

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE: 6/7/16
 Departmental Counsel

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

145



FROM: Economic Development Agency

SUBMITTAL DATE:
 June 29, 2016

SUBJECT: Second Amendment to Lease, Riverside University Health System – Behavioral Health Indio, Five Year Lease Extension, CEQA Exempt, District 4, [\$735,475] Federal 63%, State 13%, Grants/MOU/Drug Program 24%

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 Second 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**
 BY: PAUL ANGUILO, CPA, AUDITOR-CONTROLLER
Esteban Hernandez 6/29/16

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	\$ 136,453	\$ 44,049	\$ 735,475	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: Federal 63%, State 13%, Grants/MOU/Drug Program 24%				Budget Adjustment: No	
				For Fiscal Year: 2016/17-21/22	

C.E.O. RECOMMENDATION:

REVIEWED BY CIP
Ivan M. Chand
 Ivan M. Chand
 7/5/2016

APPROVE
Rohini Dasika
 BY: 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, Washington, Benoit and Ashley
 Nays: None
 Absent: Tavaglione
 Date: July 12, 2016
 xc: EDA, Recorder

Kecia Harper-Ihem
 Clerk of the Board
 By: *Kecia Harper-Ihem*
 Deputy

By: *Steve Steinberg*
 Steve Steinberg, Director
 RUHS – Behavioral Health

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

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

Economic Development Agency

FORM 11: Second Amendment to Lease, Riverside University Health System – Behavioral Health Indio, Five Year Lease Extension, CEQA Exempt, District 4, [\$735,475] Federal 63%, State 13%, Grants/MOU/Drug Program 24%

DATE: June 29, 2016

PAGE: 2 of 3

BACKGROUND:

Summary

This Second Amendment to Lease represents a request from the Riverside University Health System – Behavioral Health to extend the lease for its office located at 83-912 Avenue 45, Suites 3, 5, 7, 8 and 9, Indio, California, and increase the square footage by 2,350 square feet from 6,200 sq. ft. to 8,550 by adding an additional suite. The landlord will complete tenant improvements including framing, drywall, HVAC, paint, flooring, fire sprinkler adjustment, new doors, insulation, electrical, drop ceiling, and hardware. The Riverside University Health System – Behavioral Health will share the cost of the improvements with the landlord. In addition, a fifteen percent contingency has been added for the County’s use.

Riverside County Substance Use Clinic located in Indio is in need of expansion in order to accommodate the Recovery Opportunity Center Drug Court Program, Indio Drinking Driver Program, and increase in Medi-cal eligible referrals. Presently, space has been limited in order to accommodate the Drinking Driver Program which was relocated to the Indio clinic in March. With the addition of the Drinking Driver Program, all previously vacated offices are now occupied, leaving no room for the Recovery Opportunity Center or new staff that was hired for vacancies. Therefore, an expansion is needed in order to improve client care and provide adequate staff space.

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 Second Amendment to Lease is summarized as follows:

Lessor:	Seecon XVII TIC 44-917 Golf Center Parkway, Suite 7 Indio, California 92201	
Location:	83-912 Avenue 45, Suites 1, 3, 5, 7, 8, and 9 Indio, California	
Term:	September 1, 2016 through August 30, 2021.	
Size:	Existing 6,200 sq. ft.	Expansion 2,350 sq. ft. Totals 8,550 sq. ft.
Rent:	Current \$ 1.49 per sq. ft. \$ 9,208.61 per month \$110,503.32 per year	New \$ 1.49 per sq. ft. \$ 12,739.50 per month \$152,874.00 per year
Rent Adjustment:	Two percent annual increase	

(Continued)

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

Economic Development Agency

FORM 11: Second Amendment to Lease, Riverside University Health System – Behavioral Health Indio, Five Year Lease Extension, CEQA Exempt, District 4, [\$735,475] Federal 63%, State 13%, Grants/MOU/Drug Program 24%

DATE: June 29, 2016

PAGE: 3 of 3

BACKGROUND:

Summary (Continued)

Utilities:	County pays for telephone and electrical services, Landlord pays for all other services.
Custodial:	Landlord
Maintenance:	Landlord
RCIT Cost:	\$26,304.40
Tenant Improvements:	Total Cost = \$102,285. \$77,900.00 to be reimbursed by County, plus an additional 15% contingency for County use. The balance is to be paid by Lessor.

The attached Second 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, 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 will budget these costs in FY 2016/17 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This Lease has been in place since June 17, 2008.

Attachments:

- Exhibits A, B & C
- Second Amendment to Lease
- Notice of Exemption
- Aerial Map

Exhibit A

FY 2016/17

Department of Mental Health Lease Cost Analysis
83-912 Avenue 45, Suites 1, 3, 5, 7, 8 and 9, Indio, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	8,550	SQFT	
Approximate Cost per SQFT (July - Aug)	\$	-	
Approximate Cost per SQFT (Sep - June)	\$	1.49	
Lease Cost per Month (July - Aug)		\$	-
Lease Cost per Month (Sep - June)		\$	12,739.50
Total Lease Cost (July - Aug)			\$ -
Total Lease Cost (Sep - June)			\$ 127,395.00
Total Estimated Lease Cost for FY 2016/17			\$ 127,395.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	1,026.00	
Estimated Utility Costs per (July - Aug)		\$	-
Estimated Utility Costs per (Sep - June)		\$	10,260.00
Total Estimated Utility Cost			\$ 10,260.00
RCIT			\$ 26,304.40
Tenant Improvement			\$ 89,585.00
EDA Lease Management Fee - 4.92%			\$ 10,675.42
TOTAL ESTIMATED COST FOR FY 2016/17			\$ 264,219.82
Amount Previously Approved in 1st Amendment			\$ 127,766.61
Amount of FY 2016/17 for 2nd Amendment			\$ 136,453.20

Exhibit B

FY 2017/18

Department of Mental Health Lease Cost Analysis
83-912 Avenue 45, Suites 1, 3, 5, 7, 8 and 9, Indio, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	8,550	SQFT	
Approximate Cost per SQFT (July - Aug)	\$	1.49	
Approximate Cost per SQFT (Sep - June)	\$	1.52	
Lease Cost per Month (July - Aug)		\$	12,739.50
Lease Cost per Month (Sep - June)		\$	12,994.29
Total Lease Cost (July - Aug)			\$ 25,479.00
Total Lease Cost (Sep - June)			\$ 129,942.90
Total Estimated Lease Cost for FY 2017/18			\$ 155,421.90

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	1,026.00	
Estimated Utility Costs per (July - Aug)		\$	2,052.00
Estimated Utility Costs per (Sep - June)		\$	10,260.00
Total Estimated Utility Cost			\$ 12,312.00
EDA Lease Management Fee - 4.92%			\$ 7,646.76
TOTAL ESTIMATED COST FOR FY 2017/18			\$ 175,380.66
Amount Previously Approved in 1st Amendment			\$ 131,331.77
Amount of FY 2017/18 for 2nd Amendment			\$ 44,048.89

Exhibit C

FY 2018/19 - 2021/22
Department of Mental Health Lease Cost Analysis
83-912 Avenue 45, Suites 1, 3, 5, 7, 8 and 9, Indio, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 8,550 SQFT

	FY 2018/19	FY 2019/20	FY 2020/21 to 2021/22
Approximate Cost per SQFT (July - Aug)	\$ 1.52	\$ 1.55	
Approximate Cost per SQFT (Sep - June)	\$ 1.55	\$ 1.58	
Lease Cost per Month (July - Aug)	\$ 12,994.29	\$ 13,254.18	\$ 27,308.90
Lease Cost per Month (Sep - June)	\$ 13,254.18	\$ 13,519.26	\$ 13,789.64
Total Lease Cost (July - Aug)	\$ 25,988.58	\$ 26,508.35	\$ 54,617.81
Total Lease Cost (Sep - June)	\$ 132,541.76	\$ 135,192.59	\$ 137,896.45
Total Estimated Lease Cost for FY 2018/19 - 2021/22	\$ 158,530.34	\$ 161,700.94	\$ 192,514.25

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs Per Month	\$ 1,026.00	\$ 1,026.00	\$ 1,026.00
Total Estimated Utility Cost	\$ 12,312.00	\$ 12,312.00	\$ 14,364.00
EDA Lease Management Fee - 4.92%	\$ 7,799.69	\$ 7,955.69	\$ 9,471.70
TOTAL ESTIMATED COST FOR FY 2018/19 - 2021/22	\$ 178,642.03	\$ 181,968.63	\$ 216,349.95
Amount Previously Approved in 1st Amendment	\$ 21,988.14	\$ -	\$ -
Amount of FY 2018/19 to 2021/22 for 2nd Amendment	\$ 156,653.89	\$ 181,968.63	\$ 216,349.95
F11: Cost - Total Cost	\$ 735,474.56		



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

7/14/16 kb
Date Initial

NOTICE OF EXEMPTION

November 24, 2015

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System-Behavioral Health (RUHS-BH) Second Amendment to Lease, Indio

Project Number: FM042341003900

Project Location: 83-912 Avenue 45, South of Interstate 10, east of Golf Center Parkway/Indio Center Drive, adjacent to the north of Van Buren Street, Indio, California 92201; APN 611-392-025; (See Attached Exhibit)

Description of Project: The County of Riverside (County) entered into a Lease Agreement with Seecon XVII TIC on June 17, 2008 for Suites 3,5,7,8, and 9 at the building located at 83-912 Avenue 45 in Indio, California. The County is seeking to amend the Lease Agreement to include Suite 1 and revise the duration and annual rent associated with the Lease Agreement. The County needs additional office space to improve client case and provide adequate staff for services rendered by the RUHS-BH. The additional office suite will expand the amount of leased space from 6,200 to 8,550 square feet and the term of the lease shall extend through August 30, 2018. The Second Amendment to the Lease Agreement is identified as the proposed Project under the California Environmental Quality Act (CEQA). The proposed Project would involve the continuation of the letting of property involving existing facilities with no tenant improvement alterations. No expansion of the existing office building will occur. The operation of the facility will continue to provide behavioral health services and 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

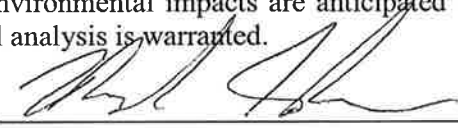
Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

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 would the Project include a reasonable possibility of having a significant effect on the environment due to unusual circumstances. 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 Second Amendment to the Lease Agreement.

JUL 12 2016 3/5

- 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. Subsection (e) of this exemption also allows for additions to existing buildings of up to 10,000 square feet if the use is consistent with the planned use and is not located in an environmentally sensitive area. The Project, as proposed, is limited to an amendment to a Lease and includes an additional 2,500 square foot in the amount of space leased. The Project does not require the construction of an addition to an existing building, but rather increases the amount of leased area by RUHS in an existing building. The Second Amendment to the Lease will not increase or expand the use of the site, as no alterations to the existing building are being considered. The site is currently developed and does not contain environmentally sensitive areas. The additional leased space identified in Suite 1 is available and has all of the necessary infrastructure in place to accommodate the existing needs of the RUHS-BH. The existing building was designed and planned for occupancy of the suites and the use of the available suite by RUHS-BH would be consistent with the permitted and planned capacity of the site and would result in the continued use of the site in a similar capacity; 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 Second Amendment to the Lease and increased leased area will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will be substantially similar to the existing use and will not create any new environmental impacts to the surrounding area. No alterations and no impacts beyond the ongoing, existing use of the site and existing building 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: 11/24/15

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: RUHS-BH-Seecon Second Amendment to Lease, Indio

Accounting String: 524830-47220-7200400000 - FM042341003900

DATE: November 24, 2015

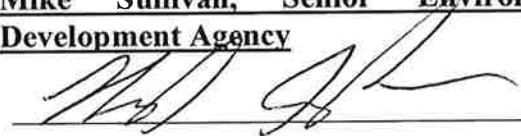
AGENCY: Riverside County Economic Development Agency

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: Maribel Hyer, Real Property Agent III, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____



Date: November 24, 2015

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 # FM042341003900**
RUHS-BH-Seecon Second Amendment to Lease, Indio

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,

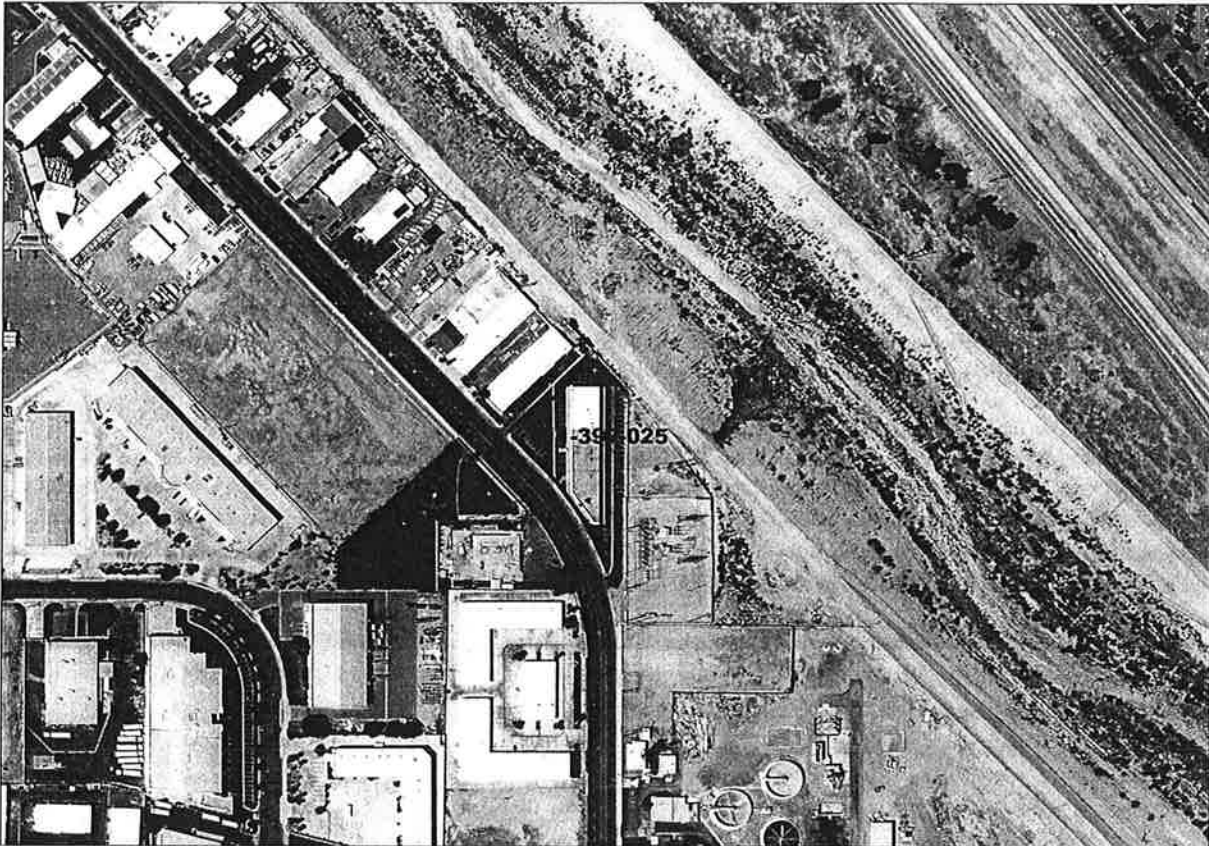
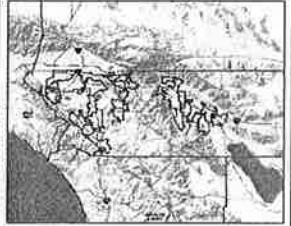
3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009.

Attachment

cc: file

83-912 Avenue 45, Suites 1,3,5,7,8, & 9, Indio, CA
Riverside University Health System - Behavioral Health



Legend



0 325 650 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... 1/25/2016 8:25:51 AM

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Notes
Second Amendment to Lease

1 a. The term "Premises" shall mean the Rentable Area in the Building
2 consisting of approximately 2,350 square feet in Suite 1, in addition to the existing
3 6,200 square feet in Suites 3, 5, 7, 8 and 9, which totals 8,550 square feet, as outlined
4 in Exhibit "A" attached hereto and incorporated herein.

5 b. Exhibit "A" of the Original Lease is hereby deleted in its entirety
6 and replaced with Exhibit "A" attached hereto and incorporated herein by this
7 reference.

8 2. **Term.** Section 3 (a) of the Original Lease is hereby amended by the
9 following:

10 The term of the lease shall commence on the date County accepts the
11 Expansion Space for occupancy ("Commencement Date"), which shall occur only after
12 Lessor delivers to County a copy of the Certificate of Occupancy executed by
13 appropriate governing authority, if applicable, and provided that County, in its sole
14 discretion, is satisfied that all leasehold improvements have been completed in
15 accordance with Exhibit "A", excepting minor punch list items, ("Commencement
16 Date"). The Term shall expire at midnight on the last day of the August 30, 2021
17 ("Expiration Date"). At no time during the term of this lease will any portion of the
18 premises be used, directly or indirectly for any sort of business related to AB109. This
19 would include, but not be limited to paperwork, consulting, meetings, therapy,
20 interviews, or any business of any nature whatsoever relating to AB109.

21 3. **Rent.** Section 5 of the Original Lease is hereby amended by the
22 following:

23 County shall pay to Lessor upon completion and acceptance of the Tenant
24 Improvements the sum of \$12,739.50 monthly with a two (2%) percent annual
25 increase.

26 4. **Improvements by Lessor.** Section 9 (a) of the Original Lease is hereby
27 amended by the following:
28

1 (a) The total cost of the tenant improvements is \$102,285.00. Lessor,
2 at its sole cost and expense, shall construct certain tenant improvements, as set forth
3 in Exhibit "A," attached to this Amendment, and incorporated herein by reference. The
4 cost of the tenant improvements as paid by County shall not exceed \$77,900.00 of the
5 total cost, Landlord shall pay the balance. In addition a fifteen (15%) percent
6 contingency has been added for County's use. Lessor shall provide an itemized
7 statement of the actual cost of the tenant improvements upon completion. The
8 Riverside University Health System – Behavioral Health (RUHS-BH) will reimburse
9 Lessor within thirty (30) days of receipt of itemized statement, or as soon thereafter as
10 a warrant can be issued. Lessor shall submit to County a complete set of approved
11 "As-Built" drawings.

12 5. **Option to Terminate.** Section 13 of the Original Lease and Section 4 of
13 the First Amendment to Lease shall be deleted in its entirety.

14 6. **CAPITALIZED TERMS.** Second Amendment to Prevail. Unless defined
15 herein or the context requires otherwise, all capitalized terms herein shall have the
16 meaning defined in the Lease, as heretofore amended. The provisions of this Second
17 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
18 as heretofore amended, and shall supplement the remaining provisions thereof.

19 7. **MISCELLANEOUS.** Except as amended or modified herein, all terms of
20 the Original Lease shall remain in full force and effect and shall apply with the same
21 force and effect. Time is of the essence in this Amendment and the Lease and each
22 and all of their respective provisions. Subject to the provisions of the Lease as to
23 assignment, the agreements, conditions and provisions herein contained shall apply to
24 and bind the heirs, executors, administrators, successors and assigns of the parties
25 hereto. If any provision of this Amendment or the Lease shall determine to be illegal or
26 unenforceable, such determination shall not affect any other provision of the Lease and
27 all such other provisions shall remain in full force and effect. The language in all parts
28 of the Lease shall be construed according to its normal and usual meaning and not

1 strictly for or against either Lessor or Lessee. Neither this Amendment, nor the
2 Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be
3 recorded by Lessee.

4 (Remainder of Page Intentionally Left Blank)

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1 8. **EFFECTIVE DATE.** This Second Amendment to Lease shall not be
2 binding or consummated until its approval by the Riverside County Board of
3 Supervisors and fully executed by the Parties.


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

6
7 LESSEE:

LESSOR:

8 COUNTY OF RIVERSIDE,
9 a political subdivision of the
10 State of California

SEECON XVII TIC

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

By: 
Name:
Its: Asset Manager

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

17 By: 
18 Deputy

19
20 APPROVED AS TO FORM:
21 Gregory P. Priamos, County Counsel

22 By: 
23 Deputy County Counsel
24
25
26
27

28 MH:tg/060716/IN039/17.776 S:\Real Property\TYPING\Docs-17.500 to 17.999\17.776.doc

EXHIBIT 'A'

