

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



ITEM  
3.17  
(ID # 3974)

**MEETING DATE:**

Tuesday, May 2, 2017

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Third Amendment to Lease, RUHS-DOPH, WIC, Moreno Valley, 3 Year Lease Extension, District 5, CEQA Exempt, [360,644], Federal 100% (WIC) (Clerk to file Notice of Exemption)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt from the Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities, and Section 15061(b)(3), the common sense exemption;
2. Ratify the Third Amendment to Lease and authorize the Chairman of the Board to execute the Third Amendment to Lease 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.

**ACTION:** Policy, CIP

Jeff Van Wagenen, Managing Director EDA

4/6/2017

Sarah S Mack, Director of Public Health

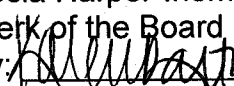
4/20/2017

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Tavaglione, 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 and Ashley  
Nays: None  
Absent: None  
Date: May 2, 2017  
xc: EDA, Recorder

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 117,736	\$ 121,022	\$ 360,644	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> Federal 100% (WIC)			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 2016/17 – 2018/19	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

On May 24, 2011, the Board of Supervisors approved Agenda item 3.30 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 RUHS – Department of Public Health, (DOPH) WIC.

In an effort to assist DOPH in achieving their goals of improving the overall exterior aesthetics of the clinic site, the Real Estate Division has negotiated a new three year Lease with Lessor to complete the required improvements at Lessor's expense. The improvements consist of replacing carpet in one office, replacing cracked or uneven VCT tiles, touch up paint throughout the clinic, installation of no smoking signs outside the premises, adding corner guards at every right angle within the suite to protect paint, replacement of existing shelf at pass through window in print room and replacement of broken and missing window blinds throughout the facility.

Pursuant to the California Environmental Quality Act (CEQA), the lease was reviewed and determined to be categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Class 1 – Existing facilities and Section 15061(b)(3) – “common sense” exemption. The proposed project, the Lease, is the letting of property involving existing facilities, no expansion of an existing use will occur. The Lease is summarized as follows:

**Location:** 13800 Heacock Street, Suite D125, Moreno Valley, CA 92553

**Lessor:** Heacock Business Center, LLC  
225 W. Hospitality Lane, Suite 315  
San Bernardino, CA 92408

**Size:** Current Sq. Ft. 5,727 New Sq. Ft. 5,717 (re-measurement of space)

**Rent:**

Current	New
\$ 1.45 Sq. Ft.	\$ 1.51 Sq. Ft.
\$ 8,298.98 Per Month	\$ 8,632.67 Per Month
\$ 99,587.76 Per Year	\$103,592.04 Per Year

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

Annual Escalator: 3%

Term: April 1, 2016 thru March 31, 2019

Improvements: At Lessor's sole cost and expense

Utilities: County pays electricity and Lessor pays for gas, water and trash

Maintenance: Lessor

Custodial: Lessor

RCIT: None

**Impact on Residents and Businesses**

This RUHS – DOPH WIC Facility will continue to serve the residents within this region of the County. This WIC Facility is conveniently located and adjacent to public transportation for ease of access by WIC clients.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

See Exhibits A, B & C

Department of Public Health will budget these costs in FY 2016/17 and will reimburse EDA for all costs on a monthly basis.

**Contract History and Price Reasonableness**

The Lease rate is deemed competitive based upon the current market.

Attachments:

Exhibits A, B & C


Lease

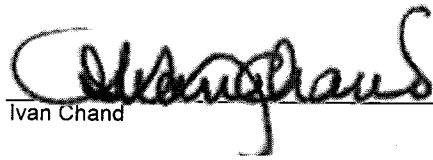
Notice of Exemption

Aerial Image

RF:JVV:VC:VY:CC:tg MV012 18.619 13465  
MinuteTrak #3974

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

  
Reini Dasika, Principal Management Analyst 4/24/2017

  
Ivan Chand 4/25/2017

  
Gregory F. Priamos, Director County Counsel 4/17/2017

# Exhibit A

FY 2015/16

Riverside University Health Systems - Department of Public Health, WIC  
13800 Heacock Street, Suite D-125, Moreno Valley

## **ESTIMATED AMOUNTS**

### **Total Square Footage to be Leased:**

Current Office:	5,717 SQFT		
Approximate Cost per SQFT (July - Mar)	\$	-	
Approximate Cost per SQFT (Apr - June)	\$	1.51	
Lease Cost per Month (July - Mar)	\$	-	
Lease Cost per Month (Apr - June)	\$	8,632.67	
Total Lease Cost (July - Mar)			\$ -
Total Lease Cost (Apr - June)			\$ 25,898.01
<b>Total Estimated Lease Cost for FY 2015/16</b>			<b>\$ 25,898.01</b>

### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		<u>\$ 686.04</u>	
Total Estimated Utility Cost			\$ 2,058.12
EDA Lease Management Fee - 4.92%			\$ 1,274.18
<b>TOTAL ESTIMATED COST FOR FY 2015/16</b>			<b><u>\$ 29,230.31</u></b>

# Exhibit B

FY 2016/17

Riverside University Health Systems - Department of Public Health, WIC  
13800 Heacock Street, Suite D-125, Moreno Valley

## **ESTIMATED AMOUNTS**

### **Total Square Footage to be Leased:**

Current Office:		5,717	SQFT	
Approximate Cost per SQFT (July - Mar)	\$	1.51		
Approximate Cost per SQFT (Apr - June)	\$	1.56		
Lease Cost per Month (July - Mar)		\$	8,632.67	
Lease Cost per Month (Apr - June)		\$	8,891.65	
Total Lease Cost (July - Mar)		\$	77,694.03	
Total Lease Cost (Apr - June)		\$	26,674.95	
<b>Total Estimated Lease Cost for FY 2016/17</b>		<b>\$</b>	<b>104,368.98</b>	

### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	686.04	
Total Estimated Utility Cost			\$	8,232.48
EDA Lease Management Fee - 4.92%			\$	5,134.95
<b>TOTAL ESTIMATED COST FOR FY 2016/17</b>			<b>\$</b>	<b>117,736.41</b>

# Exhibit C

**FY 2017/18 to FY 2018/19**

**Riverside University Health Systems - Department of Public Health, WIC  
13800 Heacock Street, Suite D-125, Moreno Valley**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office:

5,717 SQFT

	FY 2017/18	FY 2018/19
Approximate Cost per SQFT (July - Mar)	\$ 1.56	\$ 1.60
Approximate Cost per SQFT (Apr - June)	\$ 1.60	\$ -
Lease Cost per Month (July - Mar)	\$ 8,891.65	\$ 9,158.40
Lease Cost per Month (Apr - June)	\$ 9,158.40	\$ -
Total Lease Cost (July - Mar)	\$ 80,024.85	\$ 82,425.60
Total Lease Cost (Apr - June)	\$ 27,475.20	\$ -
<b>Total Estimated Lease Cost for FY 2017/18 to FY 2018/19</b>	<b>\$ 107,500.05</b>	<b>\$ 82,425.60</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 686.04	\$ 686.04
Total Estimated Utility Cost	\$ 8,232.48	\$ 6,174.36
EDA Lease Management Fee - 4.92%	\$ 5,289.00	\$ 4,055.34
<b>TOTAL ESTIMATED COST FOR FY 2017/18 to FY 2018/19</b>	<b>\$ 121,021.53</b>	<b>\$ 92,655.30</b>

F11: Cost - Total Cost      \$ 360,643.55

1 **THIRD AMENDMENT TO LEASE**

2 **(Riverside University Health Systems, Department of Public Health - WIC**  
3 **13800 Heacock Street, Suite D125, Moreno Valley)**

4  
5 This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of  
6 May 2, 2017, by and between **HEACOCK BUSINESS CENTER, LLC** a Limited  
7 Liability Company as "Lessor", and **COUNTY OF RIVERSIDE**, a Political Subdivision of  
8 the State of California, as "County".

9 **1. Recitals**

10 a. Lessor and County have entered into that certain Lease, dated as  
11 of December 20, 1994, ("Original Lease") pursuant to which Lessor has agreed to  
12 lease that certain building located at 13800 Heacock Street, in the City of Moreno  
13 Valley, State of California, ("Building",) as more particularly shown on Exhibit "A,"  
14 attached hereto and made a part hereof.

15 b. The Original Lease has been amended by;

16 i. That certain First Amendment to Lease dated August 15, 2000  
17 by and between County of Riverside, and Heacock Business Center, LLC (the "First  
18 Amendment".)

19 ii. A New Lease (the "New Lease",) was executed by the parties  
20 dated November 7, 2007 by and between County of Riverside, and Heacock Business  
21 Center, LLC.

22 iii. The New Lease was amended by: That certain First  
23 Amendment to Lease dated July 29, 2008 by and between County of Riverside, and  
24 Heacock Business Center, LLC (the "First Amendment".)

25 iv. That certain Second Amendment to Lease dated May 24,  
26 2011 by and between County of Riverside, and Heacock Business Center, LLC (the  
27 "Second Amendment".)

28 ///

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

3       **2. Capitalized Terms: Third Amendment to Prevail.** Unless defined  
4 herein or the context requires otherwise, all capitalized terms herein shall have the  
5 meaning defined in the Lease, as heretofore amended. The provisions of this Third  
6 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,  
7 as heretofore amended, and shall supplement the remaining provisions thereof. The  
8 Lease remains in full force and effect except to the extent amended by this Third  
9 Amendment.

10       **3. Rent During Extended Term:** Section 3 of the Second Amendment to  
11 Lease shall be amended as follows: County shall pay to Lessor the monthly sums as  
12 rent for the Leased premises during the term of this Lease as indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$8,632.67	04/01/16 to 03/31/17
\$8,891.65	04/01/17 to 03/31/18
\$9,158.40	04/01/18 to 03/31/19

13  
14  
15  
16  
17       **4. Term:** Section 5 of the Second Amendment shall be amended as  
18 follows: The term of this Lease shall be extended thirty sixty (36) months commencing  
19 on April 1, 2016 and terminating March 31, 2019 ("Extended Term".) March 31, 2019  
20 shall hereafter be defined as the "Expiration Date".

21       **5. Improvements by Lessor:** Lessor, at its sole cost and expense, shall  
22 complete the Improvements, as more particularly shown on Exhibit "B" attached to this  
23 Third Amendment. Lessor shall provide a construction schedule and coordinate with  
24 Public Health and contracted vendors so the improvements can be performed after  
25 normal business hours, or when clinic is not scheduled to be open.

26       **6. Square Footage:** Section 1 of the First Amendment is hereby deleted in  
27 its entirety and replaced with the following: The Square Footage of the leased  
28

1 premises has been confirmed by Lessor to be 5,717 square feet, herein referred to as  
2 the "Total Leased Premises."

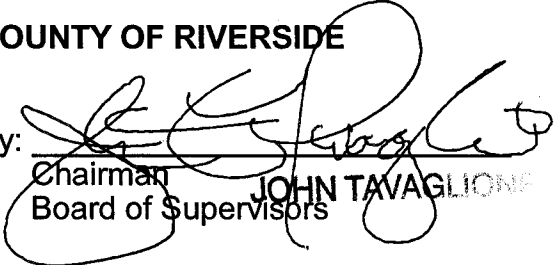
3 **7. Custodial:** Section 7 of the Second Amendment shall be amended as  
4 follows: In addition to custodial requirements as outlined in Exhibit "B" of the Lease.  
5 Lessor has agreed to provide custodial to remove trash from public restrooms and  
6 clean liquid spills during normal business hours.

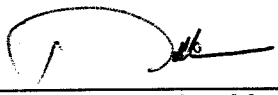
7 **8.** This Third Amendment to Lease shall not be binding or consummated  
8 until its approval by the Board of Supervisors of Riverside County.

9 Dated: MAY 02 2017

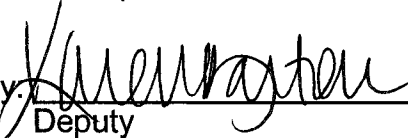
10  
11 **COUNTY OF RIVERSIDE**

**HEACOCK BUSINESS CENTER, LLC**

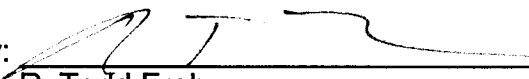
12  
13 By:   
14 Chairman  
Board of Supervisors **JOHN TAVAGLIONE**

By:   
Donald Lam, Managing Member

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

17  
18 By:   
19 Deputy

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

22  
23 By:   
24 R. Todd Frahm  
Deputy County Counsel

25  
26 CC:ra/013017/MV012/18.617

# EXHIBIT A

## Third Amendment to Lease Riverside University Health Systems - Public Health/WIC



Legend

**Notes**  
APN 482180075 / District 5

"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.

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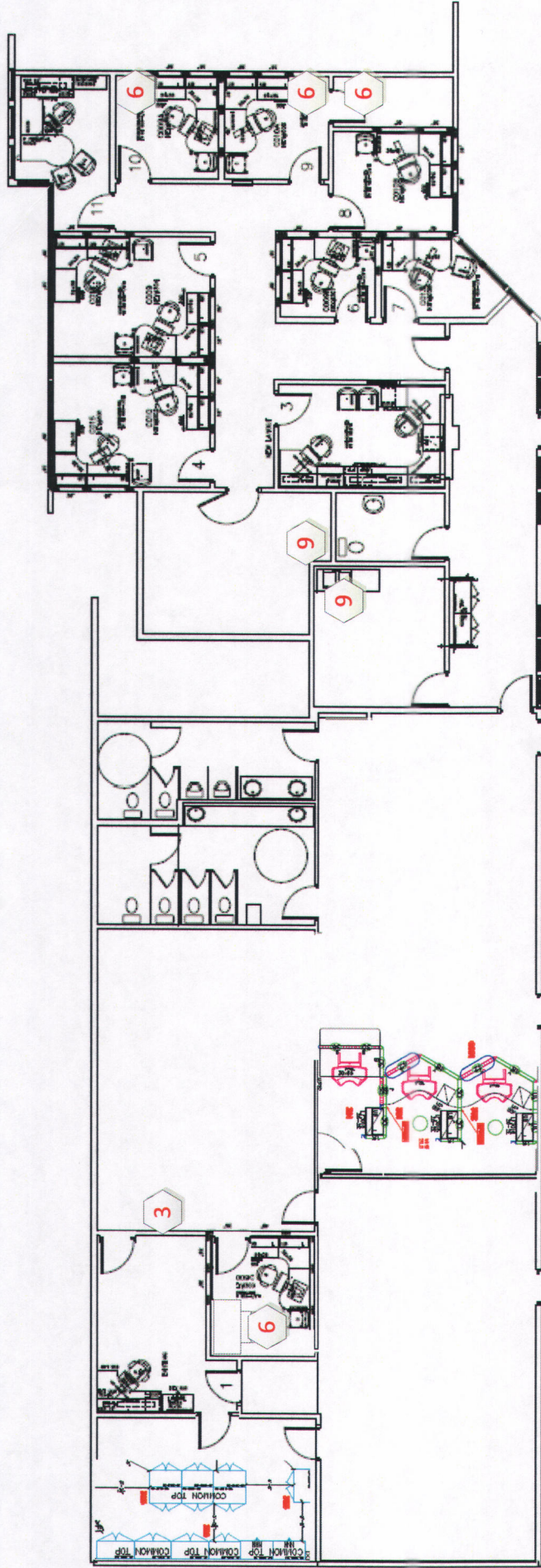


0 535 1,069 Feet



EXHIBIT B

Moreno Valley (Heacock) FM# MV0012  
 TIs – January 10, 2017 Revision #3 FINAL



1

Replace any cracked, warped, bubbled, chipped VCT tiles. Conduct walk-through to determine locations Use existing finishes/brand. Armstrong Exelon Standard.

2

Paint touch-ups – determine locations during pre-construction meeting walk-through. Same finishes.

3

Replace the shelf outside the print room pass-through window. Ledge can support 75-100lbs. Small enough to discourage parents from placing child on top of ledge.

4

Full inspection of ventilation system; Replace any filters and/or faulty ducts identified in the inspection. Conduct analysis prior to the inspection and after to determine analytically if there is an improvement in the air quality.

5

5

No Smoking Signs Posted Outside; Discuss options for a plaque or posted no smoking sign installed in the flower bed.

6

Investigate and remove mold or the possible presence of mold at these locations. Utilize abatement methods to prevent the spread of spores when treating the areas. Replace the carpet with same or similar.

7

Improvement with housekeeping; would like the public restroom trash removed during normal business hours; i.e., lunch time (due to dirty diaper odors). Amend custodial boilerplate. Possibility of cleaning up liquid spills in common areas during business hours.

8

Add corner guards to every exposed right angle wall in the facility. Conduct walk-through to determine locations

Click on attached link; [Linen White, http://www.kofflersales.com](http://www.kofflersales.com)

9

Discuss potential to reuse garbage disposal

10

Replace blinds as needed with same type



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

5/3/17  
Date

kb  
Initial

**NOTICE OF EXEMPTION**

January 12, 2017

**Project Name:** County of Riverside, Economic Development Agency (EDA) Riverside University Health System (RUHS) Department of Public Health (DOPH) Woman, Infants and Children (WIC), Moreno Valley, 3rd Amendment to Lease

**Project Number:** FM042462001200

**Project Location:** 13800 Heacock Street, Suite D125, Moreno Valley, California 92553; Assessor's Parcel Number (APN) 482-180-075; (See Attached Exhibit)

**Description of Project:** On November 7, 2007, the County of Riverside (County) entered into a lease agreement with Heacock Business Center, LLC for Suite D125, consisting of 5,727 square feet, in the building located at 13800 Heacock Street, in Moreno Valley, (APN 482-180-075) for use by the DOPH WIC. A Second Amendment to the Lease Agreement was most recently approved on May 24, 2011, which extended the term for an additional five years. This leased office space continues to meet the requirements for the RUHS DOPH -WIC and an additional three year extension is being sought. As part of the lease extension, the Lessor, Heacock Business Center, LLC, has agreed to incorporate operating improvements, including replacing of carpet in one office, replacing cracked, or uneven VCT tiles, touch up painting throughout the clinic, installing no smoking signs outside the premises, adding corner guards at every right angle within the suite to protect paint, replacing existing shelf at pass through window in print room, and replacing broken and missing window blinds. In addition, the leased space has been re-measured and determined to be 5,717 square feet and will be adjusted as part of the 3rd Amendment to the Lease Agreement. The 3rd Amendment to the Lease Agreement, which is the letting of property involving existing facilities for an additional three-year term, and specified tenant improvements, is identified as the proposed Project under the California Environmental Quality Act (CEQA). 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, and Heacock Business Center, LLC

**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 does the Project have unusual circumstances that could possibility have a significant effect on the environment. 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 3rd Amendment to the Lease Agreement.

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- 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. The Project, as proposed, is limited to a Lease Agreement of office space in an existing building with minor tenant improvements. The improvements are associated with the minor repair and maintenance and of the facility and would not result in any direct or indirect impacts on the environment. The use of the office space would be consistent with the designated land use, and would not require any expansion of public services and facilities; 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 3<sup>rd</sup> Amendment to the Lease Agreement is limited to a lease agreement with minor improvements consisting of repairs and maintenance to keep the existing building functioning as planned and designed. The direct and indirect effects would be limited to the continued use of an office building. The Lease Agreement will 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:  Date: 1/12/17

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name:** Riverside University Health System Public Health WIC, Moreno Valley, 3<sup>rd</sup>  
Amendment to Lease

**Accounting String:** 524830-47220-7200400000- FM042462001200

**DATE:** January 12, 2017

**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:** Cindy Campos, Real Property Agent III, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: January 12, 2017

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 # FM042462001200**  
Riverside University Health System Public Health WIC, Moreno Valley, 3<sup>rd</sup> Amendment to Lease

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 10<sup>th</sup> Street, Suite 400, Riverside, CA 92501**

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

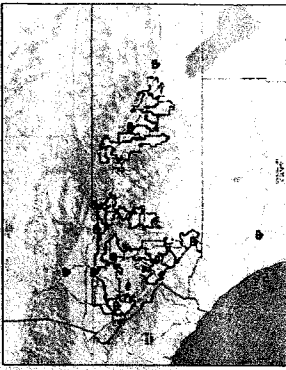
Attachment

cc: file



# Third Amendment to Lease

Riverside University Health Systems - Public Health/WIC



Legend



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Notes  
APN 482180075 / District 5