

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



ITEM
3.11
(ID # 9117)

MEETING DATE:

Tuesday, May 21, 2019

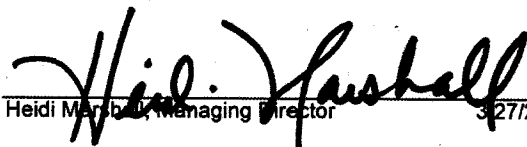
FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and approval of Fourth Amendment to Lease with State Street Investment Partners, LLC, for Riverside University Health System - Behavioral Health, Hemet, 3-Year Lease Extension, CEQA Exempt, District 3, [\$912,060 - Federal 60%, State 40%] (Clerk of the Board 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 Fourth 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 five (5) days of approval by the Board.

ACTION:Policy


Heidi Marshall, Managing Director

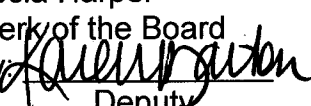

Matthew Chang, Director

4/29/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: May 21, 2019
xc: EDA, Recorder

Kecia Harper
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 | \$126,675 | \$304,020 | \$912,060 | \$0 |
| NET COUNTY COST | \$0 | \$0 | \$0 | \$0 |
| SOURCE OF FUNDS: Federal 60%, State 40% | | | Budget Adjustment: No | |
| | | | For Fiscal Year: 2018/19-2021/22 | |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

This Fourth Amendment to Lease (Amendment) represents a request from the Riverside University Health System-Behavioral Health (RUHS-BH)) to extend the current lease for its offices located at 650 N. State Street, Hemet, California for three years commencing on February 1, 2019 and terminating January 31, 2022. The RUHS-BH clinic is currently located in a 14,400 square foot facility, it consists of group rooms, offices, clerical areas, exam rooms, copy room/storage, medication room, breakroom and space for staff and clients. This current Amendment is being ratified due to the landlords change in name from State Street, LLC to State Street Investments Partners, LLC, a limited liability company executed and formed on January 15, 2019.

Pursuant to the California Environmental Quality Act (CEQA), the Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Fourth Amendment, is the letting of property involving existing facilities and no expansion of an existing use will occur.

This Amendment is summarized as follows:

Lessor: State Street Investment Partners, LLC
PO box 310
Dana point, CA 92629
Attention: Erna Minkoff

Premises Location: 650 N. State Street, Hemet, California

Square footage: 14,400

| | | |
|-------|------------------------|------------------------|
| Rent: | <u>Existing</u> | <u>New</u> |
| | \$ 1.56 per sq. ft. | \$ 1.56 per sq. ft. |
| | \$ 22,500.00 per month | \$ 22,500.00 per month |

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

| | | |
|----------------------|---|-----------------------|
| | \$270,000.00 per year | \$270,000.00 per year |
| Term: | Effective February 1, 2019 through January 31, 2022 | |
| Rent Adjustment: | None | |
| Utilities: | County pays for telephone and electrical services, Lessor pays for water and refuse. | |
| Custodial Services: | Lessor | |
| Maintenance: | Lessor | |
| RCIT Costs: | N/A | |
| Tenant Improvements: | None | |
| Option to Terminate: | Option to Terminate: Termination for any reason after twelve months of the lease extension with 120 days' notice. | |

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

Impact on Residents and Businesses

This facility will continue to provide important mental health services for the residents and community of Hemet. The continued occupancy of this facility provides a positive economic impact to this area's residents and businesses.

**SUPPLEMENTAL:
Additional Fiscal Information**

See attached Exhibits A, B, & C

RUHS-BH has budgeted these costs in FY 2018/19 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a three year renewal. This contract has been in place since April 20, 1999.

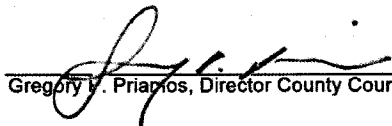
Attachment:

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

- Exhibits A, B & C
- Fourth Amendment to Lease
- Notice of Exemption
- Aerial

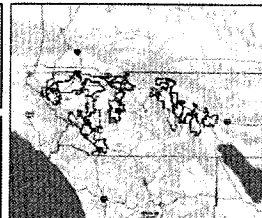
RF:HM:VY:SG:MH:jb HM027 20.440 15892
MinuteTrak: 9117


Nehini Masika, Principal Management Analyst 5/13/2019


Gregory V. Priamos, Director County Counsel 5/2/2019

Hemet Behavioral Health

650 N. State Street, Hemet, CA



Legend



0 597 1,194 Feet



"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.

REPORT PRINTED ON... 6/2/2017 7:47:00 AM

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Notes

Exhibit A

FY 2018/19

RUHS-Behavioral Health - 4th Amendment to Lease

650 N. State Street, Hemet, Ca

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

| | | |
|--|-------------|----------------------|
| Current Office: | 14,400 SQFT | |
| Approximate Cost per SQFT (Jul-Jan) | \$ 1.56 | |
| Approximate Cost per SQFT (Feb-Jun) | \$ 1.56 | |
| Lease Cost per Month (Jul-Jan) | | \$ 22,500.00 |
| Lease Cost per Month (Feb-Jun) | | \$ 22,500.00 |
| Total Lease Cost (Jul-Jan) | | \$ 157,500.00 |
| Total Lease Cost (Feb-Jun) | | \$ 112,500.00 |
| Total Estimated Lease Cost for FY 2018/19 | | \$ 270,000.00 |

Estimated Additional Costs:

| | | |
|--|-----------|----------------------|
| Utility Cost per SQFT | \$ 0.12 | |
| Estimated Utility Costs per Month | | \$ 1,728.00 |
| Total Estimated Utility Cost (Jul-Jan) | | \$ 12,096.00 |
| Total Estimated Utility Cost (Feb-Jun) | | \$ 8,640.00 |
| Total Estimated Utility Cost for FY 2018/19 | | \$ 20,736.00 |
| EDA Lease Management Fee prior to 02/01/2019 | 4.92% | \$ 7,749.00 |
| EDA Lease Management Fee as of 02/01/2019 | 4.92% | \$ 5,535.00 |
| TOTAL ESTIMATED COST FOR FY 2018/19 | | \$ 304,020.00 |
| Amount Previously Approved in Prior Agreement | | \$ 177,345.00 |
| Amount in FY 2018/19 for New Amendment | | \$ 126,675.00 |
| TOTAL COUNTY COST | 0% | \$ - |

Exhibit B

FY 2019/20

RUHS-Behavioral Health - 4th Amendment to Lease
650 N. State Street, Hemet, Ca

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

| | | |
|--|-------------|----------------------|
| Current Office: | 14,400 SQFT | |
| Approximate Cost per SQFT (Jul-Jan) | \$ 1.56 | |
| Approximate Cost per SQFT (Feb-Jun) | \$ 1.56 | |
| Lease Cost per Month (Jul-Jan) | | \$ 22,500.00 |
| Lease Cost per Month (Feb-Jun) | | \$ 22,500.00 |
| Total Lease Cost (Jul-Jan) | | \$ 157,500.00 |
| Total Lease Cost (Feb-Jun) | | \$ 112,500.00 |
| Total Estimated Lease Cost for FY 2019/20 | | \$ 270,000.00 |

Estimated Additional Costs:

| | | |
|--|---------|----------------------|
| Utility Cost per SQFT | \$ 0.12 | |
| Estimated Utility Costs per Month | | \$ 1,728.00 |
| Total Estimated Utility Cost (Jul-Jun) | | \$ 20,736.00 |
| EDA Lease Management Fee as of 02/01/2019 | 4.92% | \$ 13,284.00 |
| TOTAL ESTIMATED COST FOR FY 2019/20 | | \$ 304,020.00 |
| TOTAL COUNTY COST | 0% | \$ - |

Exhibit C

FY 2020/21 to 2021/22
RUHS-Behavioral Health - 4th Amendment to Lease
650 N. State Street, Hemet, Ca

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 14,400 SQFT

| | FY 2020/21 | FY 2021/22 |
|---|----------------------|----------------------|
| Approximate Cost per SQFT (Jul-Jan) | \$ 1.56 | \$ 1.56 |
| Approximate Cost per SQFT (Feb-Jun) | \$ 1.56 | |
| Lease Cost per Month (Jul-Jan) | \$ 22,500.00 | \$ 22,500.00 |
| Lease Cost per Month (Feb-Jun) | \$ 22,500.00 | |
| Total Lease Cost (Jul-Jan) | \$ 157,500.00 | \$ 157,500.00 |
| Total Lease Cost (Feb-Jun) | \$ 112,500.00 | |
| Total Estimated Lease Cost for FY 2020/21 to 2021/22 | \$ 270,000.00 | \$ 157,500.00 |

Estimated Additional Costs:

| | | |
|---|----------------------|----------------------|
| Utility Cost per SQFT | \$ 0.12 | \$ 0.12 |
| Estimated Utility Costs per Month | \$ 1,728.00 | \$ 1,728.00 |
| Total Estimated Utility Cost | \$ 20,736.00 | \$ 12,096.00 |
| EDA Lease Management Fee as of 02/01/2019 4.92% | \$ 13,284.00 | \$ 7,749.00 |
| TOTAL ESTIMATED COST FOR FY 2020/21 to 2021/22 | \$ 304,020.00 | \$ 177,345.00 |

| | | |
|--------------------------|--|---------------|
| F11 Total Cost | | \$ 912,060.00 |
| F11 Total County Cost 0% | | \$ - |

1 **FOURTH AMENDMENT TO LEASE**

2 **650 N. State Street, Hemet, California**

3
4 This **FOURTH AMENDMENT TO LEASE** ("4th Amendment"), dated as of
5 May 21, 2019, is entered by and between the **COUNTY OF RIVERSIDE**, a
6 political subdivision of the State of California, ("County"), and **STATE STREET**
7 **INVESTMENT PARTNERS, L.L.C.** a California limited liability company ("Lessor"), as
8 successor-in-interest to State Street, LLC. The Lessor and County are sometimes
9 collectively referred to herein as the "Parties".

10 **RECITALS.**

11 a. American Recon, Inc., and County entered into that certain lease dated
12 April 20, 1999, (the "Original Lease") pursuant to which American Recon, Inc., agreed to
13 lease to County and County agreed to lease from American Recon, Inc., a portion of that
14 certain building located at 650 N. State Street, Hemet, California ("Building"), as more
15 particularly described in the Lease (the "Original Lease").

16 b. The Original Lease has been amended by:

17 i. That certain First Amendment to Lease dated May 4, 2010,
18 by and between County of Riverside and State Street, LLC., successor-in-interest to
19 American Recon, Inc., (the "1st Amendment"), whereby the Parties amended the Original
20 Lease to extend the term period, amend the rental amounts, the right to early termination,
21 and notices.

22 ii. That certain Second Amendment to Lease dated April 28,
23 2015, by and between County of Riverside and State Street, LLC. (the "2nd
24 Amendment"), whereby the Parties amended the Lease to extend the term period,
25 amend the rental amounts, and options to terminate.

26 iii. That certain Third Amendment to Lease dated July 25, 2017,
27 by and between County of Riverside and State Street, LLC. (the "3rd Amendment"),
28

MAY 21 2019 3.11



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

5/28/19

kb

NOTICE OF EXEMPTION

Date

Initial

January 28, 2019

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

Project Number: FM042310002700

Project Location: 650 North State Street, south of Menlo Avenue, Hemet, California 92543; Assessor's Parcel Number (APN) 443-060-022; (See Attached Exhibit)

Description of Project: The County of Riverside (County) Department of Mental Health entered into a Lease Agreement on April 20, 1999 to occupy 14,400 square feet of office space located at 650 North State Street in Hemet, California. The Department of Mental Health is now under the jurisdiction of the Riverside University Health System Behavioral Health (RUHS-BH). Three previous amendments each extended the term of the lease and the last extension included tenant improvements. The location continues to meet the needs of RUHS-BH and a fourth amendment that includes an additional three-year extension of term is being sought. The term of the lease shall be extended three years commencing on February 1, 2019 and terminating January 31, 2022. The Fourth 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 no expansion of the existing office building will occur. 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 State Street 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 Fourth Amendment to Lease.

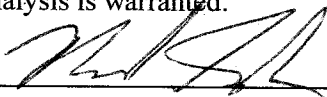
MAY 21 2019 3.11

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

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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 to an existing facility. The use of the facility by RUHS-BH would be consistent with the current 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 Fourth Amendment to the Lease Agreement is limited a contractual transaction and indirect effects would be limited to existing use of an office building. The Fourth Amendment to the Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will not differ from the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the continued use of the facility 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: 1/28/19

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
Fourth Amendment to Lease, Hemet, California**

Accounting String: 524830-47220-7200400000 - FM042310002700

DATE: January 28, 2019

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: 

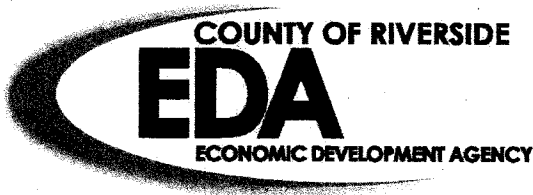
PRESENTED BY: Maribel Hyer, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: January 28, 2019

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 # FM042310002700**
Riverside University Health System, Department of Behavioral Health Fourth Amendment to Lease,
Hemet, 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