

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



ITEM
3.14
(ID # 7020)

MEETING DATE:

Tuesday, June 12, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and Approval of Fifth Amendment to Lease, Riverside University Health System - Behavioral Health, Corona, 3 Year Lease Extension, CEQA Exempt, District 2, [\$332,967]; Federal 70%, State 30% (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 exemption and Section 15061(b)(3) "common sense" exemption;
2. Ratify and Approve the attached Fifth 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 within 5 days of approval by the Board.

ACTION: Policy


Robert Field, Assistant County Executive Officer/ECD

5/29/2018

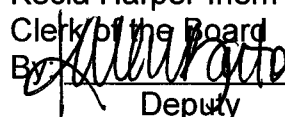

Steve Steinberg

5/30/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Perez 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: June 12, 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	\$ 36,311	\$109,614	\$332,967	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: State 70%, State 30%			Budget Adjustment:	
			For Fiscal Year: 2017/18- 2020/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

This Fifth Amendment to Lease represents a request from the Riverside University Health System – Behavioral Health to extend the lease for its office located at 623 N. Main Street, Suite D9 through D12, Corona, California, commencing on March 1, 2018 through February 28, 2021. The rate remains \$1.70 per square feet with a two percent (2%) annual increase.

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

This Fifth Amendment to Lease is summarized below:

Lessor: CJP, Ltd.
Summit Team
17165 Newhope Street, Suite H
Fountain Valley, California, 92708

Premises Location: 623 N. Main Street, Suite D9 through D12, Corona, California

Size: 4,756 square feet

<u>Current</u>	<u>New</u>
\$ 1.70 per sq. ft.	\$ 1.70 per sq. ft.
\$ 8,108.17 per month	\$ 8,108.17 per month
\$97,298.04 per year	\$97,298.04 per year

Term: Effective March 1, 2018 through February 28, 2021

Rent Adjustment: Two (2%) percent annually

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

Utilities: County pays for telephone and electrical services, Lessor pays for all other services.

Custodial Services: Lessor

Maintenance: Lessor

Option to Terminate: Termination for any reason after twelve months of the lease extension with ninety days' notice

The attached Fifth Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

Impact on Residents and Businesses

This facility provides important mental health services for the residents and community surrounding this region of the County. This facility provides a positive economic impact to this area's residents and businesses with short and long-term jobs and employees and visitors that support area businesses.

**SUPPLEMENTAL:
Additional Fiscal Information**

See attached Exhibits A, B, & C

The RUHS-BH has budgeted these costs in FY 2017/18 and will reimburse Economic Development Agency for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a three year renewal. The lease rate is competitive based on the current market. The Lease has been in place since 1998.

Attachments:
Exhibits A, B & C
Fifth Amendment to Lease
Notice of Exemption
Aerial Map

RF:HM:VY:MH:ra CR012 19.646 13766

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

Minute Traq ID 7020


Rohini Basma, Principal Management Analyst 6/4/2018

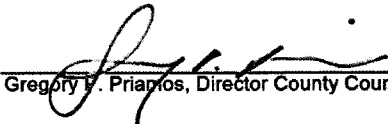

Gregory L. Priamos, Director County Counsel 5/31/2018

Exhibit A

FY 2017/18

RUHS - Behavioral Health Lease Cost Analysis

623 N. Main Street, Suites D9 - D12, Corona

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	4,756 SQFT		
Approximate Cost per SQFT (July - Feb)	\$	1.70	
Approximate Cost per SQFT (March - June)	\$	1.70	
Lease Cost per Month (July - Feb)	\$	8,108.17	
Lease Cost per Month (March - June)	\$	8,108.17	
Total Lease Cost (July - Feb)			\$ 64,865.36
Total Lease Cost (March - June)			\$ 32,432.68
Total Estimated Lease Cost for FY 2017/18			\$ 97,298.04

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 570.72	
Total Estimated Utility Cost (July-Feb)			\$ 4,565.76
Total Estimated Utility Cost (March-June)			\$ 2,282.88
EDA Lease Management Fee - 3.93%			\$ 2,549.21
EDA Lease Management Fee - 4.92%			\$ 1,595.69
Total Estimated Cost for FY 2017/18			\$ 108,291.58
Amount Approved in Previous Agreement			\$ 71,980.33
Amount of FY17/18			\$ 36,311.25

Exhibit B

FY 2018/19

RUHS - Behavioral Health Lease Cost Analysis
623 N. Main Street, Suites D9 - D12, Corona

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	4,756 SQFT		
Approximate Cost per SQFT (July - Feb)	\$	1.70	
Approximate Cost per SQFT (March - June)	\$	1.74	
Lease Cost per Month (July - Feb)	\$	8,108.17	
Lease Cost per Month (March - June)	\$	8,270.33	
Total Lease Cost (July - Feb)			\$ 64,865.36
Total Lease Cost (March - June)			\$ 33,081.33
Total Estimated Lease Cost for FY 2018/19			\$ 97,946.69

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 570.72	
Total Estimated Utility Cost			\$ 6,848.64
EDA Lease Management Fee - 4.92%			\$ 4,818.98
Total Estimated Cost for FY 2018/19			\$ 109,614.31

Exhibit C

FY 2019/20 to FY 2020/21
RUHS - Behavioral Health Lease Cost Analysis
623 N. Main Street, Suites D9 - D12, Corona

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 4,756

	FY 2019/20	FY 2020/21
Approximate Cost per SQFT (July - Feb)	\$ 1.74	
Approximate Cost per SQFT (March - June)	\$ 1.77	
Lease Cost per Month (July - Feb)	\$ 8,270.33	\$ 8,435.74
Lease Cost per Month (March - June)	\$ 8,435.74	
Total Lease Cost (July - Feb)	\$ 66,162.67	\$ 67,485.92
Total Lease Cost (March - June)	\$ 33,742.96	
Total Estimated Lease Cost for FY 2019/20 to FY 2020/21	\$ 99,905.63	\$ 67,485.92

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 570.72	\$ 570.72
Total Estimated Utility Cost	\$ 6,848.64	\$ 4,565.76
EDA Lease Management Fee - 4.92%	\$ 4,915.36	\$ 3,320.31
Total Estimated Cost for FY 2019/20 to FY 2020/21	\$ 111,669.62	\$ 75,371.99

F11: Cost - Total Cost \$ 332,967.17

1 **FIFTH AMENDMENT TO LEASE**

2 **623 N. Main Street, Suite D-9 through D-12, Corona, California**

3
4 This **FIFTH AMENDMENT TO LEASE** ("Fifth Amendment"), dated as of
5 ~~JUN 12 2018~~, is entered by and between the **COUNTY OF RIVERSIDE**, a
6 political subdivision of the State of California, ("Lessee"), and **CJP, Ltd**, a California
7 limited partnership ("Lessor"), sometimes collectively referred to as the "Parties".

8 **RECITALS.**

9 a. Lessor and Lessee entered into a lease dated December 8, 1998,
10 pursuant to which Lessor has agreed to lease to Lessee and Lessee has agreed to
11 lease from Lessor a portion of that certain building located at 623 N. Main Street,
12 Suites D9 through D12, Corona, California ("Building"), as more particularly described
13 in the Lease (the "Original Lease").

14 b. The Original Lease has been amended by:

15 i. That certain First Amendment to Lease dated April 13,
16 2004, by and between Lessee and Lessor (the "1st Amendment"), whereby the Parties
17 amended the Original Lease to extend the term period, and amend the rental amounts,
18 the right to early termination and improvements.

19 ii. That certain Second Amendment to Lease dated June 5,
20 2007, by and between Lessee and Lessor (the "2nd Amendment"), whereby the Parties
21 amended the Original Lease to extend the term period, and amend the rental amounts
22 and improvements.

23 iii. That certain Third Amendment to Lease dated May 4, 2010,
24 by and between Lessee and Lessor (the "3rd Amendment"), whereby the Parties
25 amended the Original Lease to extend the term period, and amend the rental amounts,
26 the right to early termination, and notices.

27 iv. That certain Fourth Amendment to Lease dated May 21,
28 2013, by and between Lessee and Lessor (the "4th Amendment"), whereby the Parties

1 amended the Original Lease to extend the term period, and amend the rental amounts
2 and improvements.

3 c. The Original Lease together with the 1st, 2nd, 3rd, 4th, and this Fifth
4 Amendment are collectively referred to herein as the "Lease".

5 d. The Parties now desire to amend the Original Lease with this Fifth
6 Amendment to extend the term period and amend the rental amount.

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

9 1. **TERM.** Section 3 (a) of the Lease is hereby amended to extend the
10 Lease term from March 1, 2018 through February 28, 2021 ("Term").

11 2. **RENT.** Section 5 of the Lease is hereby amended by the following:
12 County shall continue to pay to Lessor the monthly sum of \$8,108.17 as rent for the
13 leased premises effective March 1, 2018 ("Effective Date"). Thereafter, the monthly
14 rent shall continue to be increased annually on each anniversary of the Effective Date
15 by an amount equal to two percent (2%) of the monthly rent paid during the preceding
16 year.

17 3. **TERMINATION.** The language in Section 12, subsection (c) of the
18 Original Lease is hereby amended by the following:
19 County shall have the right to terminate this Lease for any reason after twelve months
20 from board approval of this Lease extension providing Lessor ninety (90) days advance
21 written notice.

22 4. **CAPITALIZED TERMS. FIFTH AMENDMENT TO PREVAIL.** Unless
23 defined herein or the context requires otherwise, all capitalized terms herein shall have
24 the meaning defined in the Lease, as heretofore amended. The provisions of this Fifth
25 Amendment shall prevail over any inconsistency or conflicting provisions of the Original
26 Lease, as heretofore amended, and shall supplement the remaining provision thereof.

27 5. **MISCELLANEOUS.** Except as amended or modified herein, all the terms
28 of the Lease shall remain in full force and effect and shall apply with the same force

1 and effect. Time is of the essence in this Fifth Amendment and the Lease and each
2 and all of their respective provisions. Subject to the provisions of the Lease as to
3 assignment, the agreements, conditions and provisions herein contained shall apply to
4 and bind the heirs, executors, administrators, successors and assigns of the parties
5 hereto. If any provision of this Fifth Amendment or the Lease shall be determined to be
6 illegal or unenforceable, such determination shall not affect any other provision of the
7 Lease and all such other provisions shall remain in full force and effect. The language
8 in all parts of the Lease shall be construed according to its normal and usual meaning
9 and not strictly for or against either Lessor or Lessee. Neither this Fifth Amendment,
10 nor the Original Lease, nor any notice nor memorandum regarding the terms hereof,
11 shall be recorded by Lessee.

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

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

6 Dated: JUN 12 2018

7
8 **LESSEE:**

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

12
13 By: 
14 Chuck Washington, Chairman
15 Board of Supervisors

LESSOR:

CJP, Ltd.,
a California limited partnership
by CDM Management LLC
General Manager

16
17 By: 
18 Name: Erik M. Phillips
19 Its: Member/President

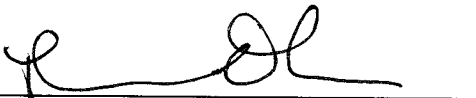
20 **ATTEST:**

21 Kecia Harper-Ihem
22 Clerk of the Board

23 By: 
24 Deputy

25 **APPROVED AS TO FORM:**

26 Gregory P. Priamos, County Counsel

27 By: 
28 Thomas Oh
Deputy County Counsel

MH:ra/051018/CR012/19.647



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

6/13/18
Date

VB
Initial

NOTICE OF EXEMPTION

January 19, 2018

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System-Behavioral Health, Fifth Amendment to Lease, Corona, County of Riverside

Project Number: FM042166001200

Project Location: 623 North Main Street, north of East Rincon Street, Suites D9 through D12, Corona, California 92880; Assessor's Parcel Number (APN) 119-280-048; (See Attached Exhibit)

Description of Project: The County of Riverside (County) Department of Mental Health entered into a Lease Agreement on December 8, 1998 to lease office space located 623 North Main Street, Suites D9 through D12, in Corona, California. The Department of Mental Health is now under the jurisdiction of the Riverside University Health System Behavioral Health (RUHS-BH). Four previous amendments addressed the rate, improvements, and term extensions of the lease. The location continues to meet the needs of RUHS-BH and a fifth amendment that includes an additional three-year extension of is being sought. The term of the lease shall be commence on March 1, 2018 and terminate February 28, 2021 and shall be for the lease of 4,756 square feet of office space. The Fifth 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 office space and will not result in an expansion of the existing office building. 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, and CJP, LTD

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 Fifth Amendment to Lease.

JUN 12 2018 3.14

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Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

**Project Name: Riverside University Health System, Department of Behavioral Health
Fifth Amendment to Lease, Corona, California**

Accounting String: 524830-47220-7200400000 - FM042166001200

DATE: January 19, 2018

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: January 19, 2018

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 # FM042166001200
Riverside University Health System, Department of Behavioral Health Fifth Amendment to Lease,
Corona, 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