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



MEETING DATE:

Tuesday, September 10, 2019

FROM: ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Eighth Amendment to Lease with Ramsey Street Building for Riverside University Health System Care Clinic, Banning, District 5, CEQA Exempt, [\$472,046], 100% Federal Qualified Operational Revenues, (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. Approve the Eighth Amendment to Lease with Ramsey Street Building and authorize the Chairman of the Board to execute the amendment 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 days of approval of the project.

ACTION:Policy, CIP

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes:

Jeffries, Spiegel, Perez and Hewitt

Nays:

None

Absent:

Washington

Date:

September 10, 2019

XC:

EDA

3.18

Kecia R. Harper

Clerk of the Board

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

FINANCIAL DATA	Current	Fiscal Year:	Next Fi	scal Year:	Total	Cost:	Ongoir	ng Cost
COST	\$	339,302	\$	132,744	\$	472,046	\$	0
NET COUNTY COST	\$	0	\$	0	\$	0	\$	0
SOURCE OF FUNDS: 100% Federal Qualified Operational Revenues Budget Adjustment: No For Fiscal Year: 2019/20 – 20/21								

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County has been under lease contract for the Riverside University Health Care Clinic (RUHS) facility located at 3055 Ramsey Street, Banning since 1986. On February 9, 2016, the Board of Supervisors approved Minute Order 3.21 to approve EDA Real Estate to identify an existing building, a build to suit 27,000 square feet leased facility that would meet the space requirements for RUHS in Banning. This project was placed on hold pending further analysis. In the interim, RUHS has determined that the Ramsey facility requires tenant improvements to support the additional patient base.

The clinic currently has 5 exam rooms. Three additional exam rooms are required to support the physicians and additional patients at this clinic. Therefore to meet the needs of the clinic and patients without expansion of the current space the following improvements will be performed by Lessor: The existing conference room will be converted into a new exam room. Plumbing and electrical for lights and outlets, and walls will be constructed including a counter top, cabinets, flooring and a new door to create one new enclosed exam room; a current office and vision and hearing room will be converted into two exam rooms and will require plumbing for a sink, counter space, electrical and flooring; the Chart room and guard desk will be demolished to open up the space to create efficient collaborative workspace utilizing systems furniture workstations, to be purchased by RUHS thereby expanding the reception area and the current path of travel; new flooring will be installed and the walls will be painted. The Lessor has hired a contractor and an architect to provide the scope of work and cost for this project. RUHS will reimburse Lessor for the cost of the improvements upon completion and approval of the tenant improvements.

Pursuant to the California Environmental Quality Act (CEQA), the lease amendment 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 lease amendment, is the letting of property involving existing facilities, moderate tenant improvements and alterations will be performed, no expansion of an existing use will occur.

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The Eighth Amendment to Lease is summarized as follows:

Location:

3055 W. Ramsey Street, Suites A, B, Banning, CA

Lessor:

Ramsey Street Building, 5055 Canyon Crest Drive, Riverside, CA 92507

Size:

8,000 Square Feet

Current Term:

Expires January 31, 2021

Current Option:

A right to terminate early by providing 120 days written notice to Lessor

Tenant

Improvements:

Shall not exceed \$86,968.86 which includes a 15% contingency; County

to reimburse Lessor upon approval and submittal of invoice.

RCIT:

None

Maintenance:

Lessor

Utilities:

County pays electrical and telephone service. Lessor responsible for

water, trash and sewer services

Custodial:

Lessor

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

Impact on Citizens and Businesses

This project will continue to provide an appropriately located facility that serves the Family Medical and Primary Health Care needs to the residents of the Banning community. The RUHS Clinic is conveniently located in close proximity to public transportation for ease of access.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A & B. RUHS has budgeted these costs in FY 2019/20 and will reimburse EDA for all lease costs on a monthly basis.

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Contract History and Price Reasonableness

The Lease rate is deemed competitive based upon the current market. This contract has been in place since February 1, 2011.

Attachments:

- Exhibits A & B
- Lease
- Notice of Exemption
- Aerial Image

RF:HM:VY:SG:CC:jb BA002 20.641 Minute Traq ID 10280

Gregory V. Priagros, Director County Counsel

8/29/2019

Exhibit A

FY 2019/20 Riverside University Health Systems 3055 W. Ramsey Street, Suites A&B

ESTIMATED AMOUNTS

<u>Total Square Footage to be Leased:</u>

Current Office:	8,000 SQFT	
Approximate Cost per SQFT (Jul-Jan) Approximate Cost per SQFT (Feb-Jun)	\$ 2.08 \$ 2.14	
Lease Cost per Month (Jul-Jan) Lease Cost per Month (Feb-Jun)	\$ 16,659.38 \$ 17,159.17	
Total Lease Cost (Jul-Jan) Total Lease Cost (Feb-Jun) Total Estimated Lease Cost for FY 2019/20		\$ 116,615.66 \$ 85,795.85 \$ 202,411.51
Estimated Additional Costs:		
Utility Cost per SQFT Estimated Utility Costs per Month Total Estimated Utility Cost (Jul-Jan) Total Estimated Utility Cost (Feb-Jun) Total Estimated Utility Cost for FY 2019/20	\$ 0.12 \$ 960.00	\$ 6,720.00 \$ 4,800.00 \$ 11,520.00
Tenant Improvement		\$ 110,000.00
EDA Lease Management Fee as of 07/01/2019	4.92%	\$ 15,370.65
TOTAL ESTIMATED COST FOR FY 2019/20		\$ 339,302.16
TOTAL COUNTY COST	0%	\$ -

Exhibit B

FY 2020/21

Riverside University Health Systems 3055 W. Ramsey Street, Suites A&B

ESTIMATED AMOUNTS

Total Square	Footage to be	Leased:

Current Office:	8,000 SQFT		
Approximate Cost per SQFT (Jul-Jan) Approximate Cost per SQFT (Feb-Jun)	\$ 2.14		
Lease Cost per Month (Jul-Jan) Lease Cost per Month (Feb-Jun)	\$ 17,159.17		
Total Lease Cost (Jul-Jan) Total Lease Cost (Feb-Jun)		\$ \$	120,114.19
Total Estimated Lease Cost for FY 2020/21		\$	120,114.19
Estimated Additional Costs:			
Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month Total Estimated Utility Cost (Jul-Jan)	\$ 960.00	- \$	6,720.00
EDA Lease Management Fee as of 07/01/2019	4.92%	\$	5,909.62
TOTAL ESTIMATED COST FOR FY 2020/21		\$	132,743.81
TOTAL COUNTY COST	0%	\$	-
F11 Total Cost		\$	472,045.97



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

NOTICE OF EXEMPTION

Date

Initial

June 20, 2019

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System (RUHS), Banning, 8th Amendment to Lease

Project Number: FM042130000200

Project Location: 3055 West Ramsey Street, Banning, California 92220; APN 538-181-012; (See Attached Exhibit)

Description of Project: The County has been under lease contract for the Health Clinic facility located at 3055 Ramsey Street, Banning since 1986. On February 9, 2016 the Board of Supervisors approved minute order 3-21 to approve EDA Real Estate to identify an existing building or build to suit 27,000 square feet leased facility that would meet the space requirements for RUHS in Banning. This project has been put on hold until further notice. In the interim, RUHS has determined that this site requires tenant improvements to support the additional patient base.

The clinic currently has five exam rooms and three additional exam rooms are required to support the physicians and additional patients at this clinic. To accommodate the additional exam rooms within the existing building footprint, interior modification of the space will be required. The existing conference room will be converted into a new exam room, which will include plumbing and electrical access, a counter top, cabinets, flooring, and a new door to enclose the exam room. The existing office and vision and hearing room will be converted into two exam rooms, which will also include plumbing for a sink, counter space, electrical and flooring. The Chart room and current guard desk will be removed and the open space will be finished to create efficient collaborative workspace utilizing systems furniture workstations, efficient employee workspace and a wider reception area to expand the current path of travel for patients. Lastly, new flooring and paint will be added to complete the interior modifications. RUHS will reimburse Lessor for the cost of the improvements upon completion and approval of the tenant improvements. The 8th Amendment to the Lease Agreement, which is the interior modifications to the existing facility 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 Ramsey Street Building

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.

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eda.org

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 8th Amendment to the Lease Agreement.

- 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 interior modifications of existing office space. 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 8th Amendment to the Lease Agreement is limited to interior alterations within an existing building which would result in the continued use of an office building. The interior alterations would not expand or change the current building footprint and is limited to space modifications to make the leased area more functional and will not result in any direct or indirect physical environmental impacts. 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.

Mike Sullivan, Senior Environmental Planner

County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

AUTHORIZATION TO BILL BY JOURNAL VOUCHER

Project Name: Rive	rside University Health System, Banning, 8th Amendment to Lease
Accounting String:	524830-47220-7200400000- F M 042130000200
DATE:	June 19, 2019
AGENCY:	Riverside County Economic Development Agency
THIS AUTHORIZES HANDLING FEES F	S THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND OR THE ACCOMPANYING DOCUMENT(S).
NUMBER OF DOCU	JMENTS INCLUDED: One (1)
AUTHORIZED BY: Signature:	Development Agency
PRESENTED BY:	Cindy Campos, Senior Real Property Agent, Economic Development Agency -TO BE FILLED IN BY COUNTY CLERK-
ACCEPTED BY:	
DATE:	
RECEIPT # (S)	



Date:

June 19, 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 # FM042130000200

Riverside University Health System, Banning, 8th 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 or email at msullivan@rivco.org.

Attachment

cc: file

County Centerline Names County Centerlines Legend *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. 110 Park Ave Ramsey St Eighth Amendment to Lease Riverside University Health Systems Νοιομόο γλε **Sunset Ave** HORM OF Jacinto View Rd

Notes

APN 538-181-012

REPORT PRINTED ON... 6/18/2019 11:49:53 AM

752 Feet

376

© Riverside County GIS

EIGHTH AMENDMENT TO LEASE

(Riverside University Health System Clinic 3055 West Ramsey Street, Banning, California 92220)

This **EIGHTH AMENDMENT TO LEASE** ("Eighth Amendment") is made as of Least 10, 2019, by and between **RAMSEY STREET BUILDING**, a Joint Venture, comprised of George Arzoo and Frank Livicich, Carol A. Stratford, Trustee Milton W. Stratford, Margaret H. Stratford Trust, William D. Bell by Alison Rainey, His Heir, Alexa Foster, His Heir as "Lessor", and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, as "County".

1. Recitals

a. Lessor and County have entered into that certain Lease, dated as of February 13, 1987, ("Original Lease") pursuant to which Lessor has agreed to lease that certain building located at 3055 West Ramsey Street, Banning California, in the City of Banning, State of California, ("Building"), as more particularly described in the Lease.

The Original Lease has been amended by:

- That certain First Amendment to Lease dated October 22, 1996,
 by and between County of Riverside, and Ramsey Street Building (the "First Amendment").
- That certain Second Amendment to Lease dated August 12, 1997,
 by and between County of Riverside, and Ramsey Street Building (the "Second Amendment").
- 3. That certain Third Amendment to Lease dated May 11, 2004, by and between County of Riverside, and Ramsey Street Building (the "Third Amendment").
 - 4. That certain Fourth Amendment to Lease dated August 24, 2004,

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by and between County of Riverside, and Ramsey Street Building(the "Fourth Amendment").

- 5. That certain Fifth Amendment to Lease dated March 15, 2011, by and between County of Riverside, and Ramsey Street Building (the "Fifth Amendment").
- 6. That certain Sixth Amendment to Lease dated July 12, 2016, by and between County of Riverside, and Ramsey Street Building (the "Sixth Amendment").
- 7. That certain Seventh Amendment to Lease dated October 23, 2018 by and between County of Riverside, and Ramsey Street Building (the "Seventh Amendment").
- b. The Original Lease as heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease".

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

- 2. Tenant Improvements by Lessor: Section 5 of the Lease shall be amended as follows: Lessor shall complete the Tenant Improvements, as more particularly shown on Exhibit "A" attached to this Eighth Amendment. The required Tenant Improvements shall not exceed \$110,000.00. County shall reimburse lessor for the actual cost of the Tenant Improvements as set forth in Addendum 1-A upon completion of the Tenant Improvements and within 30 days or as soon as warrant can be issued. Lessor shall provide County with an itemized statement incurred by Lessor, designated as Addendum 1-B Reserved, accompanied by vendor, contractor, subcontractor, material man invoices if requested by the County. In no event shall the Lessor be reimbursed any amount in excess of Actual Costs of the Tenant Improvements in excess of the total cost set forth in Addendum 1-B.
- 3. Capitalized Terms: Eighth Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the

meaning defined in the Lease, as heretofore amended. The provisions of this Eighth Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains in full force and effect except to the extent amended by this Eighth Amendment.

- 4. Counterparts: The Eighth Amendment may be signed in counterparts, each of which will be an original and all of which taken together will constitute one and the same instrument.
- 5. Except as modified or supplemented by this Eighth Amendment to Lease, all provisions of the Lease remain in full force and effect.

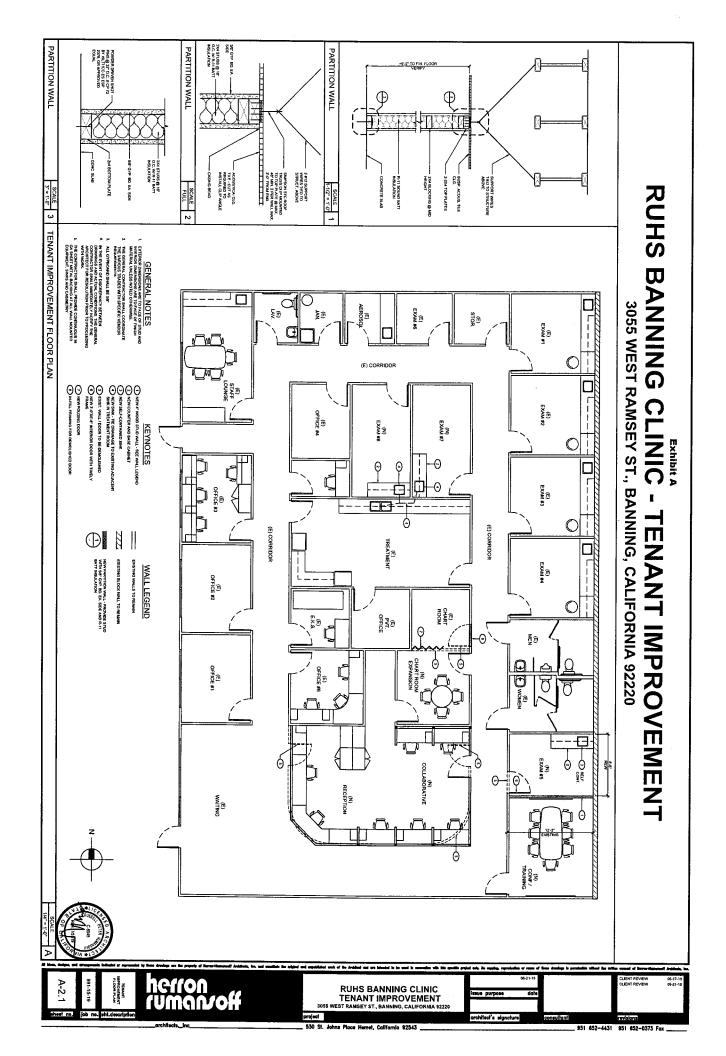
(Signatures on following page)

1		
2	6. This Eighth Amendment	to Lease shall not be binding or consummated
3	until its approval by the Board of Super-	visors of Riverside County.
4 5	Dated: <u>8-23-19</u>	
6	LESSEE:	LESSOR:
7	COUNTY OF RIVERSIDE	·
8	By: Kevin Jeffries, Chairman	RAMSEY STREET BUILDING, a joint venture
9	Board of Supervisors	By: Alison Rainey, Managing Partner
10		D
11		Alexa Foster, Managing Partner
12	ATTEST:	By: George Arzoo, Joint Partner
13	Kecia R. Harper Clerk of the Board	-
14 15	By: Deputy	By: Frank Livicich, Joint Partner
16 17		By: Carol A. Stratford, Trustee of Milton And Margaret Stratford Trust
18	APPROVED AS TO FORM:	
19	Gregory P Priamos, County Counsel	
20	By: Wesley W. Stanfield,	
21	Deputy County Counsel	
22		
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27	CC:jb/081219/BA002/20.642	
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2	6. This Eighth Amendment	to Lease shall not be binding or consummated
3	until its approval by the Board of Super	visors of Riverside County.
4 5	Dated:	
6 7 8	LESSEE: COUNTY OF RIVERSIDE By:	LESSOR: RAMSEY STREET BUILDING, a joint venture
9	By: Kevin Jeffries, Chairman Board of Supervisors	By: Alison Rainey, Managing Partner
11		By: Alexa Foster, Managing Partner
12 13	ATTEST: Kecia R. Harper	By: George Arzoo, Joint Partner
14 15 16	Clerk of the Board By: Deputy	By: Frank Livicich, Joint Partner By:
17		Carol A. Stratford, Trustee of Milton And Margaret Stratford Trust
18 19	APPROVED AS TO FORM: Gregory P. Priamos, County Counsel	•
20	By: Wesley W. Stanfield,	
21	Deputy County Counsel	
22		
23		
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26 27	CC:jb/081219/BA002/20.642	
28		

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4.		
5	Dated:	
6	LESSEE:	
7	COUNTY OF RIVERSIDE	LESSOR:
8	Ву:	RAMSEY STREET BUILDING, a joint venture
9	Kevin Jeffries, Chairman Board of Supervisors	Ву:
10		Alison Rainey, Managing Partner
11		Ву:
12		Alexa Foster, Managing Partner
13	ATTEST: Kecia R. Harper	By: Sold George Arzoo, Joint Partner
14	Clerk of the Board	
15	By:	By: Frank Livicich, Joint Partner
16	Deputy	By:
17		Carol A. Stratford, Trustee of Milton And Margaret Stratford Trust
18	APPROVED AS TO FORM:	
19	Gregory P. Priamos, County Counsel	
20	By:	
21	Wesley W. Stanfield, Deputy County Counsel	
22		
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27	CC:jb/081219/BA002/20.642	
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2		to Lease shall not be binding or consummated
3	until its approval by the Board of Super	visors of Riverside County.
4	Detect	
5	Dated:	
6	LESSEE:	
7	COUNTY OF RIVERSIDE	LESSOR:
8	By: Kevin Jeffries, Chairman	RAMSEY STREET BUILDING, a joint venture
9	Board of Supervisors	By: Alison Rainey, Managing Partner
10		
11		By: Alexa Foster, Managing Partner
12	ATTEST:	By:
13	Kecia R. Harper Clerk of the Board	By: George Arzoo, Joint Partner
14		By: Frank Livicich, Joint Partner
15	By: Deputy	1 de Comme
16		Carol A. Stratford, Trustee of Milton
17		And Margaret Stratford Trust
18	APPROVED AS TO FORM:	
19	Gregory P. Priamos, County Counsel	
20	By: Wesley W. Stanfield,	
21	Deputy County Counsel	
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27	CC:jb/081219/BA002/20.642	
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Banning Community Health Center Leasehold improvements August, 2019

Demo walls	
	\$2,200.00
Timely door jamb frame,lock and doors	\$3,120.00
Frame- material and labor	\$1,500.00
Plumbing	\$3,500.00
2 sinks and cabinets(self contained units)	\$5,250.00
Countertops- laminate	\$1,500.00
Reconfigure air conditioning	\$1,480.00
Reconfigure accoustical	\$1,200.00
Dump fees and dumpster	\$2,000.00
Paint	\$2,200.00
Drywall and drywall repairs	\$4,800.00
Electrical	\$10,578.00
Floor prep	\$800.00
Vinyl floor- allowance	\$7,000.00
Sound batts insulation min charge	\$570.00
Finish-Hardware, numbers, misc	\$500.00
Clean up	\$500.00
Knox box	\$350.00
Accordian door for chart room - allowance	\$2,000.00
Contingencies 6%	\$4,280.66
Supervision 5%	\$2,534.90
Overhead and profit 17%	\$8,618.66
Permits-19-443	\$1,006.25
Architect	\$1,365.00
Architect-Draftsman	\$1,340.00
City of Banning- plan	\$480.35
Admin fee	\$4,951.27
TOTAL	\$75,625.09
	• •

Night and weekend work is included.

Schedule is subject to change due to City of Banning inspecting certain segments. Price subject to change once all the information is provided.