

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



ITEM: 3.37
(ID # 10164)

MEETING DATE:

Tuesday, November 5, 2019

FROM: ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and approval of the Fourth Amendment to Lease with Heacock Business Center, LLC, RUHS-DEPARTMENT OF PUBLIC HEALTH/WIC, Moreno Valley, 5 Year Lease Extension, District 5, CEQA Exempt, [\$1,335,784], Federal 100% (WIC), (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 Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities, and Section 15061 (b) (3);
2. Ratify and approve the Fourth Amendment to Lease with Heacock Business Center LLC, and authorize the Chairman of the Board to execute the Fourth Amendment to Lease 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 business.

ACTION:Policy


Robert Field, Assistant County Executive Officer/ECD

7/18/2019


Kim Saruwatari, Director of Public Health

7/18/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Spiegel 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: November 5, 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	\$31,750	\$236,326	\$1,335,784	\$
NET COUNTY COST	\$	\$	\$	\$
SOURCE OF FUNDS: Federal 100% (WIC)			Budget Adjustment:	No
			For Fiscal Year: 2018/19-	
			2023/24	

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

On May 2, 2017, the Board of Supervisors approved Agenda item 3.17 authorizing the Real Estate Division of the Economic Development Agency (EDA), to amend the Lease and to extend the term of the Lease for five (5) additional years. This office space continues to meet the requirements for RUHS – Department of Public Health, WIC Program (“Public Health”).

In an effort to assist Public Health in achieving their goals of improving the overall aesthetics of the clinic, EDA has negotiated a five-year Lease extension and Lessor shall provide and complete the required improvements at Lessor’s sole cost and expense. The Lease improvements consist of installing carpet tile throughout the offices, replacing the cracked or uneven vinyl composition tiles (VCT), paint touchups throughout the clinic, procuring and installation of hands free paper towel and soap dispensers in all restrooms; replacing missing/broken vertical blinds throughout the clinic, install a roller shade to greeter station window and add a crash bar to the lobby entrance door, demo built in counter and cap plumbing in office.

Pursuant to the California Environmental Quality Act (CEQA), the lease 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, is the letting of property involving existing facilities, no expansion of an existing use will occur.

The Lease is summarized as follows:

Location: 13800 Heacock Street, Suite D125, Moreno Valley, CA 92553

Lessor: Heacock Business Center, LLC
225 W. Hospitality Lane, Suite 315
San Bernardino, CA 92408

Size: Sq. Ft. 5,717

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

Rent: Rent (commences April 2019)
\$ 1.65 per Sq. Ft.
\$ 9,433.15 per Month
\$1,195,053.12 per Year

Annual Escalator: 3%

Term: Five years, April 1, 2019 thru March 31, 2024

Improvements: At Lessor's sole cost and expense

Utilities: County pays electricity and Lessor pays for gas, water and trash

Maintenance: Lessor

Custodial: Lessor

RCIT: None

(Continued)

Impact on Citizens and Businesses

This RUHS – Public Health WIC Facility will continue to serve the residents with the region. This WIC Facility is conveniently located close to public transportation for ease of access.

SUPPLEMENTAL:

Additional Fiscal Information

See Exhibits A, B & C

Public Health will budget these costs in FY2018/19 through FY2023/24 and will reimburse EDA for all costs on a monthly basis.

Contract History and Price Reasonableness

The lease rate is deemed competitive based upon the current market.

Attachments (if needed, in this order):

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

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

RF:HM:VC:VY:SG:CC:jb MV012 PH/WIC 20.588
Minute Traq ID: 10164



Gregory V. Priamos, Director County Counsel 10/31/2019

1 **FOURTH AMENDMENT TO LEASE**

2 **(Riverside University Health Systems, Department of Public Health - WIC**
3 **13800 Heacock Street, Suite 125, Building D, Moreno Valley)**

4
5 This **FOURTH AMENDMENT TO LEASE** ("Fourth Amendment") is made as of
6 Nov. 5, 2019, by and between **HEACOCK BUSINESS CENTER, LLC**, a California
7 Limited Liability Company as "Lessor", and **COUNTY OF RIVERSIDE**, a political
8 subdivision of the State of California, as "County".

9 **1. Recitals**

10 a. Lessor and County have entered into that certain Lease, dated as
11 of December 20, 1994, ("Original Lease") pursuant to which Lessor has agreed to
12 lease that certain building located at 13800 Heacock Street, in the City of Moreno
13 Valley, State of California, ("Building"), as more particularly described in the Lease.

14 b. The Original Lease has been amended by;

15 i. That certain First Amendment to Lease dated August 15,
16 2000, by and between County of Riverside, and Heacock Business Center, LLC,
17 whereby parties agreed to extend the term, reduce the rent and Lessor to perform
18 certain improvements to the reception counter.

19 ii. A New Lease (the "New Lease",) was executed by the parties
20 dated November 7, 2007, by and between County of Riverside, and Heacock Business
21 Center, LLC, whereby parties agreed to extend the term.

22 iii. The New Lease was amended by: That certain First
23 Amendment to Lease dated July 29, 2008, by and between County of Riverside, and
24 Heacock Business Center, LLC, whereby parties agreed to extend the lease term, (the
25 "First Amendment".)

26 iv. That certain Second Amendment to Lease dated May 24,
27 2011, by and between County of Riverside, and Heacock Business Center, LLC,
28 whereby parties agreed to extend the term, reduce the rental rate, reduce the annual

1 escalator and for Lessor to provide certain tenant improvements (the "Second
2 Amendment").

3 v. That certain Third Amendment to Lease dated May 2, 2017
4 between County of Riverside, and Heacock business Center, LLC, whereby the parties
5 agreed to extend the term, increase the rent, completed certain tenant improvements,
6 modified the custodial responsibilities, among other things (the "Third Amendment").

7 vi. The New Lease together with the First Amendment, Second
8 Amendment, Third Amendment and Fourth Amendment are collectively referred to
9 herein as the "Lease".

10
11 NOW THEREFORE, for good and valuable consideration the receipt and adequacy of
12 which is hereby acknowledged, the parties agree as follows:

13
14 **2. Rent During Extended Term:** Section 3 of the Lease shall be revised as
15 follows: County shall pay to Lessor the monthly sums as rent for the Leased premises
16 during the term of this Lease as indicated below:

<u>Monthly Amount</u>	<u>Year</u>
\$ 9,433.15	04/01/19 to 03/31/20
\$ 9,716.15	04/01/20 to 03/31/21
\$10,007.64	04/01/21 to 03/31/22
\$10,307.87	04/01/22 to 03/31/23
\$10,617.11	04/01/23 to 03/31/24

17
18
19
20
21
22 **3. Term:** Section 5 of the Lease shall be amended as follows: The term of
23 this Lease shall be extended sixty (60) months commencing on April 1, 2019 and
24 terminating March 31, 2024 ("Extended Term".) March 31, 2024 shall hereafter be
25 defined as the "Expiration Date".

26 **4. Improvements by Lessor:** Lessor, at its sole cost and expense, shall
27 complete the Improvements, as more particularly shown on Exhibit "A" attached to this
28

1 Fourth Amendment. Whereby the parties now desire to amend the lease to extend the
2 term, complete certain tenant improvements. Lessor shall provide a construction
3 schedule and coordinate with Public Health and contracted vendors so the
4 improvements can be performed after normal business hours, or when clinic is not
5 scheduled to be open.

6 **5. Capitalized Terms: Fourth Amendment to Prevail.** Unless defined
7 herein or the context requires otherwise, all capitalized terms herein shall have the
8 meaning defined in the Lease, as heretofore amended. The provisions of this Fourth
9 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
10 as heretofore amended, and shall supplement the remaining provisions thereof. The
11 Lease remains in full force and effect except to the extent amended by this Fourth
12 Amendment.

13 **6. Miscellaneous.** Except as amended or modified herein, all the terms of
14 the Original Lease shall remain in full force and effect and shall apply with the same
15 force and effect. Time is of the essence in the Amendment and the Lease and each
16 and all of their respective provisions. Subject to the provisions of the Lease as to
17 assignment, the agreements, conditions and provisions herein contained shall apply to
18 and bind the heirs, executors, administrators, successors and assigns of the parties
19 hereto. If any provisions of this Amendment or the Lease shall be determined to be
20 illegal or unenforceable, such determination shall not affect any other provision the
21 Lease and all such other provisions shall remain in full force and effect. The language
22 in all parts of the Lease shall be construed according to its normal and usual meaning
23 and not strictly for or against either lessor or Lessee. Neither this Amendment, no the
24 Original Lease, no any notice nor memorandum regarding the terms hereof, shall be
25 recorded by Lessee.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

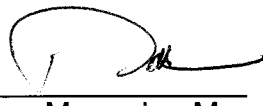
7. This Fourth Amendment to Lease shall not be binding or consummated until its approval by the Board of Supervisors of Riverside County.

Dated: November 5, 2019


COUNTY OF RIVERSIDE

HEACOCK BUSINESS CENTER, LLC

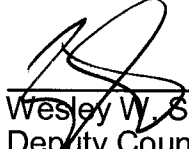
By: 
Kevin Jeffries, Chairman
Board of Supervisors

By: 
Donald Lam, Managing Member
9/20/19

ATTEST:
Kecia Harper ~~them~~, Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

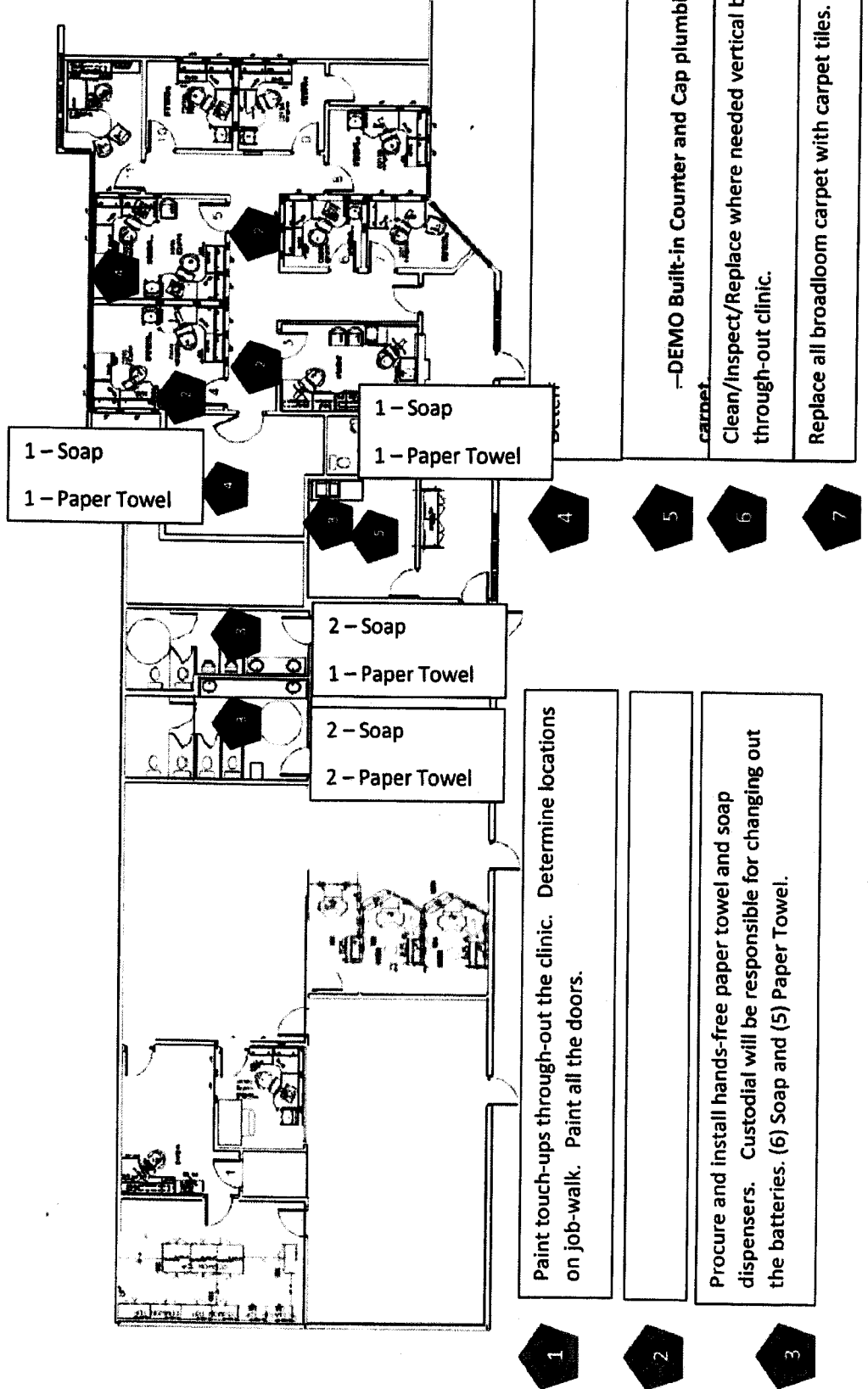
By: 
Wesley W. Stanfield,
Deputy County Counsel

CC:vm/060719/MV012 PH/WIC/20.587

EXHIBIT "A"

TENANT IMPROVEMENTS 6/10/2019

**Moreno Valley (Heacock)
Space Diagram**

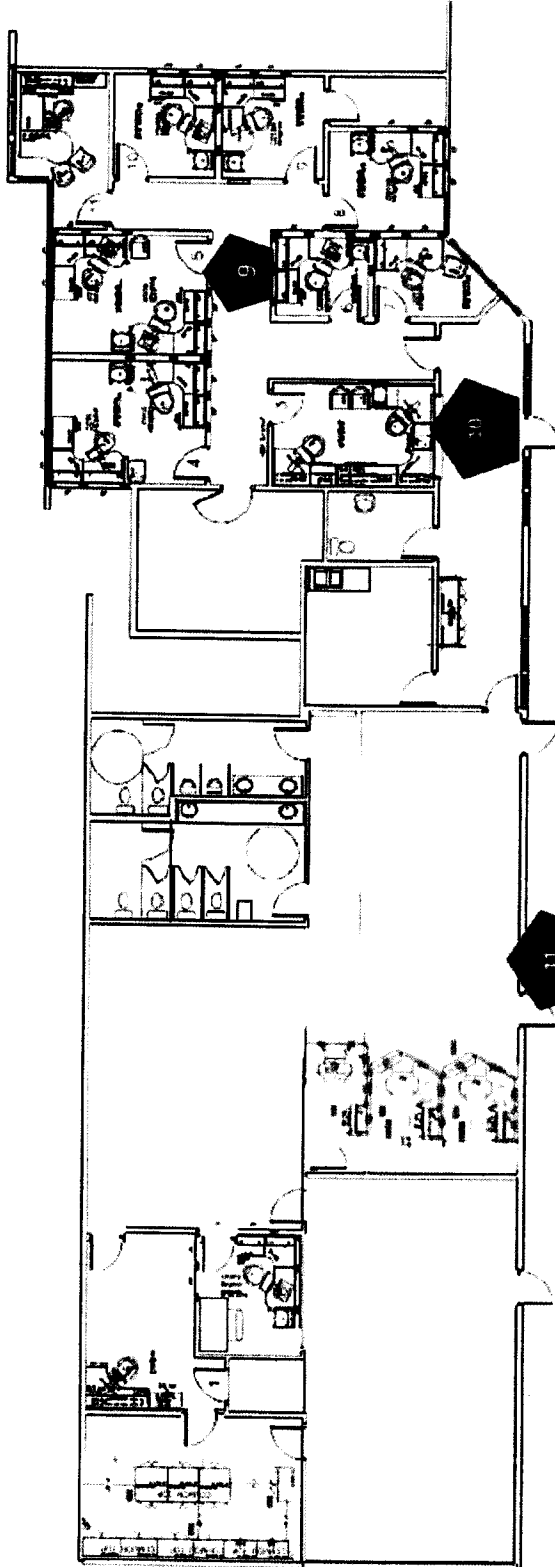


Handwritten initials/signature

EXHIBIT "A"

Moreno Valley (Heacock)
Space Diagram

TENANT IMPROVEMENTS 6/10/2019



8
Replace any cracked/warped/damaged VCT tiles.
Determine locations on job walk.

9
Add a roller shade to 2nd greeter station window. Opacity
75%.

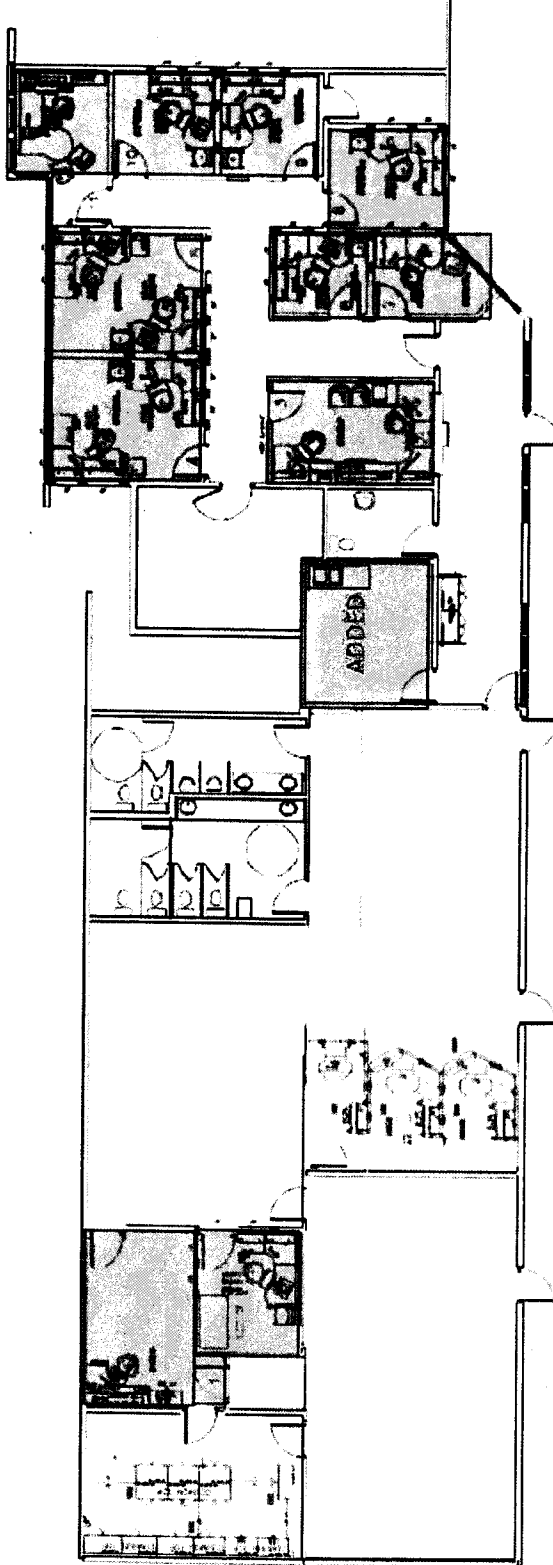
10
Add a crash bar to the lobby entrance door.

11

EXHIBIT "A"

**Moreno Valley (Heacock)
Space Diagram**

TENANT IMPROVEMENTS 6/10/2019



Pat Craft – Mid Century Mad/Transform Space 2018

Tile Size: 24" x 24"

Style: DOO WOP # 007700

Utilize same base cove.

Installation will involve lifting the furniture in place.
Freestanding cabinets will be removed by Public Health.

TENANT IMPROVEMENTS 6/10/2019

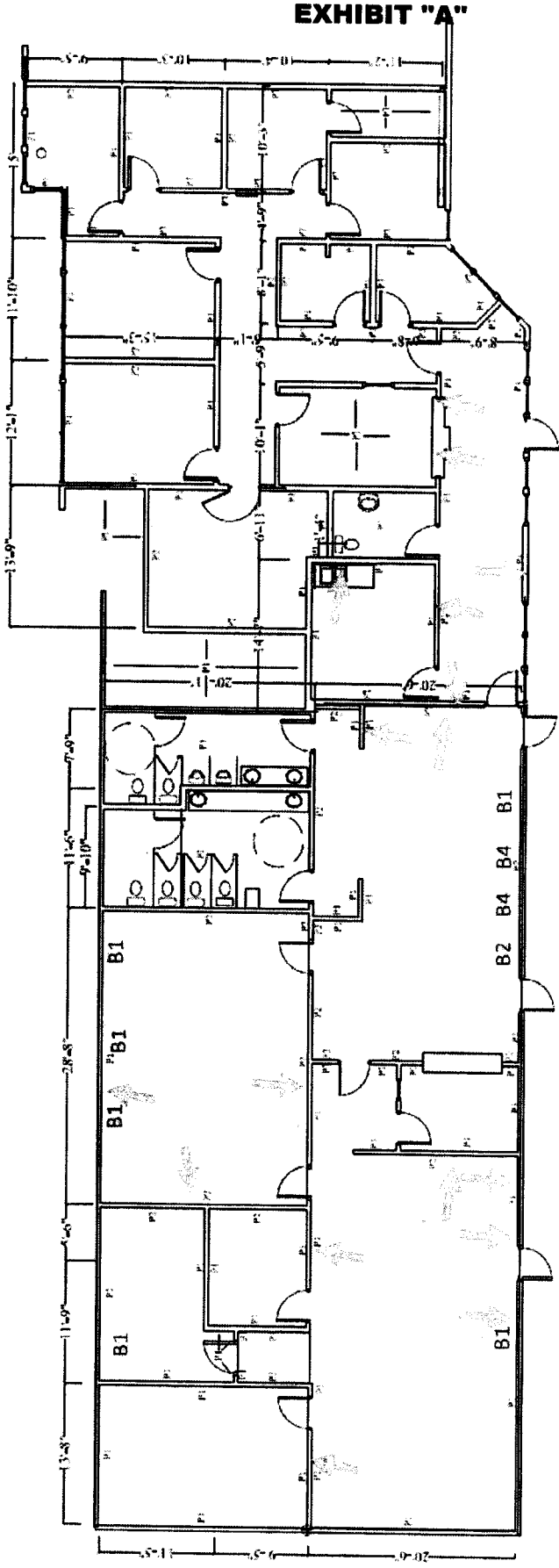


EXHIBIT "A"

WALL PAINT

P1-DUNN EDWARDS DE6143 ALMOND LATTE

P2-DUNN EDWARDS DE6130 WOODEN ACRE

D125- EXISTING FLOOR PLAN

4.18.08

Paint Touch-ups yellow arrows

Replace vertical blinds (B = blinds).



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

11/13/19 Date

Vb Initial

NOTICE OF EXEMPTION

August 1, 2019

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System (RUHS) Department of Public Health (DOPH) Woman, Infants and Children (WIC), Moreno Valley, 4th Amendment to Lease

Project Number: FM042462001200

Project Location: 13800 Heacock Street, Suite D125, Moreno Valley, California 92553; Assessor's Parcel Number (APN) 482-180-075; (See Attached Exhibit)

Description of Project: On November 7, 2007, the County of Riverside (County) entered into a lease agreement with Heacock Business Center, LLC for Suite D125, consisting of 5,717 square feet, in the building located at 13800 Heacock Street, in Moreno Valley, (APN 482-180-075) for use by the DOPH WIC. A Second and Third Amendment to the Lease Agreement were subsequently approved on May 24, 2011 and May 2, 2017, which extended the term for an additional five years and three years, respectively. This leased office space continues to meet the requirements for the RUHS DOPH -WIC and an additional five-year extension is being sought. As part of the lease extension, the Lessor, Heacock Business Center, LLC, has agreed to incorporate operating improvements, including replacing broadloom carpet to carpet tile throughout the offices, replacing cracked or uneven VCT tiles, paint touchups throughout the clinic, procure and install hands free paper towel and soap dispensers in all restrooms with custodial responsible for changing out the batteries, replace missing/broken vertical blinds throughout the clinic, install one half inch conduit (galvanized pipe) in the ceiling for Ethernet cable to support floor model copier, install a roller shade to greeter station window and add a crash bar to the lobby entrance door. The 4th Amendment to the Lease Agreement, which is the letting of property involving existing facilities for an additional five-year term, and specified tenant improvements, 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 Heacock Business Center, 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.

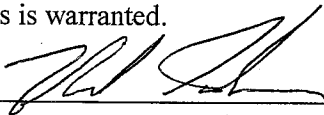
Reasons Why Project is Exempt: The proposed project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA 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 4th Amendment to the Lease Agreement.

11.05.19 3.37

- **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 of office space in an existing building with minor tenant improvements. The improvements are associated with the minor repair and maintenance and of the facility and would not result in any direct or indirect impacts on the environment. 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 4th Amendment to the Lease Agreement is limited to a lease agreement with minor improvements consisting of repairs and maintenance to keep the existing building functioning as planned and designed. The direct and indirect effects would be limited to the continued use of an office building. The Lease Agreement 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: _____



Date: _____

8/11/19

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 Public Health WIC, Moreno Valley, 4th
Amendment to Lease

Accounting String: 524830-47220-7200400000- FM042462001200

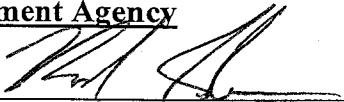
DATE: May 28, 2019

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: Cindy Campos, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: May 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 # FM042462001200**
Riverside University Health System Public Health WIC, Moreno Valley, 4th 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,

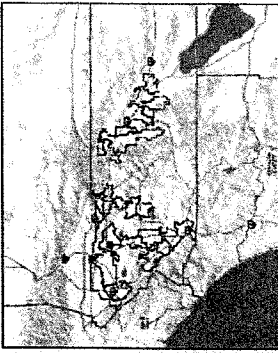
3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009 or email at msullivan@rivco.org.

Attachment

cc: file

Fourth Amendment to Lease
Riverside University Health Systems - Public Health/WIC



Legend

Notes
APN 482180075 / District 5

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.



0 535 1,069 Feet



REPORT PRINTED ON... 4/29/2016 3:54:51 PM

© Riverside County TLMA GIS