

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



ITEM
3.19
(ID # 10191)

MEETING DATE:

Tuesday, July 23, 2019

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

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of Second Amendment to
Lease with Desert AIDS Project - Riverside University Health System, CEQA
Exempt, District 4, [\$239,506] RUHS – Community Care Clinics 100% (Clerk of
the Board to File the Notice of Exemption)

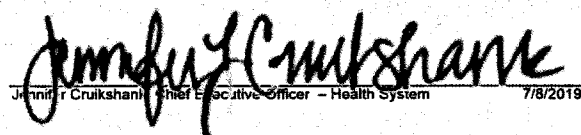
RECOMMENDED MOTION: That the Board of Supervisors:

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. Ratify and approve the attached Second 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

7/8/2019

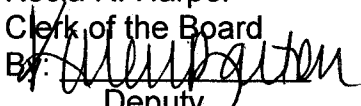

Jennifer Cruikshank, Chief Executive Officer - Health System

7/8/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Perez 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: July 23, 2019
xc: EDA

Kecia R. 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	\$ 124,960	\$ 114,546	\$239,506	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: RUHS – Community Care Clinics – 100%			Budget Adjustment:	No
			For Fiscal Year: 2019/20 –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). On that same date, the Board of Supervisors also approved a lease between the County and DAP (Lease), whereby the County is leasing the County Clinic for three years at \$17,342 per month, the monthly 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.

On December 4, 2018, Minute Order 3.17, the Board of Supervisors approved the First Amendment to Lease, which reduced the square footage used by RUHS and reduced the rent under the Lease.

The Second Amendment to Lease further reduces the shared square footage used by RUHS, which will reduce the rent. DAP is continuing their expansion and construction within this facility at the sole expense of DAP.

Pursuant to the California Environmental Quality Act (CEQA), the Second Amendment to Lease 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 Second Amendment to Lease, is the letting of property where no or negligible expansion of an existing use will occur.

A summary of the Lease, as amended by the Second Amendment, is as follows:

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

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

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

Term: Three years, based on Original Term of Lease

Size:	<u>Current</u>	<u>New</u>
	8,500 sf	8,500 sf
	<u>3,870 sf (Shared)</u>	<u>2,850 sf (Shared)</u>
	12,370 Total Square Feet	11,350 Total Square Feet

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

<u>Current</u>	<u>New</u>
\$10,435 per month	\$9,925 per month
\$125,200	\$119,100

Savings per month: \$510
Savings per year: \$6,120

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 Second Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

Impact on Citizens and Businesses

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

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

SUPPLEMENTAL:
Additional Fiscal Information

The RUHS has budgeted these costs in FY 2019/20 and 2020/21 and will reimburse Economic Development Agency for all lease costs on a monthly basis.

Attachments:

- Aerial Image
- Second Amendment to Lease
- Exhibits A & B
- Notice of Exemption

RF:HM:VY:SG:CAO:jb PG024 20.636
Minute Traq ID: 10191


Rahini Basma, Principal Management Analyst 7/15/2019


Gregory V. Priamos, Director County Counsel 7/11/2019

Exhibit A

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

ESTIMATED AMOUNTS

Lease Cost per Month (July-June) 2nd Amendment	\$ 9,925.00
Total Lease Cost (July-June) 2nd Amendment	<u>\$ 119,100.00</u>
Total Estimated Lease Cost for FY 2019/20	<u>\$ 119,100.00</u>
<u>Estimated Additional Costs:</u>	
EDA Lease Management Fee - 4.92%	\$ 5,859.72
TOTAL ESTIMATED COST FOR FY 2019/20	<u><u>\$ 124,959.72</u></u>

Exhibit B

**FY 2020/21
Lease Cost Analysis
1515 Sunrise Way, Palm Springs, California**

ESTIMATED AMOUNTS

Lease Cost per Month (July-May) 2nd Amendment	\$ 9,925.00
Total Lease Cost (July-May) 2nd Amendment	<u>\$ 109,175.00</u>
Total Estimated Lease Cost for FY 2020/21	<u>\$ 109,175.00</u>
<u>Estimated Additional Costs:</u>	
EDA Lease Management Fee - 4.92%	\$ 5,371.41
TOTAL ESTIMATED COST FOR FY 2020/21	<u><u>\$ 114,546.41</u></u>

F11: Cost - Total Cost \$ 239,506.13

Palm Springs Family Care Clinic

Aerial Image



- Legend**
- Parcel APNs
 - Parcels
 - World Street Map

Notes

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.



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1 **SECOND 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 **SECOND AMENDMENT TO LEASE** ("Second Amendment") is made as of
7 July 23, 2019 by and between **Desert AIDS Project**, a California nonprofit public
8 benefit corporation, ("Lessor" or "DAP") and the **COUNTY OF RIVERSIDE**, a political
9 subdivision of the State of California, ("Lessee" or "County"). DAP and County are
10 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 lease
14 to County and County has agreed to lease from Lessor portions of that certain building
15 located at 1515 N. Sunrise Way, Palm Springs, California ("the Building"), as more
16 particularly described in the Original Lease (the "Original Premises").

17 **B.** The Original Lease has been amended by that certain First Amendment
18 to Lease dated December 4, 2018, by and between DAP and County ("First
19 Amendment") to reduce the square footage of the Original Premises, revise the rent,
20 and provide for Lessor improvements.

21 **C.** The Original Lease, together with the First Amendment, are collectively
22 referred to herein as the "Lease".

23 **D.** The Parties hereby agree to amend the Lease to again reduce the
24 square footage of the Original Premises and revise the rent.

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

27 **1. Recitals.** As of May 1, 2019, the third sentence in Recital B is hereby
28 deleted and replaced in its entirety by the following: "However, County and DAP have

1 agreed that County will continue its occupancy of the Clinic Building, specifically up to
2 8,500 square feet of space within the Clinic Building ("County-Occupied Space") plus
3 shared use with DAP of additional common area, for the term, rent, and upon the other
4 terms and conditions set forth below in this Lease, and DAP will occupy the remaining
5 space ("DAP-Occupied Space")."

6 **2. Description.** As of May 1, 2019, Section 1 of the Lease shall be
7 amended by the following: The reference to "Exhibit "C-1"" is hereby deleted and
8 replaced with "Exhibit "C-2"".

9 **3. Premises.** As of May 1, 2019, Section 2 of the Lease shall be amended
10 by the following:

11 a. Section 2.2 is hereby amended by the following: The shared
12 square footage shall be decreased from 3,870 square feet to 2,850 square feet (\$0.50
13 psf).

14 b. Section 2.3 is hereby amended by the following: The monthly rent
15 shall be decreased from \$10,435 to \$9,925.

16 **4. Rent.** As of May 1, 2019, Section 5.1 of the Lease shall be amended by
17 the following: County shall pay the sum of \$9,925 per month to Lessor as the monthly
18 rental rate for the Premises, payable, in advance, on the first day of the month or as
19 soon thereafter as a warrant can be issued in the normal course of County's business.

20 **5. Exhibit "C-2".** As of May 1, 2019, the Exhibit "C-2" attached hereto shall
21 replace Exhibit "C-1" of the Lease.

22 **6. Capitalized Terms / Second Amendment to Prevail.** Unless defined
23 herein or the context requires otherwise, all capitalized terms herein shall have the
24 meaning defined in the Lease, as heretofore amended. The provisions of this Second
25 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
26 as heretofore amended, and shall supplement the remaining provisions thereof. The
27 Lease remains in full force and effect except to the extent amended by this Second
28 Amendment.

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7. Miscellaneous. Except as amended or modified herein, all the terms of the Lease shall remain in full force and effect and shall apply with the same force and effect. Time is of the essence in the Second Amendment and Lease and each and all of their respective provisions. Subject to the provisions of the Lease as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the Parties hereto. If any provisions of this Second Amendment or the Original Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease and all such other provisions shall remain in full force and effect. The language in all parts of the Lease shall be construed according to its normal and usual meaning and not strictly for or against either Lessor or Lessee. Neither this Second Amendment, nor the Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by Lessee.

8. Effective Date. This Second Amendment to Lease shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.


[Signatures on following page]


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

3
4 Date: JUL 28 2019

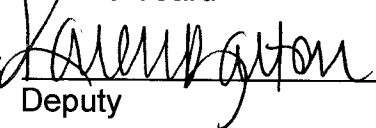
5 **LESSEE:**
6 County of Riverside, a political
7 subdivision of the State of California

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


8 By: 
9 Kevin Jeffries, Chairman
Board of Supervisors

By: 
David Brinkman
~~Executive Director~~²
Chief Executive Officer

11 **ATTEST:**
12 Kecia R. Harper
13 Clerk of the Board

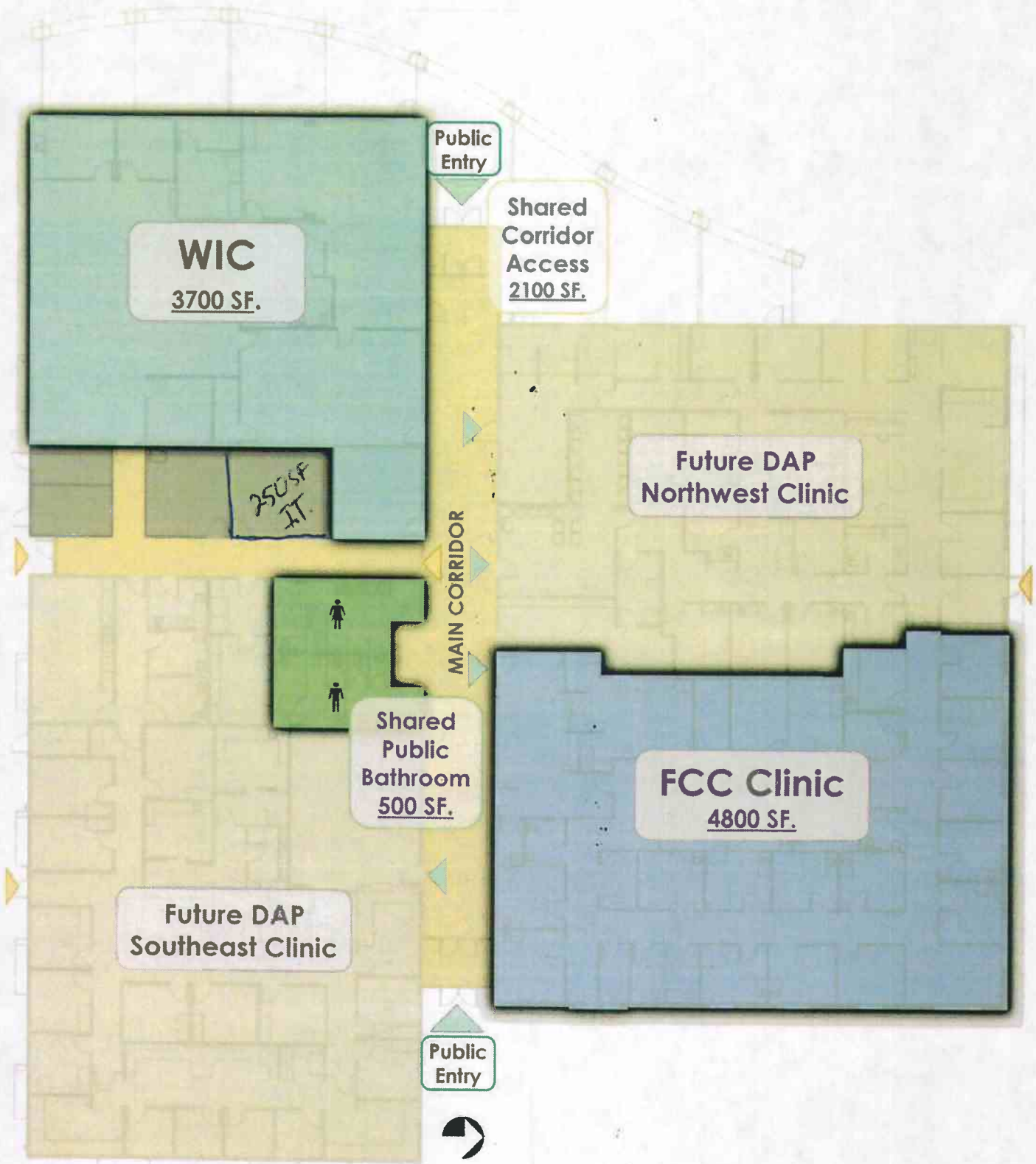
14 By: 
15 Deputy

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

19 By: 
20 Thomas Oh
21 Deputy County Counsel

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25 CAO:vm/061119/270FM/20.626
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EXHIBIT "C-2"



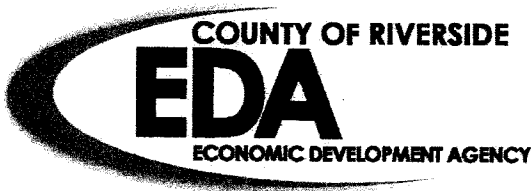
LEASE AMENDMENT
DAP ANNEX CLINICS

1515 N. SUNRISE WAY, PALM SPRINGS, CA 92262



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

1807.3 / 133
APRIL 23, 2019



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

7/25/19
Date

KB
Initial

NOTICE OF EXEMPTION

June 18, 2019

Project Name: County of Riverside, Economic Development Agency (EDA) Palm Springs Family Care Clinic Second 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: On February 27, 2018, Minute Order 3.23, the Riverside County Board of Supervisors approved the sale of the Palm Springs Family Clinic, located at 1515 North 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. On December 4, 2018, Minute Order 3.17, the Board of Supervisors approved The First Amendment to Lease, which reduced the square footage used by RUHS and reduced the rent.

The Second Amendment to Lease further reduces the shared square footage used by RUHS, which will reduce the rent. DAP is continuing their construction of the facility at the sole cost of DAP.

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). The further reduction in leased space will not result a significant impact on the environment.

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.

JUL 23 2019 3:19

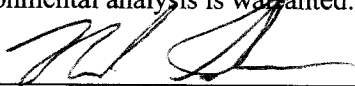
- Administration
- Aviation
- Business Intelligence
- Cultural Services
- Community Services
- Custodial
- Housing
- Housing Authority
- Information Technology
- Maintenance
- Marketing
- Economic Development
- Edward-Dean Museum
- Environmental Planning
- Fair & National Date Festival
- Foreign Trade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

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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 Second Amendment to the Lease.

- **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 Second 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: 6/18/19

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 Second Amendment to Desert Aids
Project, Palm Springs, California**

Accounting String: 524830-47220-7200400000 - FM042551002400

DATE: June 18, 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: 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: June 18, 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 # FM042551002400**
Palm Springs Family Care Clinic Second 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