

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

391



FROM: Economic Development Agency

SUBMITTAL DATE:

August 23, 2016

SUBJECT: Third Amendment to Lease, Riverside University Health Systems- Public Health, Hemet, 2 Year Lease Extension, District 3, CEQA Exempt, [\$410,836], Federal Funding (WIC) 100%

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 and Section 15061(b)(3);
2. Ratify 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 attached Notice of Exemption with the County Clerk for posting within five days of approval by the Board.

BACKGROUND:

Summary

(Commences on Page 2)

[Handwritten 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	\$ 67,128	\$ 204,713	\$ 410,836	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS Federal Funding (WIC) 100%				Budget Adjustment: No	
				For Fiscal Year: 2015/16-17/18	

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Handwritten Signature: Rohini Dasika]*
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY: *[Handwritten Signature]* 8/10/16
MARSHAL L. VICTOR
DATE

Departmental Concurrence

By: *[Handwritten Signature]*
Sarah Mack, Director
Public 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: Third Amendment to Lease, Riverside University Health Systems- Public Health, Hemet, 2 Year Lease Extension, District 3, CEQA Exempt, [\$410,836], Federal Funding (WIC) 100%

DATE: August 23, 2016

PAGE: 2 of 2

BACKGROUND:

Summary

The County of Riverside entered into a Lease Agreement on December 1, 2004, on behalf of the Public Health Agency for the Women Infant and Child (WIC) clinic located at 1055 N. State Street in Hemet. This Third Amendment to Lease represents a two year extension effective March 1, 2016. This facility continues to meet Public Health's space requirements.

Pursuant to the California Environmental Quality Act (CEQA), the Third Amendment to Lease was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities and 15061(b)(3). The proposed project, the lease amendment, is the letting of property where no or negligible expansion of an existing use will occur.

Lessor: State Street Building I
5055 Canyon Crest Drive
Riverside, California

Location: 1055 N. State Street
Hemet, California, 92543

Size: 9,679 square feet

Rent:	Current rate	New Rate
	\$ 1.50 per sq. ft.	\$ 1.55 per sq. ft.
	\$14,490.11 per month	\$ 15,002.45 per month
	\$173,881.32 per year	\$ 180,029.40 per year

Increases: 3% percent annually

Term: Two years commencing March 1, 2016 and expiring February 28, 2018

Option to Terminate: County provides 120 days written notice, Lessor shall be able to advertise and by appointment show the Premises during that time

Utilities: County pays for phone and electric, Lessor pays for all other utility services

Impact on Citizens and Businesses

WIC helps pregnant women, new mothers and young children eat well, stay healthy, and be active. This facility will continue to provide important services for mothers and children in the local area.

SUPPLEMENTAL:

Additional Fiscal Information:

See attached Exhibits A, B & C. Public Health will budget these costs in FY 2015/16 through FY 2017/18 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a two year lease extension. The lease rate is deemed market rate.

Attachments: Aerial Image, Third Amendment, Notice of Exemption

Exhibit A

FY 2015/16

Department of Public Health Lease Cost Analysis

1055 N. State Street, Hemet

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	9,679	SQFT		
Approximate Cost per SQFT (July - Feb)	\$	-		
Approximate Cost per SQFT (Mar - June)	\$	1.55		
Lease Cost per Month (July - Feb)	\$	-		
Lease Cost per Month (Mar - June)	\$	15,002.45		
Total Lease Cost (July - Feb)	\$	-		
Total Lease Cost (Mar - June)	\$	60,009.80		
Total Estimated Lease Cost for FY 2015/16	\$	60,009.80		

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	1,161.48	
Total Estimated Utility Cost			\$	4,645.92
EDA Lease Management Fee - 4.12%		\$	2,472.40	
Total EDA Lease Management Fee			\$	2,472.40
TOTAL ESTIMATED COST FOR FY 2015/16			\$	67,128.12

Exhibit B

FY 2016/17

Department of Public Health Lease Cost Analysis

1055 N. State Street, Hemet

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	9,679	SQFT		
Approximate Cost per SQFT (July - Feb)	\$	1.55		
Approximate Cost per SQFT (Mar - June)	\$	1.60		
Lease Cost per Month (July - Feb)			\$	15,002.45
Lease Cost per Month (Mar - June)			\$	15,452.52
Total Lease Cost (July - Feb)			\$	120,019.60
Total Lease Cost (Mar - June)			\$	61,810.09
Total Estimated Lease Cost for FY 2016/17			\$	181,829.69

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	1,161.48
Total Estimated Utility Cost			\$	13,937.76
EDA Lease Management Fee - 4.92%			\$	8,946.02
Total EDA Lease Management Fee			\$	8,946.02
TOTAL ESTIMATED COST FOR FY 2016/17			\$	204,713.47

Exhibit C

FY 2017/18

Department of Public Health Lease Cost Analysis

1055 N. State Street, Hemet

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	9,679	SQFT	
Approximate Cost per SQFT (July - Feb)	\$	1.60	
Approximate Cost per SQFT (Mar - June)	\$	-	
Lease Cost per Month (July - Feb)		\$	15,452.52
Lease Cost per Month (Mar - June)		\$	-
Total Lease Cost (July - Feb)		\$	123,620.19
Total Lease Cost (Mar - June)		\$	-
Total Estimated Lease Cost for FY 2017/18		\$	123,620.19

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	1,161.48
Total Estimated Utility Cost			\$ 9,291.84
EDA Lease Management Fee - 4.92%		\$	6,082.11
Total EDA Lease Management Fee			\$ 6,082.11
TOTAL ESTIMATED COST FOR FY 2017/18		\$	138,994.14
F11: Cost - Total Cost		\$	410,835.74

1055 N. State Street, Hemet

Department of Public Health-WIC



Legend

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



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Notes

District 3

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.

1 **THIRD AMENDMENT TO LEASE**

2 **Department of Public Health**

3 **1055 North State Street, Hemet, California 92543-1474**

4
5 This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of
6 _____, by and between **STATE STREET BUILDING I**, a Joint Venture, as
7 "Lessor", and the **COUNTY OF RIVERSIDE**, a political Subdivision of the State of
8 California, as "County". County and Lessor are hereinafter collectively referred to as
9 the "Parties."

10 **Recitals**

11 a. Lessor and County have entered into that certain Lease, dated as of
12 December 1, 2004, ("Original Lease") pursuant to which Lessor has agreed to lease
13 that certain building located at 1005 North State Street, Hemet, California, in the City of
14 Hemet, State of California, ("Building"), as more particularly shown on Exhibit "A",
15 attached hereto and made a part hereof.

16 b. The Original Lease has been amended by:

17 1. That certain First Amendment to Lease dated June 3, 2008, by
18 and between County of Riverside and State Street Building I. The Parties agreed to
19 extend the term, add an option to extend, and added an option to terminate.

20 2. That certain Second Amendment to Lease dated March 15, 2011,
21 by and between County of Riverside and State Street Building I. The Parties agreed to
22 extend the term, modified the description by expanding the square footage, tenant
23 improvements to accommodate staff in the additional space, and modified the custodial
24 services.

25 c. The Parties now desire to amend the Lease by extending the term, and
26 modifying the option to termination

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

1 1. **Term:** Section 3 of the Lease shall be amended as follows:

2 The term of this Lease shall be extended twenty-four (24) months commencing
3 on March 1, 2016 and terminating February 28, 2018.

4 2. **Rent During Extended Term:** Section 5 of the Lease shall be amended
5 as follows:

6 County shall pay to Lessor the monthly sums as rent for the Leased premises
7 during the term of this Lease as indicated below:

<u>Amount</u>	<u>Year</u>
\$15,002.45	03/01/16 to 02/28/17
\$15,452.52	03/01/17 to 02/28/18

8
9
10
11 3. **Option to Terminate:** Section 12 of the Lease shall be amended as
12 follows:

13 County shall provide Lessor with one hundred twenty (120) days written notice.
14 Lessor shall be able to advertise and by appointment show the Premises during that
15 time.

16 4. **Counterparts:** The Third Amendment may be signed in counterparts,
17 each of which will be an original and all of which taken together will constitute one and
18 the same instrument.

19 5. **Third Amendment to Prevail:** The provisions of this Third Amendment
20 shall prevail over any inconsistency or conflicting provision of the Lease. Any
21 capitalized terms shall have the meaning defined in the Lease, unless defined herein or
22 context requires otherwise.

23 6. **Miscellaneous:** Except as amended or modified herein, all terms of the
24 Lease shall remain in full force and effect. If any provisions of this Third Amendment
25 shall be determined to be illegal or unenforceable, such determination shall not affect
26 any other provision of the Lease. Neither this Third Amendment nor the Lease shall be
27 recorded by the Lessee.

28

1 7. **Effective Date:** This Third Amendment to Lease shall not be binding or
2 consummated until its approval by the Riverside County Board of Supervisors and fully
3 executed by the Parties

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

6
7 Dated: _____

8 **LESSEE:**
9 **COUNTY OF RIVERSIDE**

LESSOR:

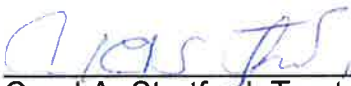
10 By: _____
11 John J. Benoit, Chairman
12 Board of Supervisors

STATE STREET BUILDING I, a joint venture

13 By: _____
14 W.D. Bell, by Alison Rainey, His Heir

15 By: _____
16 W.D. Bell, by Alexa Foster, His Heir

17 **ATTEST:**
18 Kecia Harper-Ihem
19 Clerk of the Board

20 By:  _____
21 Carol A. Stratford, Trustee of Milton
22 And Margaret Stratford Trust

23 By: _____
24 Deputy

25 **APPROVED AS TO FORM:**
26 Gregory P. Priamos, County Counsel

27 By:  _____
28 Todd Frahm
Deputy County Counsel

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1 7. **Effective Date:** This Third Amendment to Lease shall not be binding or
2 consummated until its approval by the Riverside County Board of Supervisors and fully
3 executed by the Parties

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

6
7 Dated: _____

8 **LESSEE:**
9 **COUNTY OF RIVERSIDE**

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

LESSOR:

STATE STREET BUILDING I, a joint venture

13 By: 
14 W.D. Bell, by Alison Rainey, His Heir


15 By: _____
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28 Todd Frahm
Deputy County Counsel

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1 7. **Effective Date:** This Third Amendment to Lease shall not be binding or
2 consummated until its approval by the Riverside County Board of Supervisors and fully
3 executed by the Parties

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

6 Dated: 7-29-16
7

8 **LESSEE:**
9 **COUNTY OF RIVERSIDE**

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

LESSOR:

STATE STREET BUILDING I, a joint venture

By: _____
W.D. Bell, by Alison Rainey, His Heir

By: Alex Foster
W.D. Bell, by Alexa Foster, His Heir

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

By: _____
Carol A. Stratford, Trustee of Milton
And Margaret Stratford Trust

18 By: _____
19 Deputy

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

23 By: T.P. 2
24 Todd Frahm
25 Deputy County Counsel

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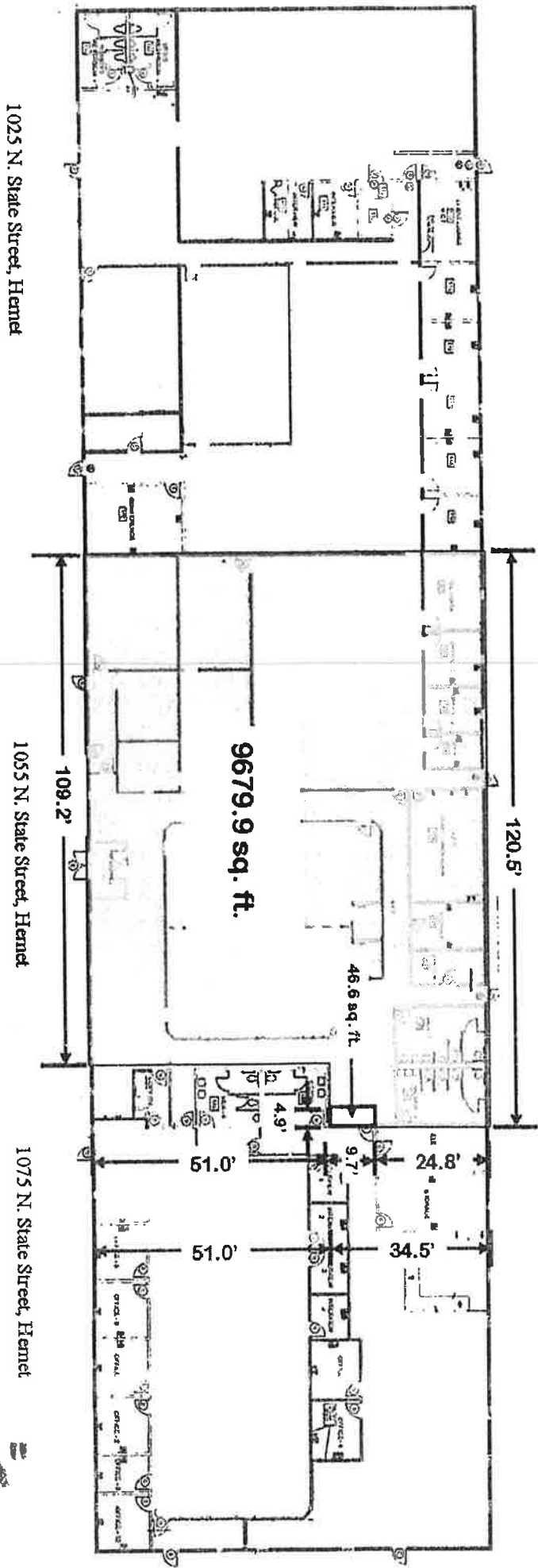


EXHIBIT "A"



NOTICE OF EXEMPTION

May 11, 2016

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System, Third Amendment to Lease – State Street, Hemet

Project Number: FM0422310003600

Project Location: 1055 North State Street, north of Fruitvale Avenue Hemet, California 92543; APN 439-050-036; (See Attached Exhibit)

Description of Project: On December 4, 2004, the County of Riverside (County) entered a lease agreement with State Street Building (Lessor) on behalf of the Public Health Agency for Women Infant and Child (WIC) to occupy a clinic, located at 1055 North State Street, Hemet, California. The facility being used by WIC continues to meet the needs of the Riverside University Health System and the County is seeking to extend the term of the existing lease for two additional years, effective March 1, 2016. As part of the extension to the lease, a modification to the Option to Terminate Section of the lease is being proposed which requires the County to provide the Lessor with 120 days written notice and grants Lessor ability to advertise and show the premises by appointment during that time. The Third Amendment to the Lease Agreement, which includes a two year extension of the Lease and modification to the Option to Terminate Section, is identified as the proposed Project under the California Environmental Quality Act (CEQA). 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 State Street Building I

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 possibly 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 Third Amendment to the Lease Agreement.

- **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, and does not include any physical alterations. The use of the facility by the WIC 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 Third Amendment to the Lease Agreement is limited an extension of an existing contract and indirect effects would be limited to the existing use of an office building. The extension of 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 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: 5/11/16

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Riverside University Health System, Third Amendment to Lease – State Street, Hemet

Accounting String: 524830-47220-7200400000- FM0422310003600

DATE: May 11, 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: Candice Etter, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: May 11, 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 # FM0422310003600**
Riverside University Health System, Third Amendment to Lease – State Street, Hemet

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