

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

260



FROM: Economic Development Agency

SUBMITTAL DATE:
June 4, 2015

SUBJECT: Fifth Amendment to Lease, Department of Mental Health, Perris, Two Year Lease, CEQA Exempt, District 5, [\$549,467] Federal 30%, State 70%

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities and Section 15061(b)(3);
2. Approve the attached Fifth 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 ANGILO, CPA, AUDITOR-CONTROLLER
 BY: Esteban Hernandez 6/14/15

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	\$ 0	\$ 263,744	\$ 549,467	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Federal 30%, State 70%
Budget Adjustment: No
For Fiscal Year: 2014/15-2017/18

C.E.O. RECOMMENDATION:

APPROVE
 BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: June 16, 2015
xc: EDA, Recorder

Kecia Harper-Ihem
 Clerk of the Board
 BY: [Signature]
 Deputy

Prev. Agn. Ref.: 3.23 of 6/23/98; 3.44 of 8/28/12 | **District:** 5 | **Agenda Number:**

3-20

FORM APPROVED COUNTY COUNSEL 5/12/15
 BY: GREGORY P. PRAMOS DATE
 Departmental Concurrence

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

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

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

Economic Development Agency

FORM 11: Fifth Amendment to Lease, Department of Mental Health, Perris, Two Year Lease, CEQA Exempt, District 5, [\$549,467] Federal 30%, State 70%

DATE: June 4, 2015

PAGE: 2 of 2

BACKGROUND:

Summary

This Fifth Amendment to Lease represents a request from the Department of Mental Health (DMH) to extend the lease for its office located at 1688 N. Perris Blvd., Suites L1, L2, L6 and L7-L11, Perris California, commencing August 1, 2015 and terminating July 31, 2017. This facility continues to meet the requirements of the department. The Economic Development Agency (EDA), Real Estate Division, has negotiated a two year extension at the current rate \$1.40 for the term of the lease.

Pursuant to the California Environmental Quality Act (CEQA), the Lease 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, is the letting of property involving existing facilities with minor tenant improvement alterations and no expansion of an existing use will occur.

The Fifth Amendment to Lease is summarized as follows:

Location: 1688 N. Perris Boulevard
Suites L1, L2, L6 and L7-L11
Perris, California

Lessor: Coudures Family Limited Partnership
c/o 1st Commercial Real Group, Inc.
2009 Porterfield Way, Suite P
Upland, California 91786

Size: Approximately 13,931 square feet

Term: Two years, commencing August 1, 2015 and terminating July 31, 2017.

Rent: \$19,503.40 monthly

The attached Fifth 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 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

See attached Exhibits A, B, & C.

DMH budgeted these costs in FY 2014/15 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

The lease rate is deemed competitive based upon the current market. This contract has been in place since June 23, 1998.

Attachments:

Exhibits A, B & C

Fifth Amendment to Lease

Notice of Exemption

Exhibit A

FY 2014/15

Department of Mental Health Lease Cost Analysis

1688 N. Perris Blvd., Suites L1, L2, L6 & L7 - L11

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	13,931	SQFT		
Approximate Cost per SQFT (July-June) - 4th Amendment	\$	1.40		
Lease Cost per Month (July-June) - 4th Amendment			\$	19,503.40
Total Lease Cost (July-June) - 4th Amendment			\$	234,040.80
Total Estimated Lease Cost for FY 2014/15			\$	234,040.80

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July - June) - 4th Amendment			\$	20,060.64
Total Estimated Utility Cost			\$	20,060.64
RCIT			\$	-
Tenant Improvements Costs			\$	-
EDA Lease Management Fee - 3.89% - 4th Amendment			\$	9,104.19
Total EDA Lease Management Fee			\$	9,104.19
TOTAL ESTIMATED COST FOR FY 2014/15			\$	263,205.63
Amount Previously approved in 4th Amendment			\$	263,205.63
Amount of FY14/15 for 5th Amendment			\$	-

Exhibit B

FY 2015/16

Department of Mental Health Lease Cost Analysis

1688 N. Perris Blvd., Suites L1, L2, L6 & L7 - L11

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	13,931	SQFT		
Approximate Cost per SQFT (July) - 4th Amendment	\$	1.40		
Approximate Cost per SQFT (Aug - June) - 5th Amendment	\$	1.40		
Lease Cost per Month (July) - 4th Amendment	\$		19,503.40	
Lease Cost per Month (Aug - June) - 5th Amendment	\$		19,503.40	
Total Lease Cost (July) - 4th Amendment			\$	19,503.40
Total Lease Cost (Aug - June) - 5th Amendment			\$	214,537.40
Total Estimated Lease Cost for FY 2015/16			\$	234,040.80

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July) - 4th Amendment	\$		1,671.72	
Estimated Utility Costs per Month (Aug - June) - 5th Amendment	\$		18,388.92	
Total Estimated Utility Cost			\$	20,060.64
RCIT			\$	-
Tenant Improvements Costs			\$	-
EDA Lease Management Fee - 4.12% - 4th Amendment	\$		803.54	
EDA Lease Management Fee - 4.12% - 5th Amendment	\$		8,838.94	
Total EDA Lease Management Fee			\$	9,642.48
TOTAL ESTIMATED COST FOR FY 2015/16			\$	263,743.92

Exhibit C

FY 2016/17 - 2017/18

Department of Mental Health Lease Cost Analysis

1688 N. Perris Blvd., Suites L1, L2, L6 & L7 - L11

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

13,931 SQFT

	FY 2016/17	FY 2017/18
Approximate Cost per SQFT (July-June) 5th Ammendment	\$ 1.40	\$ 1.40
Lease Cost per Month (July - June) 5th Ammendment	\$ 19,503.40	\$ 19,503.40
Total Lease Cost (July - June) 5th Ammendment	\$ 234,040.80	\$ 19,503.40
Total Estimated Lease Cost for FY 2016/17 - 2017/18	\$ 234,040.80	\$ 19,503.40

Estimated Additional Costs:

Estimated Utility Costs per Month (July - June)) - 5th Ammendment	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 1,671.72	\$ 1,671.72
Total Estimated Utility Cost	\$ 20,060.64	\$ 1,671.72
Tenant Improvements Costs	\$ -	\$ -
EDA Lease Management Fee - 4.12%	\$ 9,642.48	\$ 803.54
TOTAL ESTIMATED COST FOR FY 2016/17 - 2017/18	\$ 263,743.92	\$ 21,978.66
TOTAL COUNTY COST 0.00%	\$ -	

F11: Cost - Total Cost	\$ 549,466.50
F11: Net County Cost - Total Cost	\$ -



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on. *Vb*
 6/17/15 _____
 Date Initial

NOTICE OF EXEMPTION

April 24, 2015

Project Name: County of Riverside, Fifth Amendment to Lease, Department of Mental Health, Perris

Project Number: FM042552001200

Project Location: 1688 N. Perris Boulevard, Suites L1, L2, L6 and L7-L11, Perris, California; Assessor Parcel Number: 305-240-012 (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 Coudures Family Limited Partnership (Lessor), from August 1, 2015 through July 31, 2017. The premises consists of an existing building located at 1688 N. Perris Boulevard, Suites L1, L2, L6 and L7-L11, Perris, California, providing a public benefit to the community and region through DMH's mental health programs. The original lease, dated June 23, 1998, wherein County leased a portion of a building from Lessor, has been amended by the First Amendment to Lease dated January 13, 2009, whereby the parties agreed to extend the term and amend the monthly rent and the option to terminate; and by the Second Amendment to Lease dated November 24, 2009, whereby the parties agreed to extend the term, amended the monthly rent, and tenant improvements; and by the Third Amendment to Lease dated July 13, 2010, whereby the parties agreed to extend the term, amended the monthly rent, the option to terminate and notices; and by the Fourth Amendment to Lease dated August 28, 2012, whereby the parties agreed to extend the term, amended the monthly rent, description of the premises to include Suites L-1, L2 and L-6 to increase the square footage from 8,460 to 13,931, and amend the tenant improvements for the new space. The lease dated June 23, 1998, together with its amendments, shall collectively be referred to as the "Lease." The parties now desire to amend the Lease to extend the term two years and amended the monthly rent. The Project does not allow for any tenant improvements, internal/external upgrades, or substantive changes to the facility. The operation of the facility will continue to be similar to ongoing uses and will not result in an increase in the intensity of the use of the site. 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

Exempt Status: State California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b)(3), General Rule or "Common Sense" Exemption.

Reasons Why Project is Exempt: The Project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project will not cause any

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|-----------------------|------------------------|-------------------------------|-----------------------|
| Administration | Housing | Economic Development | Parking |
| Aviation | Housing Authority | Edward-Dean Museum | Project Management |
| Business Intelligence | Information Technology | Environmental Planning | Purchasing Group |
| Cultural Services | Maintenance | Fair & National Date Festival | Real Property |
| Community Services | Marketing | Foreign Trade | Redevelopment Agency |
| Custodial | | Graffiti Abatement | Workforce Development |

impacts to scenic resources, historic resources, or unique sensitive biological environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The extension of the term of the lease is not anticipated to result in any significant physical environmental impacts. The option to extend the lease is not anticipated to result in any significant physical environmental impacts.

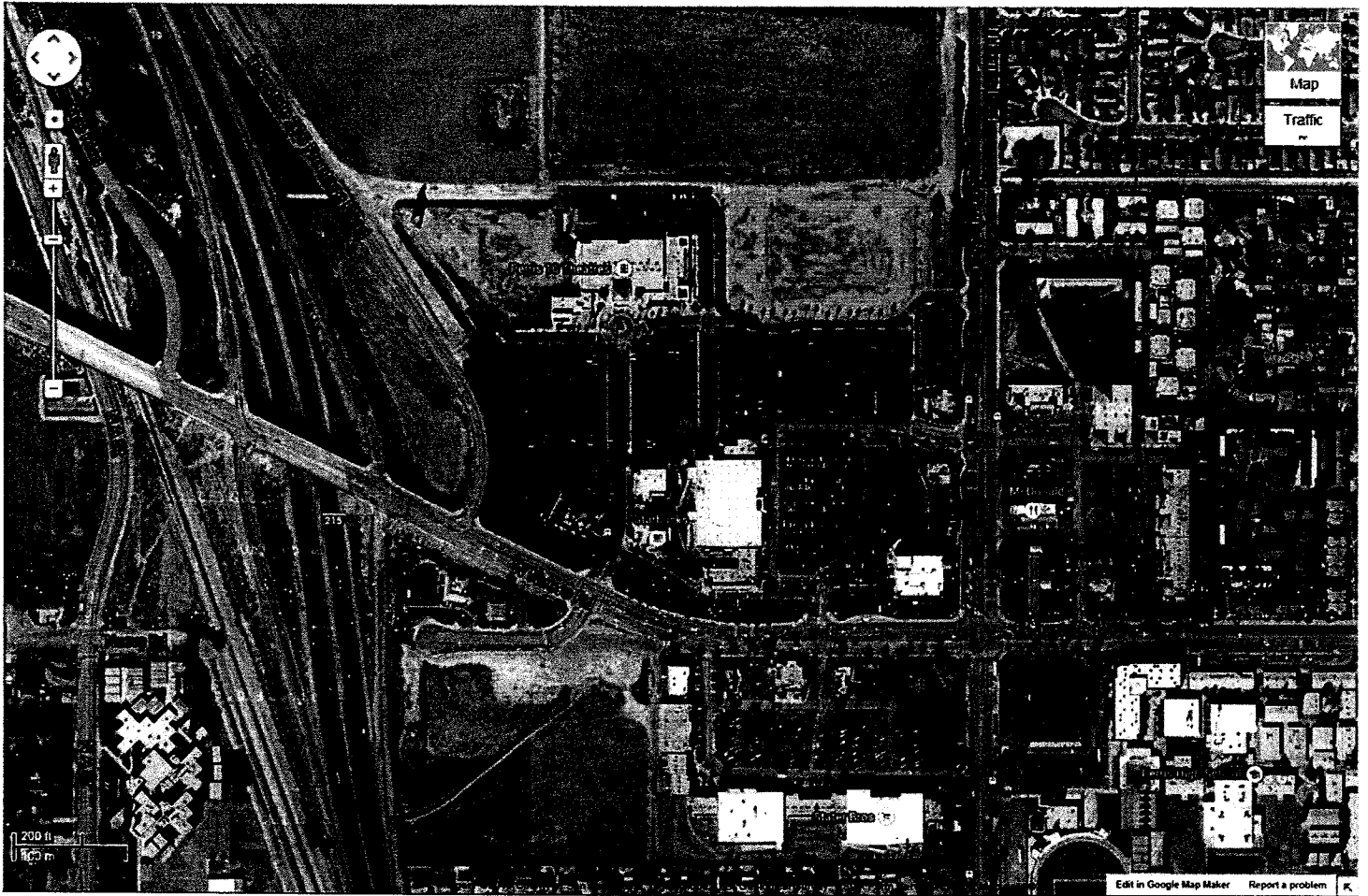
- Section 15301 – Class 1 Existing Facilities Exemption. This exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site’s use. The Project as proposed is the extension to the term of an existing lease. No physical upgrades, changes in usage or tenant improvements are included as part of the Project. The extension to the term of 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 no tenant improvements will not have a significant effect on the environment. The use and operation of the facility will be substantially similar to the existing uses and will not create any new environmental impacts to the surrounding area. Therefore, in no way would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the Project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed:  Date: 4/24/15

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



1688 N. Perris Boulevard, Suites L1, L2, L6 and L7-L11, Perris, California

APN: 305-240-012

1 **FIFTH AMENDMENT TO LEASE**

2 **1688 N. Perris Blvd., Suite L1, L2, L6, L7-L11, Perris, California**

3
4 **THIS FIFTH AMENDMENT TO LEASE** ("Fifth Amendment"), dated as of
5 June 16, 2015, is entered into by and between the COUNTY OF
6 RIVERSIDE, a political subdivision of the State of California, ("Lessee"), and
7 COUDURES FAMILY LIMITED PARTNERSHIP, a California limited partnership
8 ("Lessor"), sometimes collectively referred to as the "Parties."

9 **RECITALS**

10 a. Lessor and County have entered into that certain Lease dated June 23,
11 1998, (the "Original Lease") pursuant to which Lessor has agreed to lease to County
12 and County has agreed to lease from Lessor that certain building located at 1688 N.
13 Perris Blvd., Suite L1, L2, L6, L7-L11, Perris, as more particularly described in the
14 Lease.

15 b. The Original Lease has been amended by:

16 i. The First Amendment to Lease dated January 13, 2009 by and
17 between County of Riverside and Coudures Family Limited Partnership, a California
18 limited partnership (the 1st Amendment), whereby the Parties amended the Lease to,
19 among other things, to extend the term, amend the monthly rent and the option to
20 terminate; and

21 ii. The Second Amendment to Lease dated November 24, 2009
22 between County of Riverside and Coudures Family Limited Partnership, a California
23 limited partnership (the 2nd Amendment), whereby the Parties amended the Lease to,
24 amount other things, to extend the term, amend the monthly rent and the tenant
25 improvements; and

26 iii. The Third Amendment to Lease dated July 13, 2010 by and
27 between County of Riverside and Coudures Family Limited Partnership, a California
28 limited partnership (the 3rd Amendment to Lease) whereby the Parties amended the

1 Lease to, among other things, to extend the term, the monthly rent, the option to
2 terminate and the address for both parties under Notices; and

3 iv. The Fourth Amendment to Lease dated August 28, 2012 by and
4 between County of Riverside and Coudures Family Limited Partnership, a California
5 limited partnership (the 4th Amendment to Lease) whereby the Parties amended the
6 Lease to, among other things, to extend the term, the monthly rent, description of the
7 premises to include Suites L-1, L-2 and L-6 to increase the square footage from 8,460
8 to 13,931 square feet and amend the tenant improvements to the new space; and

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

11 d. The Parties now desire to amend the Lease to extend the term period
12 and amend the monthly rent.

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

15 1. **Term.** Section 3 (a) of the Original Lease is hereby amended by the
16 following:

17 The term of this lease shall be extended for two (2) years commencing on
18 August 1, 2015 and terminating on July 31, 2017.

19 2. **Rent.** Section 5 of the Original Lease is hereby amended by the
20 following:

21 County shall pay to Lessor the monthly sum of \$19,503.40 for the period of
22 August 1, 2015 through July 31, 2017.

23 3. **CAPITALIZED TERMS.** Fifth Amendment to Prevail. Unless defined
24 herein or the context required otherwise, all capitalized terms herein shall have the
25 meaning defined in the Lease, as heretofore amended. The provisions of this Fifth
26 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
27 as heretofore amended, and shall supplement the remaining provisions thereof.

28 ///

1 4. MISCELLANEOUS. Except as amended or modified herein, all terms of
2 the Lease shall remain in full force and effect. If any provisions of this Fifth
3 Amendment shall be determined to be illegal or unenforceable, such determination
4 shall not affect any other provision of the Lease. Neither this Fifth Amendment nor the
5 Lease shall be recorded by the County.

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1 5. EFFECTIVE DATE. This Fifth 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:
8 COUNTY OF RIVERSIDE

9 LESSOR:
10 COUDURES FAMILY LIMITED
11 PARTNERSHIP a California limited
12 partnership

13
14 By: Marion Ashley
15 Marion Ashley, Chairman
16 Board of Supervisors

17 By: Darrell G. Smith
18 Darrell G. Smith
19 Vice President

20 ATTEST:
21 Kecia Harper-Ihem
22 Clerk of the Board

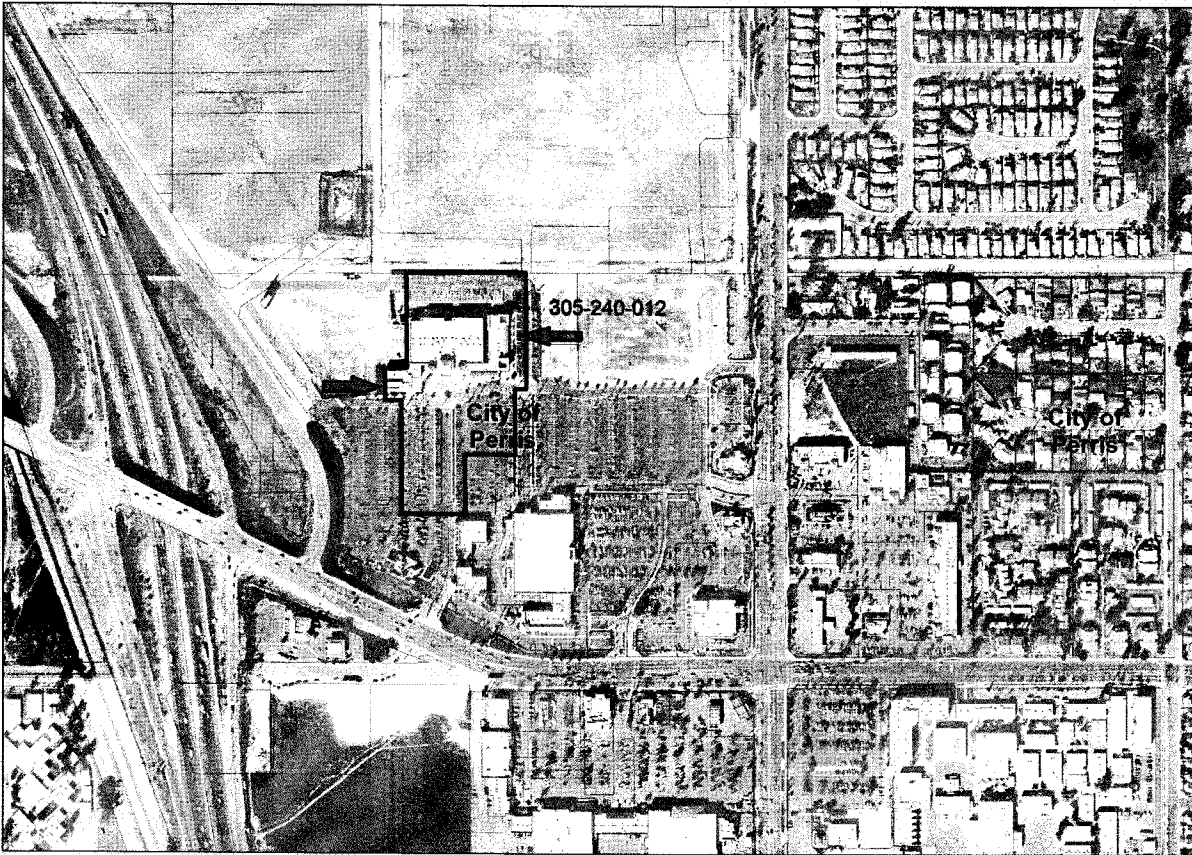
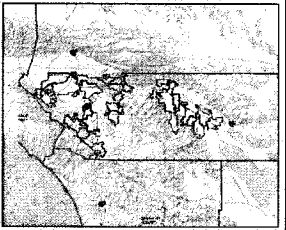
23 By: Kecia Harper-Ihem
24 Deputy

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

28 By: Synthia M. Gunzel
SYNTHIA M. GUNZEL
Deputy County Counsel

Perris Mental Health

1688 N. Perris Blvd., Suites L1, L2, L6-L11



Legend

- RCLIS Parcels
- City Boundaries
- Cities



0 566 1,132 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... 6/1/2015 8:07:38 AM

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Notes

Fifth Amendment to Lease
APN#305-240-012