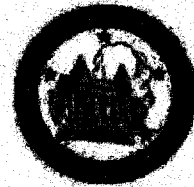


SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.17
(ID # 8162)

MEETING DATE:

Tuesday, December 4, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA) AND RIVERSIDE UNIVERSITY
HEALTH SYSTEM :

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of First Amendment to
Lease with Desert AIDS Project - Riverside University Health System, CEQA
Exempt, District 4, [(\$224,652)] RUHS – Community Care Clinics – Fund 40090
100% (Clerk of the Board to File the 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 Sections 15301, Existing Facilities exemption, and Section 15061(b)(3), "Common Sense" exemption;
2. Approve the attached First 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 attached Notice of Exemption with the County Clerk for posting within five days of approval by the Board.

ACTION: Policy

Robert Field, Assistant County Executive Officer/ECD

10/18/2018

Jennifer Crickshank, Assistant Executive Officer - Health System

10/18/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, 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: December 4, 2018
xc: EDA, Recorder

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy
3.17

**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	\$ (57,975)	\$ (86,962)	\$ (224,652)	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: RUHS – Community Care Clinics – Fund 40090 100%			Budget Adjustment: No	
			For Fiscal Year: 2018/19 – 2020/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On February 27, 2018, Minute Order 3.23, the Board of Supervisors approved the sale of the Palm Springs Family Clinic, located at 1515 N. Sunrise Way, Palm Springs, CA 92262 (County Clinic) from the County of Riverside (County) to Desert AIDS Project (DAP). In turn, the County is leasing the County Clinic back from DAP for up to three years (Original Lease), at the cost of operations. The County will continue use of the County Clinic while the replacement healthcare facility is planned and constructed.

The County Clinic is operated by Riverside University Health System (RUHS), consists of an approximately 22,000 square foot healthcare facility, and includes patient registration, administrative offices, waiting and exam rooms, classrooms, and offices for the Women, Infants and Children (WIC) programs. Services also include primary medical and traditional public health services.

Per provisions in the Original Lease, RUHS agreed to relinquish a portion of the County Clinic to DAP. The attached First Amendment to Lease reduces the square footage used by RUHS, which will reduce the rent. DAP is constructing improvements, at the sole cost of DAP, to assist the relocation for RUHS in the consolidated space.

Pursuant to the California Environmental Quality Act (CEQA), the First Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301, Class 1 – Existing Facilities exemption and Section 15061(b)(3), “Common Sense” exemption. The proposed project, the First Amendment, is the letting of property where no or negligible expansion of an existing use will occur.

The Lease and First Amendment are summarized below:

Lessor: Desert Aids Project
1695 N Sunrise Way
Palm Springs, California 92262

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

Location: 1515 N. Sunrise Way,
Palm Springs, California 92262

Term: Three years

Size:	<u>Current</u>	<u>New</u>
	16,574 sf	8,500 sf
	<u>1,535 sf (Shared)</u>	<u>3,870 sf (Shared)</u>
	18,109 Total Square Feet	12,370 Total Square Feet

Rent: \$1.00 per square foot
\$0.50 per square foot (shared space with DAP)

<u>Current</u>	<u>New</u>
\$17,342 per month	\$10,435 per month
\$208,104	\$125,200

Savings per month: \$6,907
Savings per year: \$82,904

Annual Increase: None

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

Custodial Services: Lessor

Maintenance: Lessor

Option to Terminate: Termination for any reason with ninety day notice.

Improvements: Paid by DAP

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

Impact on Citizens and Businesses

The lease helps to increase quality of healthcare services provided by RUHS and will increase healthcare availability for the entire region.

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

SUPPLEMENTAL:

Additional Fiscal Information

The RUHS has budgeted these costs in FY 2018/19 and will reimburse Economic Development Agency for all lease costs on a monthly basis.

Attachments:

- First Amendment to Lease
- Exhibits A, B, & C
- Aerial Map

RF:HM:VY:CAO:tg 13920
Minute Traq ID 8162


Alex Gann 11/26/2018


Gregory P. Priano, Director County Counsel 11/16/2018

Exhibit A

FY 2018/19
Lease Cost Analysis
1515 Sunrise Way, Palm Springs, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	18,109	SQFT	
Revised Office:	12,370		
Approximate Cost per SQFT (July-October)	\$	0.96	
Approximate Cost per SQFT (November-June)	\$	0.84	
Lease Cost per Month (July-October)			\$ 17,342.00
Lease Cost per Month (November-June)			\$ 10,435.00
Total Lease Cost (July-October)			\$ 69,368.00
Total Lease Cost (November-June)			\$ 83,480.00
Total Estimated Lease Cost for FY 2018/19			\$ 152,848.00
<u>Estimated Additional Costs:</u>			
EDA Lease Management Fee - 4.92%			\$ 7,520.12
TOTAL ESTIMATED COST FOR FY 2018/19			\$ 160,368.12
Amount Previously approved in Lease Agreement			\$ (218,342.72)
Amount for FY18/19			\$ (57,974.60)

Exhibit B

FY 2019/20
Lease Cost Analysis
1515 Sunrise Way, Palm Springs, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	12,370 SQFT	
Approximate Cost per SQFT (July - June)	\$ 0.84	
Lease Cost per Month (July - June)	\$ 10,435.00	
Total Lease Cost (July - June)		<u>\$ 125,220.00</u>
Total Estimated Lease Cost for FY 2019/20		<u>\$ 125,220.00</u>

Estimated Additional Costs:

EDA Lease Management Fee - 4.92%		\$ 6,160.82
TOTAL ESTIMATED COST FOR FY 2019/20		<u>\$ 131,380.82</u>
Amount Previously approved in Lease Agreement		(218,342.72)
Amount for FY19/20		\$ (86,961.90)

Exhibit C

FY 2020/21

Lease Cost Analysis

1515 Sunrise Way, Palm Springs, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 12,370 SQFT

	FY 2020/21
Approximate Cost per SQFT (July - June)	\$ 0.84
Lease Cost per month (Jul-May)	\$ 10,435.00
Total Lease Cost (July -May)	\$ 114,785.00
<u>Estimated Additional Costs:</u>	
EDA Lease Management Fee - 4.92%	<u>\$ 5,647.42</u>
TOTAL ESTIMATED COST FOR FY 2020/21	<u>\$ 120,432.42</u>
Amount Previously approved in Lease Agreement	(200,147.49)
Amount for FY 2020/21	(79,715.07)
F11: Cost - Total Cost	\$ (224,651.56)



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

12/5/18
Date

kh
Initial

NOTICE OF EXEMPTION

October 30, 2018

Project Name: County of Riverside, Economic Development Agency (EDA) Palm Springs Family Care Clinic First Amendment to Desert Aids Project, Palm Springs, California

Project Number: FM042551002400

Project Location: 1515 North Sunrise Way, south of East Vista Chino, Palm Springs, California, 92274; Assessor's Parcel Number (APN) 507-100-042; (See Attached Exhibit)

Description of Project: The County of Riverside leases office space from Desert AIDS Project (DAP) for the Palm Springs Family Clinic (County Clinic), located at 1515 N. Sunrise Way, Palm Springs, CA 92262, since May 2018 (Lease). The County Clinic is operated by Riverside University Health System (RUHS), consists of an approximately 22,000 square foot healthcare facility and includes patient registration, administrative offices, waiting and exam rooms, classrooms, and offices for the Women, Infants and Children (WIC) programs. Services also include primary medical and traditional public health services. Currently, the County leases 16,574 square feet of office space. The County is seeking to reduce the amount of square footage to be used by RUHS to 8,500 square feet.

The reduction of leased space for use by the Palm Springs Care is identified as the proposed project under the California Environmental Quality Act (CEQA). Since a replacement site has not been identified, the proposed action is limited to the direct effects of the sale. It can be seen with certainty that there is no possibility that the activity in question will have a significant impact on the environment. Any future development involving a replacement public facility use will be subject to separate CEQA environmental review prior to taking any choice limiting action or discretionary action.

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, Desert Aids Project

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 First Amendment to the Lease.

DEC 04 2018 3.17

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

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|-----------------------|------------------------|-------------------------------|-----------------------|
| Administration | Housing | Economic Development | Parking |
| Aviation | Housing Authority | Edward-Dean Museum | Project Management |
| Business Intelligence | Information Technology | Environmental Planning | Purchasing Group |
| Cultural Services | Maintenance | Fair & National Date Festival | Real Property |
| Community Services | Marketing | Foreign Trade | Redevelopment Agency |
| Custodial | | Graffiti Abatement | Workforce Development |

- **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 an amendment to a lease for use of an existing building which would result in reduction of leased space. The project will not increase or expand the use of the site, and is limited to 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:** The transfer agreement is exempt pursuant to State CEQA Guidelines Section 15061(b) (3). 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 First Amendment to the Lease 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. The reduction in leased space would increase the efficiency of the operations and reduce the overall cost to the County. No expansion or increase in intensity of use would occur and no impacts beyond the ongoing, 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 exemption 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: 10/30/18

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

**Project Name: Palm Springs Family Care Clinic First Amendment to Desert Aids Project,
Palm Springs, California**

Accounting String: 524830-47220-7200400000 - FM042551002400

DATE: October 30, 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:  _____

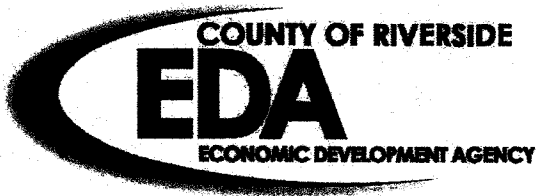
PRESENTED BY: Craig Olsen, Supervising Real Property Agent, Real Estate Division, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____



Date: October 30, 2018

To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM042551002400**
Palm Springs Family Care Clinic First Amendment to Desert Aids Project, Palm Springs, 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 or email at msullivan@rivco.org.

Attachment

cc: file

1 **FIRST AMENDMENT TO LEASE**

2 County of Riverside and
3 Desert AIDS Project, a California nonprofit public benefit corporation
4 County of Riverside, California
5

6 This **FIRST AMENDMENT TO LEASE** ("First Amendment") is made as of
7 December 4, 2018 by and between **Desert AIDS Project**, a California
8 nonprofit public benefit corporation, ("Lessor" or "DAP") and the **COUNTY OF**
9 **RIVERSIDE**, a political subdivision of the State of California, ("Lessee" or "County").
10 DAP and County are sometimes collectively referred to as "Parties".

11 **RECITALS**

12 **A.** **DAP** and **County** entered into that certain Lease Agreement dated
13 February 27, 2018, ("the Original Lease") pursuant to which Lessor has agreed to
14 lease to County and County has agreed to lease from Lessor portions of that certain
15 building located at 1515 N. Sunrise Way, Palm Springs, California ("the Building"), as
16 more particularly described in the Original Lease (the "Original Premises").

17 **B.** Pursuant to Section 37 of the Original Lease, County will vacate a portion
18 of the Original Premises and relinquish said portion to DAP.

19 **C.** DAP shall complete improvements in the Premises and provide a
20 certificate of occupancy ("Certificate of Occupancy") to the County upon completion of
21 said improvements, as set forth in Section 5 below.

22 **D.** The Parties hereby agree to amend the Original Lease to reduce the
23 square footage of the Original Premises, revise the rent, and provide for Lessor
24 improvements.

25 **E.** The Original Lease, together with this First Amendment, is collectively
26 referred to herein as the "Lease".

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

1 **1. Recitals.** Effective as of seven (7) days after County's receipt of the
2 Certificate of Occupancy ("Occupancy Date"), Section B of the Recitals in the Original
3 Lease shall be amended by the following: The square footage for the "County-Occupied
4 Space" shall be decreased from 16,574 square feet to 8,500 square feet.

5 **2. Description.** Effective as of the Occupancy Date, Section 1 of the
6 Original Lease shall be amended by the following: The reference to "Exhibit "C."" is
7 hereby deleted and replaced with "Exhibit "C-1"".

8 **3. Premises.** Effective as of the Occupancy Date, Section 2 of the Original
9 Lease shall be amended by the following:

10 a. Section 2.1 is hereby amended by the following: The office square
11 footage shall be reduced from 16,574 square feet to 8,500 square feet (\$1.00 psf).

12 b. Section 2.2 is hereby amended by the following: The shared
13 square footage shall be increased from 1,535 square feet to 3,870 square feet (\$0.50
14 psf).

15 c. Section 2.3 is hereby amended by the following: The monthly rent
16 shall be decreased from \$17,342 to \$10,435.

17 **4. Rent.** Effective as of the Occupancy Date, Section 5.1 of the Original
18 Lease shall be amended by the following: County shall pay the sum of \$10,435 per
19 month to Lessor as the monthly rental rate for the Premises, payable, in advance, on
20 the first day of the month or as soon thereafter as a warrant can be issued in the
21 normal course of County's business.

22 **5. Lessor Improvements.** Section 38 is hereby added to the Original
23 Lease as follows:

24 **38. Lessor Improvements.** DAP shall, at its sole cost and expense,
25 except for the County's computer cabling and moving expenses, which shall be
26 paid for by the County, construct the improvements in the Premises (the "DAP
27 Improvements") pursuant to those certain blueprints, floor and space plans, and
28 specifications (collectively, the "Approved Working Drawings") prepared by

1 DAP's architect as shown on Exhibit F, attached hereto and incorporated herein
2 by reference. DAP shall make no changes or modifications to the Approved
3 Working Drawings without the prior written consent of County. Upon completion
4 of the DAP Improvements, DAP shall provide to Lessee a copy of the certificate
5 of occupancy for the improved Premises executed by the appropriate governing
6 authority.

7 **6. Exhibit "C-1".** Effective as of the Occupancy Date, the Exhibit "C-1"
8 attached hereto shall be attached to and incorporated into the Original Lease.

9 **7. Exhibit "F".** The Exhibit "F" attached hereto is hereby attached to and
10 incorporated into the Original Lease.

11 **8. Capitalized Terms / First Amendment to Prevail.** Unless defined
12 herein or the context requires otherwise, all capitalized terms herein shall have the
13 meaning defined in the Original Lease, as heretofore amended. The provisions of this
14 First Amendment shall prevail over any inconsistency or conflicting provisions of the
15 Original Lease, as heretofore amended, and shall supplement the remaining provisions
16 thereof. The Original Lease remains in full force and effect except to the extent
17 amended by this First Amendment.

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

1 or Lessee. Neither this First Amendment, nor the Original Lease, nor any notice nor
2 memorandum regarding the terms hereof, shall be recorded by Lessee.

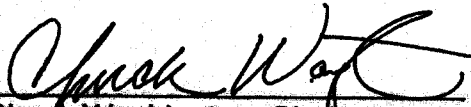
3 **10. Effective Date.** This First Amendment to Lease shall not be binding or
4 consummated until its approval by the Riverside County Board of Supervisors and fully
5 executed by the Parties.


6
7 [Signatures on following page]
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1 **IN WITNESS WHEREOF**, the Parties have executed this First Amendment as of
2 the date first written above.

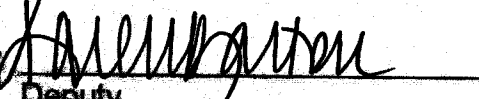
3
4 **LESSEE:**
5 County of Riverside, a political
6 subdivision of the State of California

LESSOR:
Desert AIDS Project, a California
nonprofit public benefit corporation


7 By: 
8 Chuck Washington, Chairman
9 Board of Supervisors

By: 
David Brinkman
Executive Director

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

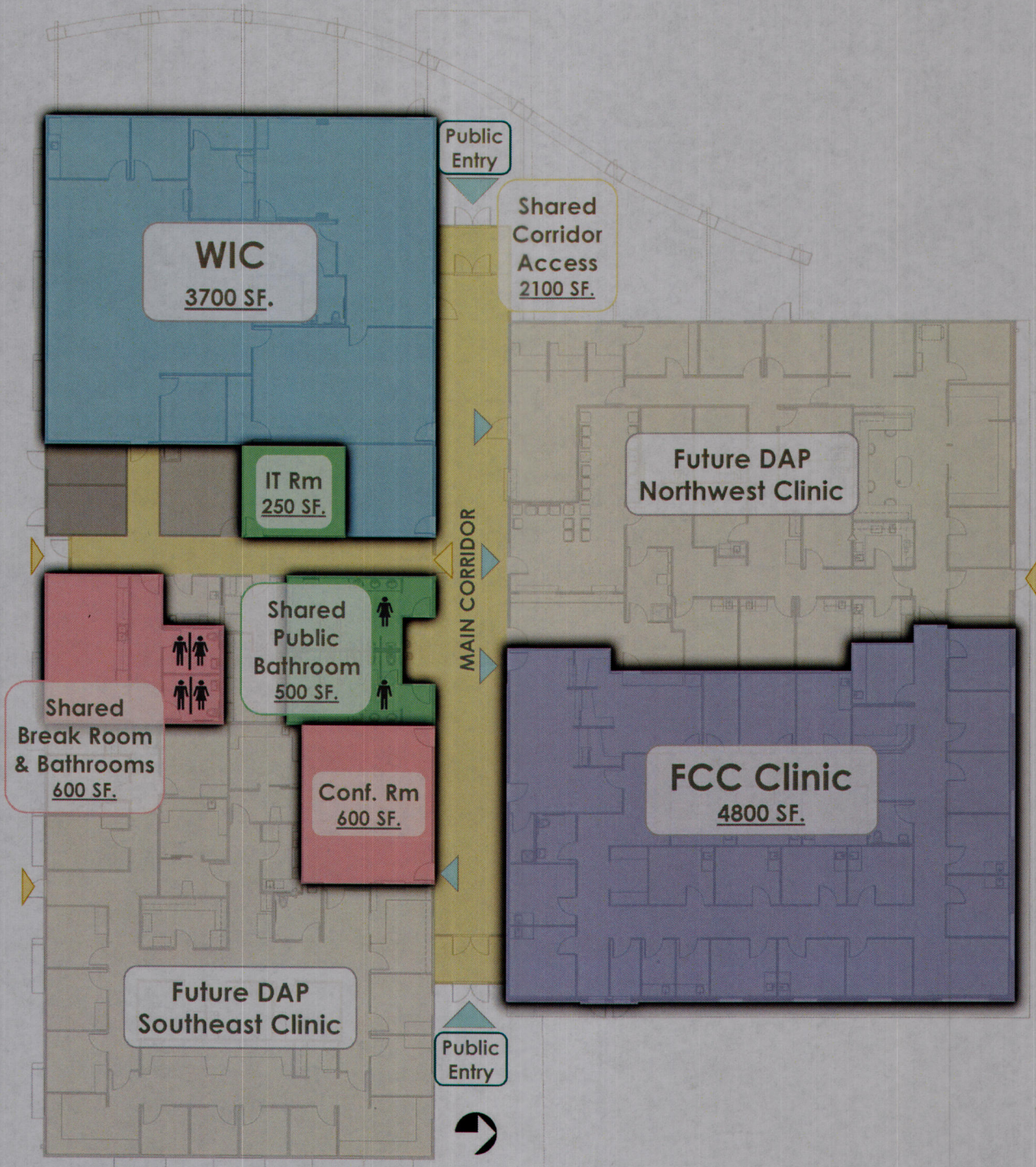
14 By: 
Deputy

15
16 **APPROVED AS TO FORM:**
17 Gregory P. Priamos
County Counsel

18 By: 
19 Thomas Oh
20 Deputy County Counsel

21
22 CAO:ra/101018/270FM/20.024

Exhibit C-1



LEASEABLE AREAS
DAP/RIVCO CLINIC RECONFIGURATION


1515 N. SUNRISE WAY, PALM SPRINGS, CA 92262

INTERACTIVE DESIGN CORPORATION
199 S. CIVIC DRIVE, SUITE 10, PALM SPRINGS, CA 92262
T: 760.323.4990

1702 / 100
October 18, 2018

Exhibit F

RIVCO FCC ROOM SCHEDULE

E	14	EXAM ROOMS (1 ISOL & 1 AER)
BH	1	BEHAVIORAL HEALTH INTERVIEW
BH	1	BH PROVIDER OFFICE (3 shared)
	2	UNISEX RESTROOM
REG	1	REGISTRATION (3 cubicles)
WAIT	1	WAITING ROOM (12 seats)
Cr	1	CLEAN ROOM
Dr	1	DIRTY ROOM
Br	1	BIO HAZARD
MED SUPPLY	1	RETINA/ MEDICAL SUPPLY
P	4	PROVIDER OFFICES – 3 shared
N	1	NURSE'S STATIONS (6 shared)
MA	2	MA'S STATION for 2 (4 total)

