

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



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

ana Garcia-Bocanegra

Assistant County Executive Officer/EDA

FINANCIAL DATA	Curre	ent Fiscal Year:	Next	Fiscal Year:	Tota	il Cost:	Oi	ngoing Cost:	1 -	OLICY/CONSENT per Exec. Office)
COST	\$	418,393	\$	299,374	\$	1,743,022	\$	0	Conc	ont 🗆 Boliou
NET COUNTY COST	\$	0	\$	0	\$	0	\$	0	Cons	sent Policy
SOURCE OF FUN	DS:	Federal 499	%, S	tate 51%				Budget Adjustr	nent:	No
								For Fiscal Year		2015/16-2020/21

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes:

Jeffries, Tavaglione, Washington, Benoit and Ashley

Navs:

None

Absent:

None

Date:

November 17, 2015

XC:

EDA, Recorder

□ **Prev. Agn. Ref.:** 3.43 of 2/8/2011

District: 3

Agenda Number:

Kecia Harper-Ihem

Clerk of the Board

. .

Positions Added Change Order

A-30

4/5 Vote

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:

Current

New

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: Expansion		7,313 15,813	SQFT			
Approximate Cost per SQFT (July - Sept) - Lease Approximate Cost per SQFT (Oct - June) - 1st Amendment	\$ \$	1.40 1.40				
Lease Cost per Month (July - Sept) - Lease Lease Cost per Month (Oct - June) - 1st Amendment			\$ \$	10,211.36 22,138.20		
Total Lease Cost (July - Sept) - Lease Total Lease Cost (Oct - June) - 1st Amendment Total Estimated Lease Cost for FY 2015/16					\$ \$	30,634.08 199,243.80 229,877.88
Estimated Additional Costs:						
Utility Cost per Square Foot Estimated Utility Costs per Month (July - Sept) - Lease Estimated Utility Costs per Month (Oct - June) - 1st Amendr Total Estimated Utility Cost	\$ ment	0.12	\$ \$	2,632.68 17,078.04	\$	19,710.72
RCIT					\$	41,315.69
Tenant Improvements Costs					\$	146,510.00
EDA Lease Management Fee - 4.12% - Lease EDA Lease Management Fee - 4.12% - 1st Amendment Total EDA Lease Management Fee			\$ \$	1,262.12 14,245.06	` \$	15,507.18
TOTAL ESTIMATED COST FOR FY 2015/16					\$	452,921.47
Amount Previously approved in Lease					\$	34,528.88
Amount of FY15/16 for 1st Amendment					\$	418,392.59

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	SQF	Т		
Approximate Cost per SQFT (July - Sept) Approximate Cost per SQFT (Oct - June)	\$ \$	1.40 1.43				
Lease Cost per Month (July - Sept) Lease Cost per Month (Oct - June)			\$ \$	22,138.20 22,580.96		
Total Lease Cost (July - Sept) Total Lease Cost (Oct - June) Total Estimated Lease Cost for FY 2016/17					\$ \$	66,414.60 199,243.80 265,658.40
Estimated Additional Costs:						
Utility Cost per Square Foot Estimated Utility Costs per Month	\$	0.12	\$	1,897.56		
Total Estimated Utility Cost					\$	22,770.72
Tenant Improvements Costs						
EDA Lease Management Fee - 4.12%					\$	10,945.13
TOTAL ESTIMATED COST FOR FY 2016/17					\$	299,374.25

Exhibit C

FY 2017/18 to FY 2020/21

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

		,						
	F	FY 2017/18	FY 2018/19			FY 2019/20		FY2020/21
Approximate Cost per SQFT (July - Sept) Approximate Cost per SQFT (Oct - June)	\$ \$	1.43 1.46	\$ \$	1.46 1.49	\$ \$	1.49 1.52		1.52
Lease Cost per Month (July - Sept) Lease Cost per Month (Oct - June)	\$ \$	22,580.96 23,032.58	\$ \$	23,032.58 23,493.23		23,493.23 23,963.10	\$	23,963.10
Total Lease Cost (July - Sept) Total Lease Cost (Oct - June) Total Estimated Lease Cost for FY 2017/18 to FY 2020/21	\$ \$	67,742.89 207,293.25 275,036.14	\$ \$	69,097.75 211,439.11 280,536.86	\$ \$	70,479.70 215,667.90 286,147.60	\$ \$	71,889.30 - 71,889.30
Estimated Additional Costs:								
Utility Cost per Square Foot Estimated Utility Costs per Month	\$ \$	0.12 1,897.56	\$ \$	0.12 1,897.56	\$ \$	0.12 1,897.56	\$ \$	0.12 1,897.56
Total Estimated Utility Cost	\$	22,770.72	\$	22,770.72	\$	22,770.72	\$	5,692.68
RCIT	\$	-	\$	-	\$	**		
Tenant Improvements Costs	\$	-	\$	=	\$	16		
EDA Lease Management Fee - 4.12%	_\$_	11,331.49	\$	11,558.12	\$	11,789.28	\$	2,961.84
TOTAL ESTIMATED COST FOR FY 2017/18 to FY 2020/21	_\$_	309,138.35	\$	314,865.70	\$	320,707.60	\$	80,543.82

F11: Cost - Total Cost \$ 1,743,022.31

F11: Net County Cost - Total Cost \$



Original Negative Declaration/Notice of Determination was routed to County

Clerks for posting on.

Initial

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.

NOV 17 2015 3-10

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

Administration Aviation Business Intelligence Cultural Services Community Services Custodial

Housing Housing Authority Information Technology Maintenance Marketing Economic Development Edward-Dean Museum Environmental Planning Fair & National Date Festival Foreign Trade Graffiti Abatement Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

www.nvcoeda.org

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 CEOA 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:

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 HANDLING FEES F	S THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND FOR THE ACCOMPANYING DOCUMENT(S).
NUMBER OF DOCU	JMENTS INCLUDED: One (1)
AUTHORIZED BY:	John Alfred, Acting Senior Environmental Planner, Economic Development Agency
Signature:	July 1
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 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

FIRST AMENDMENT TO LEASE

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

THIS FIRST AMENDMENT TO LEASE ("1st Amendment"), dated as of MINIMAN 17, 2015, is entered by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, as Lessee, and BROTHERTON FAMILY TRUST, dba SAN JACINTO BUSINESS PARK, the successor-in-interest to Ranel Development Company, a California general partnership, as Lessor, sometimes collectively referred to as the "Parties."

RECITALS

- a. Lessor and County have entered into that certain Lease, dated February 8, 2011, (the "Original Lease") pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor that certain building located at 1370 South State Street, Suite B, San Jacinto, California (the "Building"), as more particularly described in the Lease (the "Original Premises").
- b. In addition to the Original Premises, County desires to lease from Lessor and Lessor desires to lease to County Suite A, consisting of 8,500 rentable square feet (the "Expansion Space") on the terms and conditions set forth herein. The Original Premises and the Expansion Space are collectively referred to herein as the "Premises."
- c. The Original Lease together with this Amendment are collectively referred to as the "Lease."
- d. The Parties now desire to amend the Lease to extend the term period, amend the rental amounts, increase square footage and do improvements to the Expansion Space.

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

- 1. **Description.** Section 1 of the Original Lease is hereby replaced in its entirety by the following:
- a. The term "Premises' shall mean the Rentable Area in the Building consisting of approximately 8,500 square feet in Suite A of the building, in addition to the existing 7,313 square feet in Suite B which totals 15,813 square feet, as outlined in Exhibit "A" attached hereto and incorporated herein.
- b. Exhibit "A" of the Original Lease is hereby deleted in its entirety and replaced with Exhibit "A" attached hereto and incorporated herein by this reference.
- 2. **Term**. Section 3 (a) of the Original Lease is hereby amended by the following:

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

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

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

- 4. **Improvements by Lessor**. Section 9 (a) of the Original Lease is hereby amended by the following:
- (a) The total cost of the tenant improvements is \$135,400. Lessor, at its sole cost and expense, shall construct certain tenant improvements, as set forth in

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

- 5. **CAPITALIZED TERMS**. First Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this First Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof.
- 6. **MISCELLANEOUS**. Except as amended or modified herein, all terms of the Original Lease shall remain in full force and effect and shall apply with the same force and effect. 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 provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provision of this Amendment or the Lease shall determine 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 this Amendment, nor the Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by Lessee.

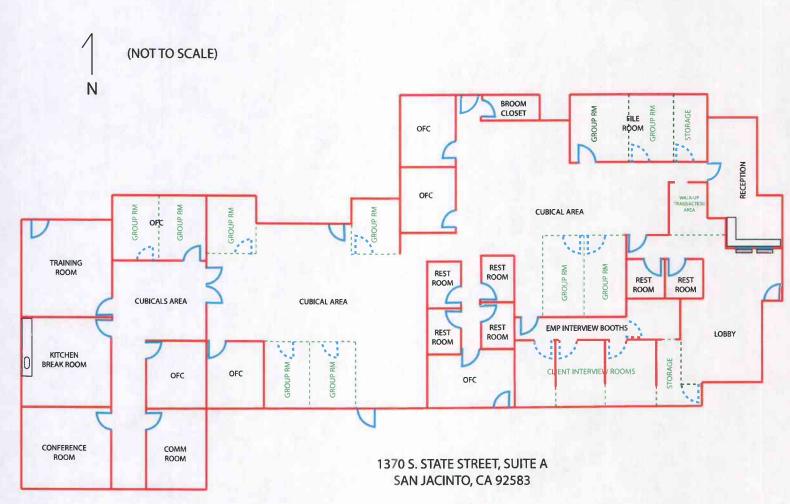
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1	7. EFFECTIVE DATE . This First Amendment to Lease shall not be binding
2	or consummated until its approval by the Riverside County Board of Supervisors and
3	fully executed by the Parties.
4	IN WITNESS WHEREOF, the parties have executed this Amendment as of the date
5	first written above.
6	
7	LESSEE: LESSOR:
8	COUNTY OF RIVERSIDE, BROTHERTON FAMILY TRUST, dba SAN
9	a political subdivision of the JACINTO BUSINESS PARK (Successor in Interest to Ranel Development Company a
10	California general partnership)
11	By: Marier Adelle By: X1000 By Hart Fuster
12	Marion Ashley, Chairman Name:
13	Board of Supervisors Its:
14	ATTEST:
15	Kecia Harper-Ihem
16	Clerk of the Board
17	By: XULLI WALTON
18	Deputy Deputy
19	
20	APPROVED AS TO FORM: Gregory P. Priamos, County Counsel
21	Cregory 1. 1 marries, County Couriser
2223	By: Milia M. Gorel
24	SYNTHIA M. GUNZEL Deputy County Counsel
25	
26	

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

27

28



8,570 SQ FT





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 sturveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timekness, 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

Riverside County TLMA GIS

Notes

First Amendment to Lease Lease Extension and Expansion