

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

125



FROM: Economic Development Agency

SUBMITTAL DATE:
March 17, 2016

SUBJECT: First Amendment to Development and Construction Agreement between the County of Riverside and the Galilee Center, Inc., Mecca Comfort Station, District 4, CEQA Exempt, [\$40,000] Homeless Housing Relief Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environment Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061, General Rule or "Common Sense" exemption;
2. Approve the attached First Amendment to the Development and Construction Agreement between the County of Riverside (County) and Galilee Center Inc. (Galilee), including all exhibits attached thereto (First Amendment), providing a grant to Galilee in the amount of \$40,000;

(Continued)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Susana Garcia-Bocanegra 3/21/16
Susana Garcia-Bocanegra

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	\$ 40,000	\$	\$ 40,000	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: Homeless Housing Relief Fund 21300
Budget Adjustment:
For Fiscal Year: 2015/2016

C.E.O. RECOMMENDATION: APPROVE
BY: Rohini Dasika
Rohini Dasika
County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Benoit and Ashley
Nays: None
Absent: Washington
Date: March 29, 2016
xc: EDA, Recorder

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

Prev. Agn. Ref.: 3-67 of 7/29/14;
3-79 of 4/22/14; 3-10 of 12/9/14
District: 4
Agenda Number:

3-10

FORM APPROVED COUNTY COUNSEL
BY: Marsha P. Kelly 3/17/16
DATE
MARSHA L. VICTOR

By: Susan von Zabern
Susan von Zabern
Director of Public Social Services

- 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: First Amendment to Development and Construction Agreement between the County of Riverside and the Galilee Center, Inc., Mecca Comfort Station, District 4, CEQA Exempt, [\$40,000] Homeless Housing Relief Fund 21300 100%

DATE: March 17, 2016

PAGE: 2 of 3

RECOMMENDED MOTION: (Continued)

3. Approve the grant to Galilee in the amount of \$40,000;
4. Authorize the Chairman of the Board of Supervisors to execute the attached First Amendment;
5. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the First Amendment, including, but not limited to signing subsequent necessary and relevant documents, subject to approval by County Counsel; and
6. Direct County Economic Development Agency staff to file a Notice of Exemption with the County Clerk within five days of the approval of the First Amendment.

BACKGROUND:

Summary

On December 9, 2014, the Board of Supervisors approved the Development and Construction Agreement (Agreement) between the County and Galilee Center, Inc., a California corporation (Galilee Center), which provided for the development, construction and operation of shower, restroom and laundry facilities in Mecca, California (Mecca Comfort Station). Pursuant to the Agreement, the County provided a forgivable loan to the Galilee Center in the total amount of \$1,700,000 evidenced by a Promissory Note in favor of the County. Although the December 9, 2014 action (Agenda No. 3-10) presented to the Board of Supervisors requested an allocation of \$1,950,000 (additional \$250,000 to be used for operating costs), the additional amount was never committed because the funding was not available; only \$1,700,000 was committed by the County for the entire project. The Mecca Comfort Station is utilized by approximately 800 individuals on a monthly basis. Most of the individuals assisted are extremely low income farmworker households. The Galilee Center is required to maintain and operate the Mecca Comfort Station in its current location for a minimum of 10 years pursuant to the Operating Covenant Agreement (Operating Covenant) dated December 9, 2014 executed by the County and the Galilee Center.

On September 9, 2015, County staff filed a Notice of Completion with the County of Riverside Assessor-County Recorder's office in favor of the Galilee Center, confirming completion of the Mecca Comfort Station project. During the course of construction, the Galilee Center ran into unexpected development costs that caused a construction budget overrun in the amount of approximately \$64,882.

The construction budget overrun was due to work order changes that were triggered by conditions set forth in the projects planning conditions of approval. As such, Galilee Center has requested the County assist with a portion of the costs needed to pay the unexpected construction budget overrun.

The County of Riverside Department of Public Social Services (DPSS) and the County of Riverside Economic Development Agency (EDA) entered into an MOU dated February 22, 2016, wherein DPSS agreed to provide a grant to the County EDA in the amount of \$40,000, derived from the Homeless Housing Relief Fund, to cover a portion of the Mecca Comfort Station project cost overruns. The attached proposed First Amendment to Development and Construction Agreement, including all exhibits thereto, (First Amendment) memorializes the agreement between the County and the Galilee Center to provide grant funding in the maximum total amount of \$40,000 (Grant Funds) to pay such project cost overruns, allowing the Galilee Center to successfully operate the Mecca Comfort Station as required under the Agreement and the Operating Covenant.

(Continued)

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

Economic Development Agency

FORM 11: First Amendment to Development and Construction Agreement between the County of Riverside and the Galilee Center, Inc., Mecca Comfort Station, District 4, CEQA Exempt, [\$40,000] Homeless Housing Relief Fund 21300 100%

DATE: March 17, 2016

PAGE: 3 of 3

BACKGROUND

Summary (Continued)

Even though there are approximately \$64,882 in project cost overruns, the County will only provide the proposed \$40,000 in grant funds toward such costs. The additional outstanding balance will be paid by the Galilee Center. Other than the changes set forth in the proposed First Amendment, the existing terms and conditions of the Development and Construction Agreement will remain unchanged.

Pursuant to the California Environmental Quality Act (CEQA), the proposed First Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines section 15061 (b)(3), General Rule or Common Sense Exemption. The proposed project involves amending the existing Development and Construction Agreement, to provide additional funding in the form of a \$40,000 grant to the Galilee Center, no other changes to the existing agreement will be made. It can be seen with certainty that there is no possibility that the amendment of the Development and Construction Agreement may have a significant effect on the environment, as they will have only financial effects and will not lead to any direct or reasonably indirect physical environmental impacts. The environmental impacts of the Mecca Comfort Station in connection with the original Development and Construction Agreement were already evaluated under CEQA on December 9, 2014, and a Notice of Exemption was filed with the County Clerk on September 8, 2015. A Notice of Exemption will be filed by staff with the County Clerk within 5 days of the approval of the proposed First Amendment.

County Counsel has reviewed and approved the attached proposed First Amendment, including all attachments. Staff recommends that the Board approve the First Amendment, including the attachments.

Impact on Citizens and Businesses

The project provides a much needed community facility for migrant farmworkers and their families who may need laundry, restroom or shower facilities.

SUPPLEMENTAL:

Additional Fiscal Information

No impact on County's General Fund. The \$40,000 grant will be funded 100% from the Homeless Housing Relief Fund. No budget adjustment is necessary.

ATTACHMENTS :

First Amendment to Development and Construction Agreement
Amended Project Budget

**FIRST AMENDMENT TO DEVELOPMENT AND CONSTRUCTION AGREEMENT
(COMFORT STATION)**

THIS FIRST AMENDMENT TO DEVELOPMENT AND CONSTRUCTION AGREEMENT (COMFORT STATION) ("First Amendment") is made and entered into this day of MARCH 29 2016, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County") and THE GALILEE CENTER INC., a California nonprofit corporation ("Developer"). County and Developer are individually referred to herein as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, Developer owns a leasehold interest in that certain real property located at 66-101 Hammond Road, Mecca, California, 92254, as depicted and legally described in Exhibits "A" and "B" respectively attached hereto and incorporated herein by this reference ("Property");

WHEREAS, County and Developer entered into a Development and Construction Agreement ("Agreement") on December 9, 2014, providing for, among other things, a forgivable loan from County to Developer in the amount of \$1,700,000 ("County Loan") to pay a portion of the costs to develop and construct, within an existing improvement located on the Property, the "Mecca Comfort Station" consisting of a men's restroom facility with 6 men's shower stalls, 5 men's toilets, 5 hand sinks and 5 lockers, with hot and cold running water; a women's restroom facility that includes, 6 women's shower stalls, 5 women's toilets, 5 hand sinks and five lockers with hot and cold running water; a laundry facility that includes 8 washing machines with hot and cold running water, a separate family facility, 8 dryers and a vending machine for laundry supplies ("Project"). All capitalized terms not defined herein shall have the meaning ascribed to such terms in the Agreement;

WHEREAS, the Project benefits farmworkers and all other community members who may need laundry, restroom or shower facilities;

WHEREAS, pursuant to the Agreement, the Developer is required to use the portion of the Property the Project is located on as the Mecca Comfort Station (as defined in the

MAR 29 2016 3-10

1 Agreement) for a ten (10) year period, as more specifically set forth in the Operating Covenant
2 Agreement dated December 9, 2014 and executed by Developer and County (“Operating
3 Covenants”);

4 WHEREAS, the Project was completed as evidenced by a Certificate of Completion
5 filed by the County in favor of the Developer on September 9, 2015, and recorded by the
6 County of Riverside Assessor-County Clerk Recorder as Document No. 2015-0399322;

7 WHEREAS, the Project incurred construction cost overruns in the amount of
8 approximately \$64,882 due to unforeseeable issues related to the foundation of the existing
9 improvement. The Project Budget did not allocate a sufficient contingency reserve to cover
10 such cost overruns;

11 WHEREAS, Developer has requested the County provide additional financial assistance
12 in the approximate amount of a \$40,000 to offset the construction budget shortfall due to cost
13 overruns;

14 WHEREAS, County desires to provide a grant to Developer to offset the aforementioned
15 budget shortfall in the amount of \$40,000, derived from a grant allocated by the Riverside
16 County Department of Public Social Services (“DPSS”) pursuant to that certain Memorandum
17 of Understanding dated February 22, 2016 between DPSS and the County of Riverside
18 Economic Development Agency (“DPSS Funds”). The additional financial assistance will
19 benefit the Project and Community of Mecca; and

20 WHEREAS, the purpose of this First Amendment is to effectuate and amend the
21 Agreement by providing for (i) an amendment to the Agreement to reflect the additional
22 financial assistance to be provided to Developer; and (ii) modifications to certain other
23 obligations of the Parties, all on the terms and conditions as set forth below.

24 NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual
25 covenants and conditions hereinafter set forth, the County and Developer do hereby agree as
26 follows:

- 27 1. **Recitals.** The Recitals and attachments referenced above are incorporated herein by this
28 reference.

1 **2. Additional Grant.** The Agreement is hereby amended to provide that subject to
 2 Developer’s continued compliance with the terms and restrictions set forth in the
 3 Agreement and the Operating Covenants, County shall provide Developer with a grant in
 4 the amount of Forty Thousand Dollars (\$40,000) (“\$40,000 Grant”) to be used to pay
 5 Project cost overruns to complete the construction of the Mecca Comfort Station. The
 6 \$40,000 Grant is derived from Homeless Housing Relief Funds allocated by the
 7 Riverside County Department of Public Social Services (“DPSS”) to the County’s
 8 Economic Development Agency (EDA) pursuant to that certain Memorandum of
 9 Understanding dated February 22, 2016. Developer shall be paid only in accordance
 10 with an invoice submitted to County by Developer and County shall pay the invoice upon
 11 review and approval of the request for payment by County EDA and DPSS. Invoices
 12 shall be in a form to be provided by County and shall be submitted by Developer to the
 13 following address:

County of Riverside
 44199 Monroe Street, Suite B
 Indio, CA 92201
 Attention: Monica Telles

17 Developer’s failure to use the \$40,000 Grant to pay Project cost overruns as provided
 18 herein shall constitute a breach of the Agreement and Developer shall be required to
 19 immediately repay such funds.

20 **3. Amended Project Budget.** The Project Budget attached to the Agreement as Attachment
 21 No. 6 is hereby deleted in its entirety and replaced with the Amended Project Budget
 22 attached hereto as Exhibit “C” and incorporated herein by this reference. All references to
 23 the “Project Budget” contained in the Agreement, including any attachments, are hereby
 24 deleted in their entirety and replaced with “Amended Project Budget.”

25 **4. Miscellaneous.**
 26 a. **Further Cooperation.** The Parties agree to execute such other instruments,
 27 agreements and amendments to documents as may be necessary or appropriate to
 28 effectuate the Agreement as amended by this First Amendment.

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EXHIBITS

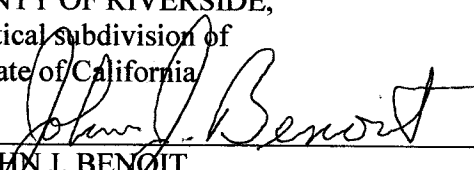
- Exhibit A Site Map
- Exhibit B Legal Description
- Exhibit C Amended Project Budget

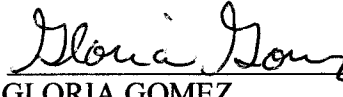
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[Signatures on Following Page]

1 IN WITNESS WHEREOF, County and Developer have executed this First Amendment as of
2 the dates set forth below.

3
4 COUNTY OF RIVERSIDE,
5 a political subdivision of
6 the State of California

THE GALILEE CENTER INC.,
a California nonprofit corporation

7 By: 
8 JOHN J. BENOIT
Chairman, Board of Supervisors

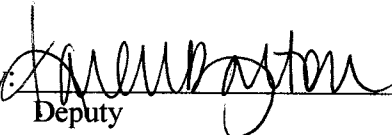
By: 
GLORIA GOMEZ
Director

9 Date: MAR 29 2016

Date: 03/17/16


11 ATTEST:

12 KECIA HARPER-IHEM
13 Clerk of the Board

14 By: 
15 Deputy

17 APPROVED AS TO FORM:

18 GREGORY P. PRIAMOS
19 County Counsel

20 By: 
21 Jhaila R. Brown, Deputy County Counsel

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EXHIBIT A
SITE MAP
(behind this page)

EXHIBIT A



EXHIBIT B
LEGAL DESCRIPTION
(behind this page)

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Mecca Comfort Station
Galilee Center, Mecca

LEGAL DESCRIPTION

The following real property in the City of Mecca, County of Riverside, State of California:

A LEASEHOLD INTEREST IN THAT PORTION OF THE 200 FEET WIDE STRIP OF LAND IN SECTIONS 8 AND 17, IN TOWNSHIP 7 SOUTH, RANGE 9 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, THE SOUTHWEST LINE OF SAID STRIP BEING THE CENTERLINE OF THE SOUTHERN PACIFIC COMPANY'S MAIN TRACK, DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF SAID SECTION 8, WITH A LINE PARALLEL WITH AND SOUTHWEST 15.00 FEET FROM THE NORTHEAST LINE OF SAID 200.00 FEET WIDE STRIP; THENCE NORTHWEST 160.00 FEET OF SAID PARALLEL LINE; THENCE AT RIGHT ANGLES, SOUTHWEST 145.00 FEET; THENCE SOUTHEAST 600.00 FEET, PARALLEL WITH SAID NORTHEAST LINE; THENCE AT RIGHT ANGLES NORTHEAST 143.00 FEET TO FIRST SAID PARALLEL LINE; THENCE NORTHWEST 440.00 FEET ON SAID PARALLEL LINE TO THE POINT OF BEGINNING.

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EXHIBIT C
AMENDED PROJECT BUDGET
(behind this page)

**AMENDED
PROJECT BUDGET**

Description	Amount
General Conditions	\$ 61,821
Demolition/Concrete	\$ 21,739
Grading	\$ 9,420
Site Utilities	\$ 81,500
AC Paving	\$ 9,400
Concrete - Building	\$ 35,584
Concrete - Site	\$ 14,256
Miscellaneous Steel	\$ 50,915
Rough Carpentry	\$ 44,235
Millwork	\$ 14,220
Waterproofing	\$ 21,600
Insulation	\$ 10,316
Roofing	\$ 10,535
Sheet Metal	\$ 7,800
Caulking & Sealants	\$ 1,850
Doors/Frames/Hardware	\$ 14,790
Storefronts	\$ 13,344
Glas 7 Glazing	\$ 4,800
Lath & Plaster	\$ 9,714
Drywall	\$ 38,027
Ceramic Tile	\$ 53,749
Acoustic Ceilings	\$ 6,094
Flooring	\$ 4,508
Painting	\$ 9,672
Toilet Partitions	\$ 45,060
Fire Extinguishers	\$ 1,130
Toilet Accessories	\$ 16,206
Commercial Laundry Equipment	\$ 32,911

Plumbing	\$	87,180
HVAC	\$	50,100
Electrical	\$	52,486
Fire Alarm System	\$	4,200
Insurance/Overhead	\$	80,727
Contractor's Fee	\$	64,392
Total Construction Budget	\$	984,281
Predevelopment Expenses (See Attachment 9)	\$	258,000
Total Estimated Project Cost:	\$	1,242,281
Change Order Add-Ons	\$	169,000
Change Order Deductions/Credits	\$	104,118
Change Order Differential	\$	64,882
Total Project Cost	\$	1,307,163

**AMENDED
PROJECT BUDGET**

Description	Amount
General Conditions	\$ 61,821
Demolition/Concrete	\$ 21,739
Grading	\$ 9,420
Site Utilities	\$ 81,500
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Roofing	\$ 10,535
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Acoustic Ceilings	\$ 6,094
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Toilet Partitions	\$ 45,060
Fire Extinguishers	\$ 1,130
Toilet Accessories	\$ 16,206
Commercial Laundry Equipment	\$ 32,911

Plumbing	\$	87,180
HVAC	\$	50,100
Electrical	\$	52,486
Fire Alarm System	\$	4,200
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Change Order Deductions/Credits	\$	104,118
Change Order Differential	\$	64,882
Total Project Cost	\$	1,307,163