

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



ITEM
3.13
(ID # 5547)

MEETING DATE:

Tuesday, October 31, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA). Approval of Termination of Revenue Lease Agreement with Sadler Healthcare Inc., 82-485 Miles Avenue, Indio, CEQA Exempt, District 4, [\$0] (Clerk to File Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities Exemption, and Section 15061(b)(3), "Common Sense" Exemption;
2. Approve the termination of the Revenue Lease dated July 10, 2014 between the County of Riverside and Sadler Healthcare, Inc. and the written notice of termination of said lease, and authorize the Assistant County Executive Officer of the Economic Development Agency to execute said written notice on behalf of the County.
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five working days of approval by the Board.

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA

10/12/2017

Steve Steinberg

10/13/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: October 31, 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**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 2017/18	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Sadler Healthcare Inc entered into a one-year lease with the County of Riverside on July 10, 2014 to occupy 14,361 square feet located at 82-485 Miles Avenue, Indio. The Lease was extended for one year under the First Amendment to Lease and an additional two years under a Second Amendment which will expire June 30, 2018.

Pursuant to Section 18 (h) of the Lease, County has the right to terminate the Lease without cause upon sixty days written notice served upon Lessee.

Pursuant to the California Environmental Quality Act (CEQA), the project, the termination of the Lease, was viewed and determined to be categorically exempt from CEQA under CEQA Guidelines Section 15301 Class 1, Existing Facilities Exemption and Section 15061(b)(3), "Common Sense" Exemption. This is a mere termination of an agreement resulting in no further action or changes and does not cause significant changes in the land.

Impact on Citizens and Businesses

An effort will continue by the EDA Real Estate Division to locate a suitable tenant in the region to provide program services to the community.

SUPPLEMENTAL:

Additional Fiscal Information

There is no direct financial impact associated with the attached transaction document.

Contract History and Price Reasonableness

N/A

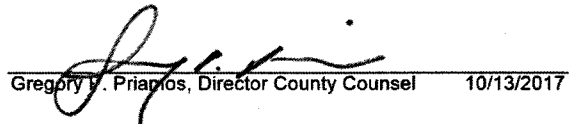
Attachments:

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

- Notice of Exemption
- Written Notice of Termination of Lease

RF:HM:VC:VY:MH:tg IN112 19.273 13695
Minute Traq ID 5547


Rohini Dasika, Principal Management Analyst 10/23/2017


Gregory V. Priamos, Director County Counsel 10/13/2017



October __, 2017

Dr. Gilbert R. Varela
Chief Executive Officer
Sadler Healthcare, Inc.
5247 E. Beverly Blvd.
Los Angeles, CA 90022

Re: Notice to Terminate Revenue Lease dated July 10, 2014 - 82-485 Mile Avenue, Indio, CA

Dear Mr. Varela:

Pursuant to Paragraph 18 (h) of the above-referenced Revenue Lease ("Lease"), the County of Riverside ("County") is exercising its right to terminate said Lease without cause. Please be advised that pursuant to Paragraph 18 (h) of the Lease, this letter serves as the County's sixty (60) days written notice of termination of the Lease. Accordingly, notice is given that the Lease is hereby terminated on the date sixty (60) days after the date of this letter. Following that date, the County will owe you no further obligation.

This office will contact you to schedule and conduct a surrender walk through before December 31, 2017. Please feel free to contact this office at 951-955-8431 should you have any questions.

Sincerely,

Robert Field,
Assistant County Executive Officer/EDA

FORM APPROVED COUNTY COUNSEL

BY: Thomas OH 10/9/17
THOMAS OH DATE



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

11/2/17
Date

KB
Initial

NOTICE OF EXEMPTION

September 26, 2017

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System-Behavioral Health, Termination of Lease Agreement with Sadler Healthcare, Inc., Indio, County of Riverside

Project Number: FM047341011200

Project Location: 82-485 Miles Avenue, east of Palm Street, Indio, California 92201; Assessor's Parcel Number (APN) 611-102-021; (See Attached Exhibit)

Description of Project: On July 10, 2014, the County of Riverside (County) entered into a one-year lease agreement with Sadler Healthcare Inc. for the use of 14,361 square feet of office space on County-owned land. The Lease Agreement was extended for one year under a first amendment and for an additional two years under a second amendment, that will expire on June 30, 2018. Pursuant to Section 18 (h) of the Lease, County has the right to terminate the Lease without cause upon sixty days written notice served upon Lessee. The termination of the Lease is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Project is a mere termination of an agreement resulting in no further action or changes and does not cause significant physical changes in the land. 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 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 termination of the Lease Agreement.

OCT 31 2017 3.13

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

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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 the termination of the Lease Agreement. The termination of the lease agreement 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 termination of the License Agreement will not result in any direct or indirect physical environmental impacts. The termination of the Lease Agreement will result in no changes to the existing use and will not create any new environmental impacts to the surrounding area. No alterations and no impacts to the existing use of the site 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: _____

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, Department of Behavioral Health
Termination of Lease Agreement with Sadler Healthcare, Inc., Indio, California**

Accounting String: 524830-47220-7200400000 - FM047341011200

DATE: September 26, 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: Maribel Hyer, Senior Real Property Agent, Economic Development
Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: September 26, 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 # FM047341011200**
Riverside University Health System, Department of Behavioral Health Termination of Lease Agreement with Sadler Healthcare, Inc., Indio, California

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