

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





FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE: October 8, 2014

SUBJECT: Second Amendment to Lease, Department of Public Health, Women Infant and Children Clinic, Corona, 5 - Year Lease, District 2/District 2, CEQA Exempt, [\$638,611], 100% Federal USDA WIC **Funds**

RECOMMENDED MOTION: That the Board of Supervisors:

- 1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities;
- 2. Ratify the attached Lease Agreement 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 of the project.

BACKGROUND:

Summary (Commences on Page 2)

FISCAL PROCEDURES APPROVED

PAUL ANGULO, CPAL AUDITOR-CONTROLLER

Esteban Hernandez

Robert Field

Assistant County Executive Officer/EDA

		4								
NET COUNTY COST	\$	0	\$	0	(S)	0	\$	0	Consent - Foncy	Χ_
COST	\$	121,896	\$	124,737	\$	638,611	\$	0	Consent □ Policy	\mathcal{A}
FINANCIAL DATA	Curren	t Fiscal Year:	Ne	ext Fiscal Year:	То	tal Cost:	0	ngoing Cost:	POLICY/CONSEN (per Exec. Office	550000000000000000000000000000000000000

SOURCE OF FUNDS: 100% Federal USDA WIC Funds **Budget Adjustment: No**

2014/15 - 18/19 For Fiscal Year:

C.E.O. RECOMMENDATION:

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:

Jeffries, Stone and Benoit

Nays:

None

Absent:

Tavaglione and Ashley

Date:

October 21, 2014

XC:

EDA, Recorder

4/5 Vote

□ | **Prev. Agn. Ref.:** 3.26 of 9/28/10

District: 2/2

Agenda Number:

Kecia Harper-Ihem

Public Heal R.D., Director of Susan D. Harringtor M.S., R.D., Director

.: B

Positions Added Order

A-30

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

Economic Development Agency/Facilities Management

FORM 11: Second Amendment to Lease, Department of Public Health, Women Infant and Children Clinic, Corona, 5 – Year Lease, District 2 / District 2, CEQA Exempt, [\$638,611], 100% Federal USDA WIC Funds

DATE: October 8, 2014

PAGE: 2 of 3

BACKGROUND:

<u>Summary</u>

On September 28, 2010, the Board of Supervisors approved Agenda item 3.26 authorizing the Economic Development Agency (EDA), Real Estate Division, to amend the Lease and to extend the term of the Lease for five additional years. This office space continues to meet the requirements for the Department of Public Health (DOPH) for its Women Infant and Children Clinic (WIC).

In an effort to assist DOPH in achieving their goals of improving the overall aesthetics of the clinic and keeping the office as cost effective as possible, the Real Estate Division has negotiated a new five year Lease with the tenant improvements amortized in the monthly rent over the term of the lease. In addition the annual escalator has been reduced from three percent to two and a half percent.

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.

The Lease is summarized below:

Lessor:

New Exchange, Inc. 1109 Westwood Blvd. Los Angeles, CA 90024

Premises Location:

1307 W. Sixth Street #124

Suite 124

Corona, CA 91720

Size:

5,733 square feet

Rent:

Current:

New:

\$ 1.51 per square feet \$ 8,639.95 per month 1.59 per square feet 9,115.47 per month

\$103,679.40 per year

\$109,385.64 per year

Term:

July 1, 2014 thru June 30, 2019

Annual Increase:

Two and one half percent

Custodial:

Landlord

Maintenance:

Landlord

RCIT:

None

Improvements:

Included in rent. Improvements consist of new carpet, paint, VCT, cove base, corner

guards, Dutch door shelf, replace damaged laminate counter tops at receptionist area.

(Continued)

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

Economic Development Agency/Facilities Management

FORM 11: Second Amendment to Lease, Department of Public Health, Women Infant and Children Clinic, Corona, 5 – Year Lease, District 2 / District 2, CEQA Exempt, [\$638,611], 100% Federal USDA WIC Funds

DATE: October 8, 2014

PAGE: 3 of 3

BACKGROUND:

Summary (Continued)

The attached Lease has been approved by County Counsel as to form.

Impact on Citizens and Businesses

DOPH remaining at this site will continue to provide a positive overall economic impact to the community. The construction phase will provide jobs through construction completion. The long term tenancy of DOPH in this region will benefit the community by providing a positive impact to local residents through the programs provided.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibit A, B & C. The DOPH has budgeted these costs in FY 2014/15 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a five year lease renewal. The rate has increased slightly due to the addition of the improvements which have been added to the rent. The rental rate is offset by the reduced annual increase from three percent to two and a half percent. Therefore, the rate is deemed competitive.

Attachments: Exhibits A, B & C Lease Notice of Exemption

Exhibit A

FY 2014/15

Department of Public Health/WIC Cost Analysis 1307 W. Sixth Street, Corona, CA 91720

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		5,733	SQFT			
Approximate Cost per SQFT (July - June)	\$	1.59				
Lease Cost per Month (July - June)			\$	9,115.47		
Total Lease Cost (July - June) Total Estimated Lease Cost for FY 2014/15					\$ \$	109,385.64 109,385.64
Estimated Additional Costs:		•				
Utility Cost per Square Foot Estimated Utility Costs per Month (July - June)	\$	0.12	\$	687.96		
Total Estimated Utility Cost					\$	8,255.52
RCIT					\$	-
Tenant Improvement					\$	-
EDA Lease Management Fee - 3.89%					\$	4,255.10
TOTAL ESTIMATED COST FOR FY 2014/15					\$	121,896.26

Exhibit B

FY 2015/16

Department of Public Health/WIC Cost Analysis 1307 W. Sixth Street, Corona, CA 91720

ESTIMATED AMOUNTS

Total Square Footage to be Leased	Total	Square	Footage to	o be Leased:
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Current Office:	5,733	SQFT			
Approximate Cost per SQFT (July - June)	\$ 1.63				
Lease Cost per Month (July - June)		\$	9,343.36		
Total Lease Cost (July - June) Total Estimated Lease Cost for FY 2015/16				\$ \$	112,120.28 112,120.28
Estimated Additional Costs:					
Utility Cost per Square Foot Estimated Utility Costs per Month (July - June)	\$ 0.12	\$	687.96		
Total Estimated Utility Cost				\$	8,255.52
RCIT				\$	- -
Tenant Improvement				\$	-
EDA Lease Management Fee - 3.89%				\$	4,361.48
TOTAL ESTIMATED COST FOR FY 2015/16				\$	124,737.28

Exhibit C

FY 2016/17 to FY 2018/19

Department of Public Health/WIC Cost Analysis 1307 W. Sixt Street, Corona CA 91720

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		5,733 SQFT						
	F	Y 2016/17	ı	FY 2017/18	1	FY 2018/19		
Approximate Cost per SQFT (July - June)	\$	1.67	\$	1.71	\$	1.76		
Lease Cost per Month (July - June)	\$	9,576.94	\$	9,816.36	\$	10,061.77		
Total Lease Cost (July - June) Total Estimated Lease Cost for FY 2016/17 to FY 2018/19	\$	114,923.29 114,923.29	\$	117,796.37 117,796.37	\$ \$	120,741.28 120,741.28		
Estimated Additional Costs:								
Utility Cost per Square Foot Estimated Utility Costs per Month (July - June)	\$ \$	0.12 687.96	\$ \$	0.12 687.96	\$	0.12 687.96		
Total Estimated Utility Cost	\$	8,255.52	\$	8,255.52	\$	8,255.52		
RCIT	\$	-	\$	-	\$	-		
Tenant Improvement	\$	-	\$	-	\$	-		
EDA Lease Management Fee - 3.89%	\$	4,470.52	\$	4,582.28	\$	4,696.84		
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2018/19	\$	127,649.32	\$	130,634.17	\$	133,693.64		

F11: Cost - Total Cost \$ 638,610.67 F11: Net County Cost - Total Cost \$ -

SECOND AMENDMENT TO LEASE Department of Public Health 1307 W. Sixth Street, Corona, CA 91720

THIS SECOND AMENDMENT TO LEASE ("Second Amendment") dated as of Many 2,2014, is entered by and between COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County") and, NEW EXCHANGE, INC., a California Corporation ("Lessor"). County and Lessor are hereinafter collectively referred to as the "Parties."

RECITALS

- A. County and Lessor have entered into a lease, dated October 21, 2003 ("Lease") pursuant to which County has agreed to Lease from Lessor and Lessor has agreed to lease to County that certain building located at 1307 W. Sixth Street, Suites 123 126, Corona, California, as more particularly described in Exhibit A of the Lease.
- B. On or about September 28, 2010 the Parties entered into a First Amendment to Lease which extended the lease by five (5) years commencing July 1, 2009.
- C. The term of the Lease, as previously amended, expired on June 30, 2014 and the Lease has become a month to month tenancy.
- D. The Parties now desire to further amend the Lease to extend the term and change the rental rate, among other things.

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

- 1. The recitals above are true and correct and are incorporated herein by this reference.
- 2. TERM. The Lease will continue as a month to month tenancy on the same terms and conditions until July 1, 2014, at which time the term of this Lease shall be extended for five (5) years commencing on July 1, 2014 and terminating on June 30, 2019.

- 3. RENT. Section 5 of the Lease shall be deleted and replaced as follows: Commencing on July 1, 2014 County shall pay the sum of \$9,115.47 per month to Lessor as rent for the leased premises, payable, in advance, on the first day of the month or as soon thereafter as a warrant can be issued in the normal course of County's business. Rent shall be increased annually by two percent and a half percent (2.5%) on the anniversary date of the lease term. The first such increase shall occur on July 1, 2015.
- 4. TENANT IMPROVEMENTS. Lessor at its sole cost and expense shall move existing desks and systems furniture in order to provide the following tenant improvements: apply new paint, carpet and VCT, and replace with new cove base throughout the facility. Lessor shall replace existing desks and systems furniture upon completion of the tenant improvements. Lessor and Department of Public Health shall coordinate scheduling the Tenant Improvements as more particularly shown on Exhibit "B" attached hereto and by this reference made a part of the Amendment. County shall not be entitled to an abatement of rent or any other consideration or compensation for any interruption in business caused by Lessor's work described in his paragraph.
- 5. TIMELINE. Lessor shall provide County a construction timeline for the improvements to provide the Department of Public Health the allotted time to coordinate closure, or rescheduling the clinic during the construction phase.
- 6. SECOND AMENDMENT TO PREVAIL. The provisions of this Second Amendment shall prevail over any inconsistency or conflicting provisions of the Lease or First Amendment to Lease.
- 7. County acknowledges that Lessor has fully performed all of its obligations under the Lease and First Amendment including, but not limited to, Landlord's work required under the Lease and First Amendment.
- 8. MISCELLANEOUS. Except as amended or modified herein, all the terms of the Lease shall remain in full force and effect and shall apply with the same

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Lessor shall not be bound by this Amendment until Lessor has force and effect. executed and delivered this Amendment to Lessee, notwithstanding Lessee's execution and delivery of this Amendment to Lessor. Time is of the essence in this Amendment and the Lease and each and all of their respective provisions. Subject to the provisions of the Lease as to assignment, the agreements, conditions and provision herein contained shall apply to and bind their heirs, executors, administrators, successors and assigns of the parties hereto. If any provisions of this Amendment or the Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease and all such other provisions shall remain in full force and effect. The language in all parts of the Lease shall be construed according to its normal and usual meaning and not strictly for or against either Lessor or Lessee. Neither the Amendment, or the Lease, or First Amendment, nor any notice nor memorandum regarding the terms hereof, shall be recorded by Lessee. Any such unauthorized recording shall give Lessor the right to declare a breach of the lease and pursue the remedies provided for in the Lease.

(Continued on the Following Page)

1	9. EFFECTIVE DATE. This Second 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	
5	IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the
6	date first written above.
7	
8	LESSEE: LESSOR: COUNTY OF RIVERSIDE, NEW EXCHANGE INC.
9	a political subdivision of the State a California Corporation
10	Aş its Agent
11	By: Stone Chairman By: Kirauluf Muller,
12	Board of Supervisors Its President
13	
14	ATTEST: Kecia Harper-Ihem
15	Clerk of the Board
16	La Millandan
17	By: 9 ///////////////////////////////////
18	
19	APPROVED AS TO FORM:
20	Gregory P. Priamos, County Counsel
21	By:
22	By: Patricia Munroe
23	Deputy County Counsel
24	
25	
26	

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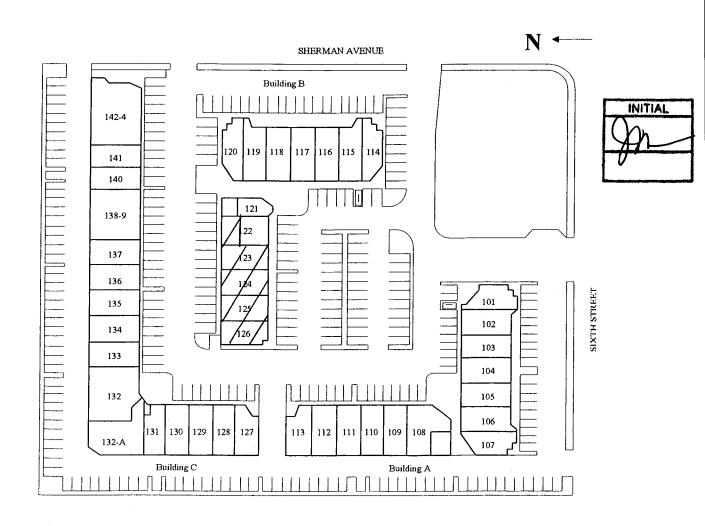
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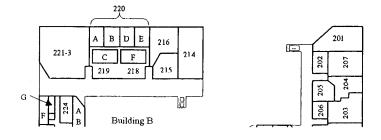
28

THE NEW EXCHANGE 1307 West Sixth Street Corona, California 92882

Exhibit "A"

This Exhibit forms a part of the Lease between New Exchange, Inc., Landlord, and County of Riverside, Tenant, dated September 12, 2003.





Southern California Services

P.O. Box 311 SQ*CAL Rialto, CA 92377

EXHIBIT "B"

Estimate

Date	Estimate #
7/16/2014	6600

Name / Address	
CAL-AMERICAN CORPORATION 1307 WEST SIXTH STREET SUITE #132A CORONA, CA 92882	

Rep

OMAR

Apt. #	Description	Class	Total
CORONA WIC OPFICE	REMOVE EXISTING DESKS AND CUBICLES TO SEPARATE LOCATION IN ORDER TO ACCESS FLOORING PAINT ALL AREAS RETAINING SAME COLORS AND ACCENT WALLS REMOVE EXISTING CARPET PREP FLOOR FOR NEW CARPET PROVIDE AND INSTALL NEW COMMERCIAL GLUE DOWN CARPET PREP FLOOR FOR NEW VCT TILE PROVIDE AND INSTALL NEW COTTILE IN RECEPTIONIST AREA, PRINTER ROOM, WEIGHT/MEASURE AREA AND IN MAIN REPLACE EXISTING CRACKED OR CHIPPED VCT TILES HALLWAYS SURROUNDING CUBICLES STRIP, WAX AND SEAL NEW AND EXISTING VCT PROVIDE AND INSTALL NEW COVE BASE TO MATCH EXISTING REPAIR LAMINATE COUNTER TOP IN RECEPTIONIST AREA AND ON DUTCH DOOR SHELF RE-INSTALL ALL EXISTING DESKS AND CUBICLES PROVIDE AND INSTALL NEW CLEAR CORNER GUARDS TO EVERY EXPOSED RIGHT ANGLE WALL. **NOTE** ANY REPAIRS AND/OR EXTRAS OTHER THAN WHAT IS LISTED ABOVE WILL NOT BE INCLUDED IN THIS PRICE AND IF NEEDED WILL REQUIRE A CHANGE ORDER.	CONSTRUCTION	29,695.00
ALL ESTIMATES ARE	GOOD FOR 60 DAYS, THANK YOU!	Total	\$29,695.00

Phone # Fax # E-mail 909-888-9336 909-888-3369 alfaqirinc@aol.com

gnature		

Signature	

Corona WIC Tis

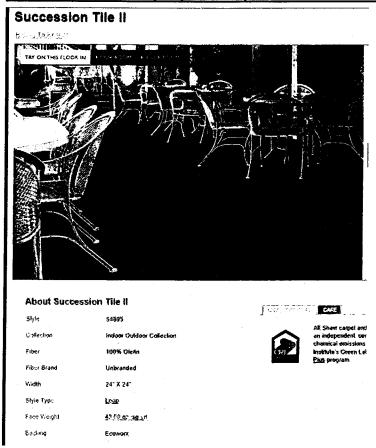
5/21/2014

- 1. New Paint Retain the same colors and accent walls.
- 2. Replace the cove base throughout the facility and retain the same color and type.
- 3. New VCT in the receptionist area, print room, weight/measure area, and in the main hallways surrounding the cubicles.
 - a. Utilize the same floor design found in the lobby and classroom for the new areas.
 - b. Inspect and replace existing cracked or chipped tiles,
 - c. Strip/Wax/Seal the new and existing VCT following installation.
- 4. Apply corner guards to every exposed right angle wall.
 - a. Corner Guards Clear Acrylic

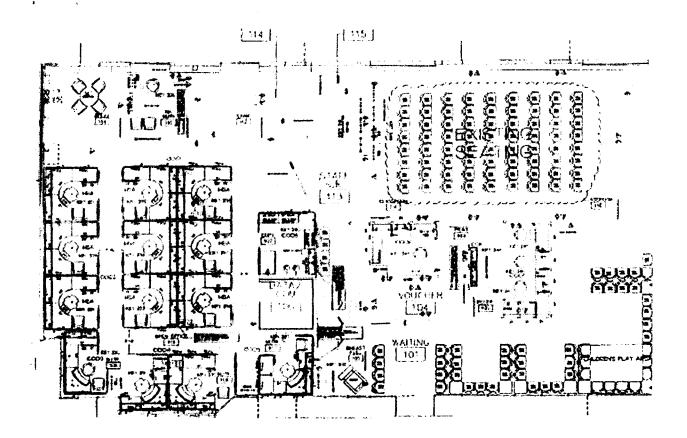
 http://www.globalindustrial.com/p/building-materials/handrails-and-wall-protection/corner-guards/polycarbonate-surface-mounted-135-corner-guard-2-1-2-inch-wing-4-foot-h-clear-taped
 - b. Conduct walk-through to establish locations for corner guards.
- 5. Replace the existing carpet with the following product;

b.

a. http://shawfloors.com/carpetdetails/succession-tile-ii-54695-dark-earth



6. Fix the chipped laminate counter tops in the receptionist area and on the Dutch door shelf.



New VCT

New Carpet



NOTICE OF EXEMPTION

October 30, 2014

Project Name: County of Riverside, Department of Public Health WIC Corona Site Lease

Project Number: FM042166001800

Project Location: 1307 W. Sixth Street #124, Corona, CA 91720; APN 118-191-007

Description of Project: County of Riverside, Economic Development Agency (EDA) proposes to amend and extend the term of the lease with New Exchange, Inc. (Lessor). The premise currently consists of an existing building providing office space for use by the Department of Public Health (DOPH) for its Women's, Infants and Children's Clinic (WIC) located at 1307 W. Sixth Street #124, in the city of Corona, California. On September 28, 2010, the Board of Supervisors for the County of Riverside (BOS) approved Agenda item 3.26 authorizing EDA, Real Estate Division, to amend the lease agreement between the County of Riverside and Lessor, which extended the lease by five additional years. The term of that lease, as previously amended, expired on June 30, 2014. This office space continues to meet the requirements for DOPH. In an effort to assist DOPH in achieving their goals of improving the overall aesthetics of the clinic and keeping the office as cost effective as possible, the Real Estate Division has negotiated a new five year lease (Second Amendment) which includes tenant improvements, which are to be completed by Lessor during the term of the lease. The tenant improvements consist of new carpet, paint, vinyl composition tile flooring, cove base, corner guards, Dutch door shelf, and replaced laminate counter tops at the receptionist area. The project does not involve any changes to land use, the existing building, or environment and the tenant improvements are limited to the interior of the structure. The proposed project is the letting of property involving existing facilities with minor tenant improvement alterations and 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

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, Section 15301, Existing Facilities, Class 1 and General Rule Exemption Section 15061

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 seenic 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.

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686

Economic Development Edward-Dean Museum Environmental Planning Fair & National Date Festival

Foreign Trade Graffit Abatement www.rivcoeda.org

Administration Aviation Business Intelligence Cultural Services Community Services Custodial

Housing Housing Authority Information Technology Maintenance Marketina The renewal of the lease for an existing office space and minor interior tenant improvements 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 lease and minor physical improvement of an existing office space. No substantial construction impacts would occur and once the improvements are complete, the facility will continue to operate in a similar use, capacity, and intensity. The tenant improvements will not increase or expand the use of the site and the improvements themselves are only minor in scale and intensity. Therefore, the project meets the scope and intent of the Class 1 Exemption.
- Section 15061 General Rule or "Common Sense" Exemption. The State CEQA Guidelines provides this exemption based upon the general rule that CEQA only applies to projects with the potential to cause a significant effect on the environment. With certainty, there is no possibility that the proposed project may have a significant effect on the environment. The lease and minor improvements to an already existing office space 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. Construction activities will be limited and once operational, no additional impacts beyond the ongoing use of the site are anticipated. 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 CEOA. No further environmental analysis is warranted.

____ Date: 10/30/14

Signed:

John Alfred, Acting Senior Environmental Planner

County of Riverside, Economic Development Agency

118-191-007



Selected parcel(s): 118-191-007

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...Thu Oct 30 10:07:49 2014 Version 131127

RIVERSIDE COUNTY CLERK & RECORDER

AUTHORIZATION TO BILL BY JOURNAL VOUCHER

Project Name: Department of Public Health WIC Corona Site Lease					
Accounting String: 524830-47220-7200400000- FM042166001800					
DATE:	October 30, 2014				
AGENCY:	Riverside County Economic Development Agency				
	S THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND FOR THE ACCOMPANYING DOCUMENT(S).				
NUMBER OF DOCT	JMENTS INCLUDED: One (1)				
	John Alfred, Acting Senior Environmental Planner, Economic Development Agency				
Signature:	Jan Mary				
PRESENTED BY:	Cindy Campos, Real Property Agent, Economic Development Agency				
	-TO BE FILLED IN BY COUNTY CLERK-				
ACCEPTED BY:	-				
DATE:	E.				
RECEIPT # (S)					



Date:

October 30, 2014

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 # FM042166001800

Department of Public Health WIC Site Lease - 1307 W. Sixth Street #124, Corona, CA 91720

Assessor Parcel Number: 118-191-007

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

www.rivcoeda.org