, 4, 5, 6 and 7, Cathedral City	
Size:	9,600 square feet	
	\$ 1.44 per sq. ft. \$ 13,843.20 per month \$166,118.40 per year	\$ 1.60 per sq. ft. \$ 15,360.00 per month \$ 184,320.00 per year
Term:	Four years, commencing April 1, 2015 and terminating March 31, 2019	
Annual Increase:	2.5% annual increase	
Custodial:	Lessor provides and County currently pays \$1,440.00 per month. As of April 1, 2015, County shall pay \$1,824.00 per month in addition to base rent. Cost to be reviewed annually and adjusted as needed.	
Maintenance:	Landlord	
Improvements:	Landlord	
RCIT:	None	

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, Riverside University Health System – Behavioral Health, Cathedral City, Four Year Lease, CEQA Exempt, District 4, [\$947,604] Federal 15%, State 85%

DATE: April 14, 2016

PAGE: 3 of 3

Impact on Residents and Businesses

This Amendment to the Lease will ensure that the department of Mental Health continues to provide services in the Coachella Valley and for the benefit of this region and community.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibit A, B, and C

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 four year renewal. The contract has been in place since March 23, 2010.

Attachments:

Exhibits A, B & C

Second Amendment to Lease

Notice of Exemption

Aerial Image

Exhibit A

FY 2014/15

Department of Mental Health Lease Cost Analysis
68-615A Perez Road, Suites 3, 4, 5, 6 and 7, Cathedral City

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	9,600 SQFT	
Approximate Cost per SQFT (July - Mar)	\$ 1.44	
Approximate Cost per SQFT (Apr - June)	\$ 1.60	
Lease Cost per Month (July - Mar)	\$ 13,843.20	
Lease Cost per Month (Apr - June)	\$ 15,360.00	
Total Lease Cost (July - Feb)		\$ 124,588.80
Total Lease Cost (Apr - June)		\$ 46,080.00
Total Estimated Lease Cost For FY 2014/15		\$ 170,668.80
Custodial Cost per Month (July - Mar)	\$ 1,440.00	
Custodial Cost per Month (Apr - June)	\$ 1,824.00	
Total Estimated Custodial Cost (July - Mar)		\$ 12,960.00
Total Estimated Custodial Cost (Apr - June)		\$ 5,472.00
Total Estimated Lease & Custodial Cost for FY 2014/15		\$ 189,100.80
<u>Estimated Additional Costs:</u>		
Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month	\$ 1,152.00	
Total Estimated Utility Cost July - June		\$ 13,824.00
EDA Lease Management Fee (Based @ 3.89%) ✓		\$ 7,356.02
TOTAL ESTIMATED COST FOR FY 2014/15		\$ 210,280.82
Amount Previously Approved in First Amendment		\$ 153,678.35
Amount of FY14/15 for Second Amendment		\$ 56,602.47

Exhibit B

FY 2015/16

**Department of Mental Health Lease Cost Analysis
68-615A Perez Road, Suites 3, 4, 5, 6 and 7, Cathedral City**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	9,600	SQFT	
Approximate Cost per SQFT (July - Mar)	\$	1.60	
Approximate Cost per SQFT (Apr - June)	\$	1.64	
Lease Cost per Month (July - Mar)		\$	15,360.00
Lease Cost per Month (Apr - June)		\$	15,744.00
Total Lease Cost (July - Mar)			\$ 138,240.00
Total Lease Cost (Apr - June)			\$ 47,232.00
Total Lease Cost for FY 2015/16			\$ 185,472.00
Custodial Cost per Month		\$	1,824.00
Total Custodial Cost FY 2015/16			\$ 21,888.00
Total Estimated Lease Cost for FY 2015/16			\$ 207,360.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	1,152.00
Total Estimated Utility Cost			\$ 13,824.00
EDA Lease Management Fee (Based @ 4.12%)			\$ 8,543.23
TOTAL ESTIMATED COST FOR FY 2015/16			\$ 229,727.23

Exhibit C

FY 2016/17 to FY 2018/19
Department of Mental Health Lease Cost Analysis
68-615A Perez Road, Suites 3, 4, 5, 6 and 7, Cathedral City

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	9,600 SQFT		
	FY 2016/17	FY 2017/18	FY 2018/19
Approximate Cost per SQFT (July - Mar)	\$ 1.64	\$ 1.68	\$ 1.72
Approximate Cost per SQFT (Apr - June)	\$ 1.68	\$ 1.72	\$ -
Lease Cost per Month (July - Mar)	\$ 15,744.00	\$ 16,137.60	\$ 16,541.04
Lease Cost per Month (Apr - June)	\$ 16,137.60	\$ 16,541.04	
Total Lease Cost (July - Mar)	\$ 141,696.00	\$ 145,238.40	\$ 148,869.36
Total Lease Cost (Apr - June)	\$ 48,412.80	\$ 49,623.12	\$ -
Total Lease Cost for FY 2016/17 to FY 2018/19	\$ 190,108.80	\$ 194,861.52	\$ 148,869.36
Custodial Cost per Month	\$ 1,824.00	\$ 1,824.00	\$ 1,824.00
Total Custodial Cost FY FY 2016/17 to FY 2018/19	\$ 21,888.00	\$ 21,888.00	\$ 16,416.00
Total Estimated Lease Cost for FY 2016/17 to FY 2018/19	\$ 211,996.80	\$ 216,749.52	\$ 165,285.36
<u>Estimated Additional Costs:</u>			
Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 1,152.00	\$ 1,152.00	\$ 1,152.00
Total Estimated Utility Cost	\$ 13,824.00	\$ 13,824.00	\$ 10,368.00
EDA Lease Management Fee (Based @ 4.92%)	\$ 10,430.24	\$ 10,664.08	\$ 8,132.04
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2018/19	\$ 236,251.04	\$ 241,237.60	\$ 183,785.40
TOTAL ESTIMATED COST:			\$ 661,274.04
TOTAL COST	F11: Cost - Total Cost \$ 947,603.74		

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

3 1. **TERM.** Section 4.1 of the Original Lease is hereby amended by the
4 following: The term of this Lease shall be extended for four (4) years commencing April
5 1, 2015 and terminating March 31, 2019 ("Extended Term").

6 2. **RENT.** The monthly base rent shall increase from \$13,843.20 to
7 \$15,360.00 monthly with a 2.5% annual increase through March 31, 2019.

8 3. **PREMISES.** The first sentence of Section 2.2 of the Original Lease
9 is hereby deleted and replaced with the following:

10 The Premises shall consist of that certain portion of the Project , as
11 defined herein, including all improvements therein to be provided by Lessor under the
12 terms of this Lease, and commonly known as 68615-A Perez Road, Suites 3, 4, 5, 6,
13 and 7, located in the Cathedral City, County of Riverside, State of California, also
14 identified as Assessor's Parcel Number 687-330-024 and generally described as office
15 space consisting of approximately nine thousand six hundred (9,600) square feet with
16 twenty-four (24) unreserved parking spaces, all as shown on the site plan attached as
17 Exhibit "A."

18 4. **CUSTODIAL.**

19 (a) Section 5.1.1. of the Original Lease is hereby amended by
20 the following:

21 Lessor shall provide custodial services at a cost to the County of
22 \$1,824.00 per month.

23 (b) Section 8.1.1 of the Lease Agreement shall be deleted in its
24 entirety and replaced with the following: "Notwithstanding the provisions of section 8.1
25 herein, the cost of the monthly custodial services shall not exceed \$1,824.00. Within
26 sixty (60) days of each anniversary date of the Lease, Lessor shall prepare an itemized
27 expense statement of the actual cost for custodial services for the previous year.
28 County shall receive a rent credit for the amount overpaid. In the event costs exceed

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

6 Dated: _____
7

8 **LESSEE:**
9 COUNTY OF RIVERSIDE

LESSOR:
T.W. Investments


10 By: _____
11 John J. Benoit, Chairman
12 Board of Supervisors

By: 
Terry William Ireland

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

16 By: _____
17 Deputy

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

21 By: 
22 Todd Frahm
23 Deputy County Counsel

T W Investments

950 S Bascom Ave Suite 2010
 San Jose, CA 95128

Date	Estimate #
2/1/2016	68615A 3-7

Name / Address
County of Riverside Georgina Flores 3133 Mission Inn Avenue Riverside, CA 92507-4199

Site Location	
County of Riverside Department of Mental Health 68615A Perez Road Suites 3-7 Cathedral City, CA 92234	
Work Task No.	

Description	Total
Build new wall at end of hallway for relocated door	720.00
Remove door at front hallway and relocate opening.	400.00
Install Cal Royal oil rubbed bronze entry lockset at relocated door.	220.00
Paint Room #7 to closely match existing.	600.00
Paint room #1 to closely match existing.	600.00
Paint touch up around new exit signs (no charge)	0.00
Repair drywall and paint room #39 to closely match existing	480.00
Replace VCT and Base in Restrooms in Restrooms #4 and #27.	1,225.00
Install cover plate where missing room #39 (no charge).	0.00
Replace carpet where stained and damaged by food, drinks, gum in Room #4.	3,600.00
Replace carpet, lobby suite 6A and install carpet and VCT, Room #1 Suite 7A.	4,150.00
Total	
	\$11,995.00

EXHIBIT 281 79



NOTICE OF EXEMPTION

March 1, 2016

Project Name: County of Riverside, Economic Development Agency (EDA) Department of Mental Health, Second Amendment to Lease – Cathedral City, County of Riverside

Project Number: FM042163000800

Project Location: 68-615A Perez Road, Suites 3, 4, 5, 6 & 7, east of Cathedral Canyon Drive, Cathedral City, California 92234; APN 687-330-024; (See Attached Exhibit)

Description of Project: The County of Riverside (County) Department of Mental Health currently occupies 9,00 square feet of office space located at 68-615A Perez Road, Suites 3, 4, 5, 6, and 7 in Cathedral City, California. The Department of Mental Health is now under the jurisdiction of the Riverside University Health System Behavioral Health (RUHS-BH). The RUHS-BH is seeking to extend its lease and incorporate tenant improvements, including the relocation of doors and new locksets, painting, and carpet and vinyl composition tile replacement. Tenant improvements are to be implemented at the sole expense of the landlord, T W Investments and are more specifically described in Exhibit I to the Second Amendment to the Lease Agreement. The Second Amendment to the Lease Agreement and minor interior alterations which include is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Second Amendment to the Lease Agreement consists of a three-year extension term, with a 2.5 percent annual increase. The Second Amendment to the Lease Agreement will commence on April 1, 2016 and terminate on March 31, 2019. The use of the facility by RUHS-BH would continue, consistent with the existing land use. The operation of the facility will continue to provide services and will not result in an expansion of existing use. No additional direct or indirect physical environmental impacts are anticipated.

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, and T W Investments

Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

Reasons Why Project is Exempt: The proposed Project is categorically 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 an impact to an environmental resource of hazardous or critical concern nor does the Project have unusual circumstances that could possibility have a significant effect on the environment. The Project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the Second Amendment to the Lease Agreement.

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

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- **Section 15301 – Class 1 Existing Facilities Exemption:** This categorical 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 limited to a Lease Agreement to an existing facility, in which changes are limited to interior alterations. The use of the facility by RUHS-BH would be consistent with the current land use, and would not require any expansion of public services and facilities; therefore, the Project is exempt as the Project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **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 *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed Second Amendment to the Lease Agreement is limited a contractual transaction and indirect effects would be limited to existing use of an office building. The Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will not differ from the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the minor interior alterations and continued use of the facility would occur. 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: 3/1/14

Mike Sullivan, Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

**Project Name: Department of Mental Health Second Amendment to Lease Agreement,
Cathedral City, Riverside County, California**

Accounting String: 524830-47220-7200400000 - FM042163000800

DATE: March 1, 2016

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: Mike Sullivan, 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 1, 2016

To: Mary Ann Meyer, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject: County of Riverside Economic Development Agency Project # FM042163000800
Department of Mental Health Second Amendment to Lease Agreement, Cathedral City, Riverside County, California

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: Mike Sullivan, Senior Environmental Planner,
Economic Development Agency,
3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009.

Attachment

cc: file

RUHS-Behavioral Health

68-615A Perez Road, Suites 3A, 4A, 9B and 10B



Legend

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



0 503 1,007 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... 2/24/2016 9:14:55 AM

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Notes

Second Amendment to Lease

