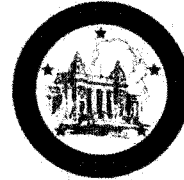


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.10
(ID # 4357)

MEETING DATE:

Tuesday, February 6, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and approval of First Amendment to Lease, Riverside University Health System (RUHS), Family Care Clinic, Jurupa Valley, 2 Year Lease Extension, District 2, CEQA Exempt [\$239,041], Federal Qualified Operational Revenues 100% - RUHS Health Budget (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 State CEQA Guidelines Section 15301, Existing Facilities, and Section 15061 (b) (3), the Common Sense exemption;
2. Ratify and approve the First Amendment to Lease and authorize the Chairman of the Board to execute the First 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 by the Board.

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA

1/17/2018

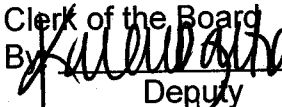
Jennifer Cruikshank, Chief Executive Officer - Health System

1/18/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Ashley 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: February 6, 2018
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	\$ 118,152	\$ 120,889	\$ 239,041	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Federal Qualified Operational Revenue 100% - RUHS Budget			Budget Adjustment: No	
			For Fiscal Year: 2017/18-2018/19	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 12, 2013 the Board of Supervisors authorized the Chairman of the Board to execute a lease agreement with Lessor on behalf of RUHS Health, Riverside University Health Care System for the existing Health Clinic located at the below address (Agenda Number 3-18). Thereafter, RUHS directed Economic Development Agency (EDA) to initiate the RFP process to solicit developers to construct a new build to suit leased facility to accommodate a new Health Care Clinic location to create expansion space and efficiencies for RUHS Health. On June 30, 2015, the Board of Supervisors approved minute order 3-54, which authorized EDA's Real Estate Division to identify suitable space to support RUHS Health - Care Clinics (Agenda Number 3-18).

The new build to suit leased facility will be constructed at 8876 Mission Boulevard in Jurupa Valley, on the southwest corner of Mission Blvd. and Pedley Road. The purpose of the First Amendment is to extend the lease on the current facility until such time that the new facility is completed. The Real Estate Division has negotiated a twenty four month lease extension with a right to terminate after twelve months so as to terminate the lease upon completion of the new facility. EDA has also negotiated the reduction of the annual escalator from three percent to two and a half percent. Lessor shall also make repairs to the floors at the nurse's station at Lessor's sole cost and expense.

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 First Amendment, is the letting of property involving existing facilities, no expansion of an existing use will occur.

County Counsel has approved the First Amendment to Lease as to form.

The Lease is summarized as follows:

Location: 9415 Mission Blvd. Suite O-S

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

Jurupa Valley, CA 92509

Lessor: J&M Oostdam Properties, LLC
C/O Jurupa Town Center, Alden Management Group
1970 N. Warren Road
San Jacinto, CA 92582

Size: Approximately 6,000 Square Feet

Term: Twenty four months, commencing July 1, 2017 through
June 30, 2019

Early termination Right: Right to terminate the lease after twelve months

Rent:

	Current	New
	\$ 1.37 Sq. Ft.	\$ 1.45 Sq. Ft.
	\$ 8,238.72 Per Month	\$ 8,698.03 Per Month
	\$ 98,864.64 Per Year	\$104,376.36 Per Year

Annual Escalator: Reduced to 2.5% per annum

Repairs: Lessor shall repair floor in nurses station at Lessors sole
cost and expense

Utilities: Lessor pays for water and refuse collection. County pays
for electricity and telephone service

Maintenance: Lessor is responsible for maintenance

Custodial: County

RCIT: None

Impact on Citizens and Businesses

This RUHS facility continues to provide the health care services that serve the Family Medicine and Primary Health Care needs of all the residents within the region. The RUHS Health facility is conveniently located close to public transportation for ease of access and is a benefit to the residents and businesses of this region.

**SUPPLEMENTAL:
Additional Fiscal Information**

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

RUHS will budget these costs in FY 2017/18 and will reimburse EDA for all costs on a monthly basis. See Exhibits A and B.

Contract History and Price Reasonableness

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

Attachments:

- Exhibits A and B
- First Amendment to Lease
- Notice of Exemption
- Aerial Image

RF:VC:VY:CC:tg RV532 18.700 13518
Minute Trak # 4357


Renini Bland, Principal Management Analyst 1/29/2018



Gregory V. Priamos, Director County Counsel 1/18/2018

Exhibit A

FY 2017/18

RIVERSIDE UNIVERSITY HEALTH SYSTEM CARE CLINIC
9415 Mission Blvd. Suites O-S, Jurupa Valley, CA 92509

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	6,000	SQFT	
Approximate Cost per SQFT (July - June)	\$	1.45	
Lease Cost per Month (July - June)		\$	8,698.03
Total Lease Cost (July - June)			<u>\$ 104,376.36</u>
Total Estimated Lease Cost for FY 2017/18			<u>\$ 104,376.36</u>

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	<u>720.00</u>
Total Estimated Utility Cost			\$ 8,640.00
EDA Lease Management Fee - 4.92%			<u>\$ 5,135.32</u>
TOTAL ESTIMATED COST FOR FY 2017/18			<u>\$ 118,151.68</u>

Exhibit B

FY 2018/19

RIVERSIDE UNIVERSITY HEALTH SYSTEM CARE CLINIC

9415 Mission Blvd. Suites O-S, Jurupa Valley, CA 92509

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	6,000	SQFT	
Approximate Cost per SQFT (July - June)	\$	1.49	
Lease Cost per Month (July - June)	\$	8,915.48	
Total Lease Cost (July - June)			\$ 106,985.77
Total Estimated Lease Cost for FY 2018/19			\$ 106,985.77

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 720.00	
Total Estimated Utility Cost			\$ 8,640.00
EDA Lease Management Fee - 4.92%			\$ 5,263.70
TOTAL ESTIMATED COST FOR FY 2018/19			\$ 120,889.47
F11: Cost - Total Cost			\$ 239,041.15



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

2/7/18 Date

tb Initial

NOTICE OF EXEMPTION

September 12, 2017

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System (RUHS) Care Clinic, Jurupa Valley, 1st Amendment to Lease

Project Number: FM042611053200

Project Location: 9415 Mission Boulevard, Suites O through S, west of Hunter Street, Jurupa Valley, California 92582; Assessor's Parcel Number (APN) 170-190-028; (See Attached Exhibit)

Description of Project: On March 12, 2013, the County of Riverside (County) entered into a lease agreement for Suites O, P, Q, R, and S, consisting of 6,000 square feet, in the building located at 9415 Mission Boulevard, in Jurupa Valley, (APN 170-190-028) for use by the RUHS Care Clinic. On September 13, 2016, the Board of Supervisors approved Minute Order 3-12 for a new build to suit facility to meet the needs of RUHS Care Clinic in Jurupa Valley. The new RUHS Care Clinic facility will be constructed at 8876 Mission Boulevard in Jurupa Valley. Until the new RUHS Care Clinic Facility is completed, the current Clinic space continues to meet the requirements for RUHS. In an effort to assist RUHS with achieving their goals to prepare for their relocation to the new facility upon completion and acceptance by County the Real Estate Division has negotiated a new 24 month lease with a right to terminate after a year in the event the new build to suit is completed and ready for occupancy. County shall notify Lessor in writing by providing 30 day notice to terminate the Lease. The amendment also includes minor tenant improvements consisting of flooring repairs within the nurse's station. The extension of the lease shall commence on July 1, 2017 and terminate on June 30, 2019. The 1st Amendment to the Lease Agreement, which is the letting of property involving existing facilities for an additional two year term and minor 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 J&M Oostdam Properties, 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 1st Amendment to the Lease Agreement.

FEB 06 2018 3.10

- 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 1st Amendment to the Lease Agreement is limited to the extension of an existing lease agreement with minor interior tenant improvements. The direct and indirect effects would be limited to the continued use of an office building.

The potential indirect effects from the action to develop a build to suit facility were previously addressed in a Notice of Exemption approved by the Board on September 13, 2016. The Lessor, as required by terms of that previous agreement, would be required to provide CEQA review and analyze the effects of all of the discretionary actions involved in the development of the future site for the RUHS Care Clinic. This proposed lease extension is separate from the previous action as the proposed action has independent utility. The current extension of the lease is required whether or not the future site is developed. Therefore, the Lease Agreement will not result in any direct or indirect physical environmental impacts. 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: 9/12/17

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 Care Clinic, Jurupa Valley, 1st Amendment to Lease

Accounting String: 524830-47220-7200400000- FM042611053200

DATE: September 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: September 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 # FM042611053200**
Riverside University Health System Care Clinic, Jurupa Valley, 1st 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 10th Street, Suite 400, Riverside, CA 92501

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

Attachment

cc: file

1 **FIRST AMENDMENT TO LEASE**

2 (Riverside University Health Systems Care Clinic)

3 9415 Mission Blvd., Suites O,P,Q,R,S, Jurupa Valley, CA

4
5 This FIRST AMENDMENT to Lease ("First Amendment"), dated as of
6 February 6, 201~~7~~⁹, is entered by and between the COUNTY OF
7 RIVERSIDE, a political subdivision of the State of California ("County"), as Lessee, and
8 J&M OOSTDAM PROPERTIES, LLC a California limited liability company, hereinafter
9 referred to as "Lessor". County and Lessor are hereinafter collectively referred to as
10 the "Parties" or individually as a "Party".

11 **RECITALS**

12 A. J&M Oostdam Properties, LLC, and County, entered into that certain Lease
13 dated March 12, 2013, ("Lease") pertaining to the premises located at 9415 Mission
14 Blvd., Suites O, P, Q, R and S, Jurupa Valley, California, as more particularly
15 described in the Lease.

16 B. The Parties now desire to amend the Lease by extending the term of the
17 Lease, adjusting the rent, annual escalator, and addressing floor repairs within the
18 nurse's station.

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

21 1. **Term.** Section 4.1 of the Lease is hereby amended as follows: The
22 Original Term of the Lease shall be extended for a period of twenty four (24) months,
23 commencing on July 1, 2017 and terminating on June 30, 2019 ("Extended Term").

24 2. **Early Termination.** Section 5.5 of the Lease is hereby amended as
25 follows: In addition to the rights granted in Section 5.5 of the Lease County may
26 terminate the Lease for any reason after twelve (12) months of the commencement
27 date of the Extended Term, as defined in the First Amendment. Notwithstanding the
28

FEB 06 2018 3.10

1 notice provision in section 5.5 of the Lease, County shall provide thirty (30) days prior
2 written notice to Lessor of such termination.

3 **3. Rent During Extended Term:** Section 5 of the Lease is hereby amended
4 as follows: Notwithstanding anything to the contrary in the Lease, County shall pay to
5 Lessor the monthly sums as rent for the Premises during the Extended Term as
6 indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$8,698.03	July 1, 2017 thru June 30, 2018
\$8,915.48	July 1, 2018 thru June 30, 2019


7
8
9
10 **4. Repairs.** Lessor agrees to make the necessary flooring repairs located in
11 Suite O, within the nurse's station as specified on Exhibit A attached hereto and
12 incorporated herein by reference. Repairs will be at Lessor's sole cost and expense.
13 Upon receipt of the fully executed First Amendment, Lessor shall promptly provide
14 County with a timeline and a schedule for repairs to be completed. To avoid disruption
15 of County business, the floor repairs shall be completed after normal business hours,
16 or over a weekend.

17 **5. First Amendment to Prevail.** Unless defined herein or the context
18 requires otherwise, all capitalized terms herein shall have the meaning defined in the
19 Lease as heretofore amended. The provisions of this First Amendment shall prevail
20 over any inconsistency of conflicting provisions of the Lease, and shall supplement the
21 remaining provisions thereof.

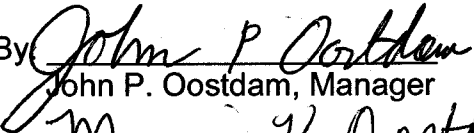
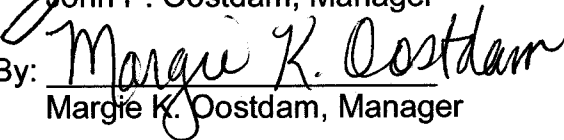
22 **6. Miscellaneous.** Except as amended or modified herein, all the terms of
23 the Lease shall remain in full force and effect and shall apply with the same force and
24 effect. Time is of the essence in this First Amendment and the Lease and each and all
25 of their respective provisions. Subject to the provisions of the Lease as to assignment,
26 the agreements, conditions and provisions herein contained shall apply to and bind the
27 heirs, executors, administrators, successors and assigns of the parties hereto. If any
28 provisions of this First Amendment or the Lease shall be determined to be illegal or

1 **IN WITNESS WHEREOF**, the Parties have executed this **First Amendment** as
2 of the date first written above.

3
4 **LESSEE:**
5 **COUNTY OF RIVERSIDE**

6 By: 
7 ~~John Favaglione~~, Chairman
8 Board of Supervisors
9 Chuck Washington

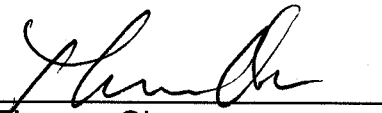
LESSOR:
J&M OOSTDAM PROPERTIES, LLC a
California limited liability Company

By: 
John P. Oostdam, Manager
By: 
Margie K. Oostdam, Manager

10
11 **ATTEST:**
12 Kecia Harper-Ihem
13 Clerk of the Board

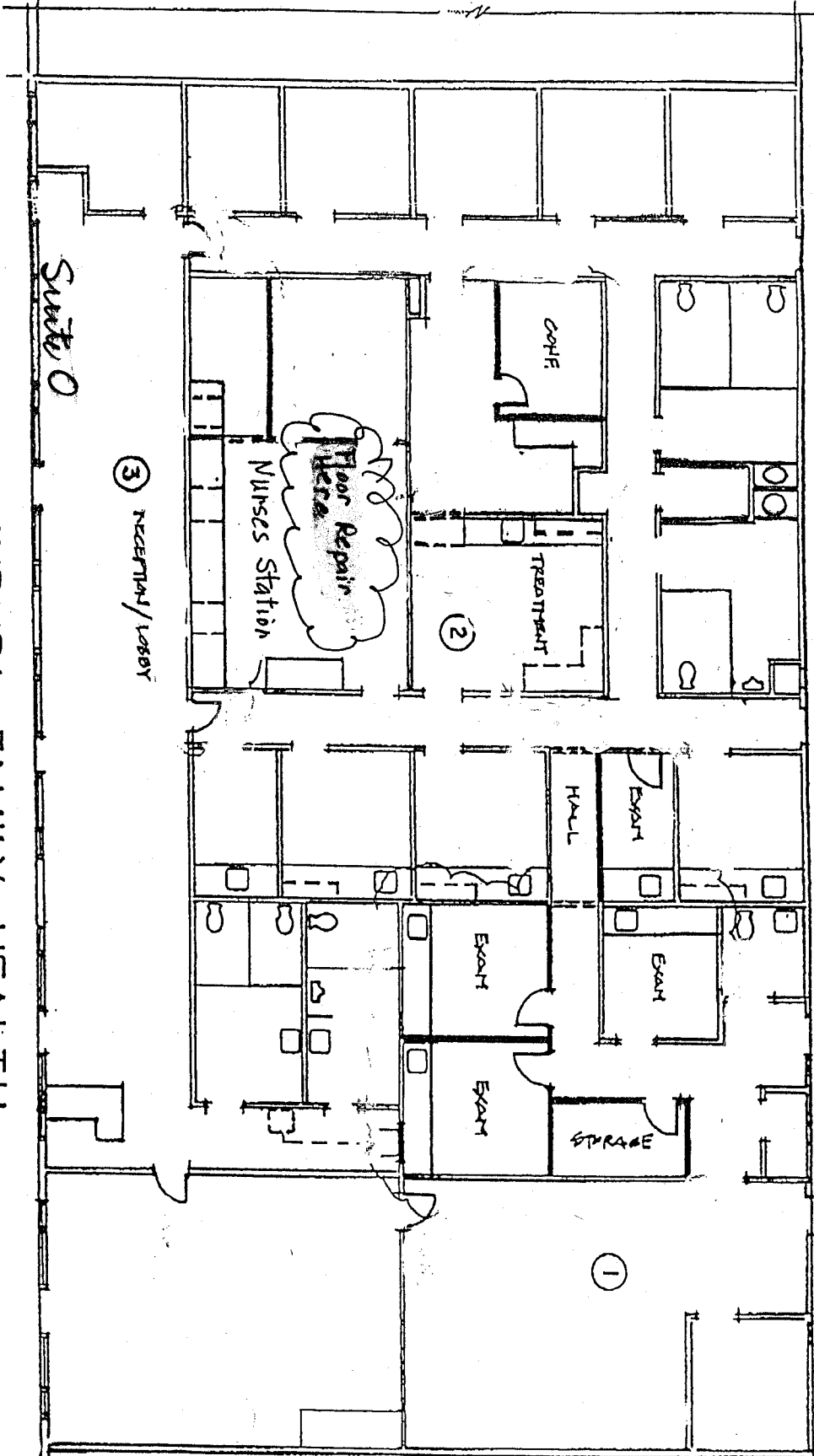
14 By: 
15 Deputy

16 **APPROVED AS TO FORM:**
17 Gregory P. Priamos, County Counsel

18 By: 
19 Thomas Oh,
20 Deputy County Counsel

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28 CC:ra/090717/RV532 RUHS – Health/18.701

EXHIBIT "A"



JURUPA FAMILY HEALTH
9415 MISSION BLVD.
UNITS OPQRS