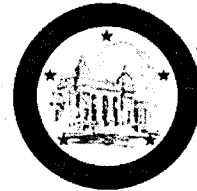


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.14
(ID # 11133)

MEETING DATE:

Tuesday, December 10, 2019

FROM: ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and Approval of Fourth Amendment to Lease with King Street Partners, Riverside University Health System – Behavioral Health, Indio, 3 Year Lease, CEQA Exempt, District 4, [\$87,138], State 80%, Federal 20% (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 with King Street Partners, 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 Board.

ACTION:Policy

Robert Field, Assistant County Executive Officer/ECD

11/4/2019

Matthew Chang, Director

11/19/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Washington 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: December 10, 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	\$26,830	\$27,471	\$87,138	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: State 80%, Federal 20%			Budget Adjustment: No	
			For Fiscal Year: 2019/20-2022/23	

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

BACKGROUND:

Summary

This Fourth Amendment to Lease represents a request from the Riverside University Health System – Behavioral Health to extend the lease for its office located at 82-632 Highway 111, Suite A-3, Indio, California, commencing on September 1, 2019 through August 31, 2022. The increase in rent is due to an increase in custodial and maintenance fees assessed by the landlord.

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

This Fourth Amendment to Lease is summarized below:

Lessor: King Street Partners
78-100 Main Street, Suite 205
La Quinta, California, 92253

Premises Location: 82-632 Highway 111, Suite A-3, Indio, CA

Size: 780 Square Feet

Rent:

<u>Existing</u>	<u>New</u>
\$ 2.56 per sq. ft.	\$ 2.63 per sq. ft.
\$ 2,000.62 per month	\$ 2,050.00 per month
\$24,007.44 per year	\$24,600.00 per year

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

Term: September 1, 2019 through August 31, 2022

Annual Increase: Two and one half (2.5%) percent

Custodial: Lessor is responsible

Utilities: County pays for electrical and gas services. Lessor pays of all other services.

Maintenance: Lessor is responsible

Option to Terminate: Termination for any reason after twelve months with sixty days' notice.

The attached Fourth Amendment to the Lease has been approved as to form by County Counsel.

Impact on Residents and Businesses

This facility will continue to provide important mental health services for the residents and community of Indio.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C

The RUHS- BH has budgeted these costs in FY 2019/20 and will reimburse Economic Development Agency 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 August 2006. The Lease Agreement was executed on August 16, 2006. The First Amendment was approved by the Board on February 9, 2010 (M.O. 3.18). The Second Amendment was approved by the Board on August 28, 2012 (M.O. 3.41). The Third Amendment was executed August 27, 2014.

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

Attachments:

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


Alex Gann

12/3/2019



Gregory V. Priapfos, Director County Counsel

11/26/2019

Exhibit A

FY 2019/20

RUHS - Behavioral Health Lease Cost Analysis

82632 Highway 111, Suite A-3, Indio, Ca

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

New Office:	780	SQFT	
Approximate Cost per SQFT (July - Aug)	\$	2.56	
Approximate Cost per SQFT (Sept - June)	\$	2.63	
Lease Cost per Month (July - Aug)	\$	2,000.62	
Lease Cost per Month (Sept - June)	\$	2,050.00	
Total Lease Cost (July - Aug)	\$	4,001.24	
Total Lease Cost (Sept - June)	\$	20,500.00	
Total Estimated Lease Cost for FY 2019/20	\$	24,501.24	

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	93.60
Total Estimated Utility Cost (July-Aug)	\$		187.20
Total Estimated Utility Cost (Sep-June)	\$		936.00
EDA Lease Management Fee - 4.92%	\$		1,205.46
TOTAL ESTIMATED COST FOR FY 2019/20	\$		26,829.90

Exhibit B

FY 2020/21

RUHS - Behavioral Health Lease Cost Analysis
82632 Highway 111, Suite A-3, Indio, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

New Office:	780		
Approximate Cost per SQFT (July - Aug)	\$	2.63	
Approximate Cost per SQFT (Sept - June)	\$	2.69	
Lease Cost per Month (July - Aug)	\$	2,050.00	
Lease Cost per Month (Sept - June)	\$	2,101.25	
Total Lease Cost (July - Aug)		\$	4,100.00
Total Lease Cost (Sept - June)		\$	21,012.50
Total Estimated Lease Cost for FY 2020/21		\$	25,112.50

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	93.60
Total Estimated Utility Cost			\$ 1,123.20
EDA Lease Management Fee - 4.92%			\$ 1,235.54
TOTAL ESTIMATED COST FOR FY 2020/21		\$	27,471.24

Exhibit C

FY 2021/22 to FY 2022/23
RUHS - Behavioral Health Lease Cost Analysis
82632 Highway 111, Suite A-3, Indio, Ca

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

New Office:

780 SQFT

	FY 2021/22	FY 2022/23
Approximate Cost per SQFT (July -Aug)	\$ 2.69	\$ 2.76
Approximate Cost per SQFT (Sept - June)	\$ 2.76	\$ -
Lease Cost per Month (July -Aug)	\$ 2,101.25	\$ 2,153.78
Lease Cost per Month (Sept - June)	\$ 2,153.78	
Total Lease Cost (July -Aug)	\$ 4,202.50	\$ 4,307.56
Total Lease Cost (Sept - June)	\$ 21,537.81	\$ -
Total Estimated Lease Cost for FY 2021/22 to FY 2022/23	\$ 25,740.31	\$ 4,307.56

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 93.60	\$ 93.60
Total Estimated Utility Cost	\$ 1,123.20	\$ 187.20
EDA Lease Management Fee - 4.92%	\$ 1,266.42	\$ 211.93
TOTAL ESTIMATED COST FOR FY 2021/22 to FY 2022/23	\$ 28,129.94	\$ 4,706.69

F11: Cost - Total Cost \$ 87,137.77

1 **FOURTH AMENDMENT TO LEASE**

2 **82-632 Highway 111, Suite A-3, Indio, California**

3
4 This **FOURTH AMENDMENT TO LEASE** ("Fourth Amendment"), dated as of
5 DEC 10 2019, is entered by and between the **COUNTY OF RIVERSIDE**, a
6 political subdivision of the State of California, ("Lessee"), and **KING STREET**
7 **PARTNERS**, ("Lessor"), sometimes collectively referred to as the "Parties".

8 **RECITALS.**

9 a. Lessor and Lessee entered into a lease dated August 16, 2006, pursuant
10 to which Lessor has agreed to lease to Lessee and Lessee has agreed to lease from
11 Lessor Suite A-3 in that certain building located at 82-632 Highway 111, Indio,
12 California ("Building"), as more particularly described in the Lease (the "Original
13 Lease").

14 b. The Original Lease has been amended by:

15 i. That certain First Amendment to Lease dated February 9,
16 2010, by and between Lessee and Lessor (the "1st Amendment"), whereby the Parties
17 amended the Original Lease to extend the term period and amend the rental amounts.

18 ii. That certain Second Amendment to Lease dated August 28,
19 2012, by and between Lessee and Lessor (the "2nd Amendment"), whereby the Parties
20 amended the Original Lease to amend the custodial services amounts, notices, and the
21 County representative, appointing the Assistant County Executive Officer of EDA to
22 administer the Original Lease.

23 iii. That certain Third Amendment to Lease dated August 27,
24 2014, by and between Lessee and Lessor (the "3rd Amendment"), whereby the Parties
25 amended the Original Lease to extend the term period and amend the rental amounts,
26 improvements, and option to terminate.

27 c. The Original Lease together with the 1st, 2nd, and 3rd Amendments are
28 collectively referred to herein as the "Lease."

1 d. The Parties now desire to amend the Original Lease with this Fourth
2 Amendment to extend the term period and modify rental amounts, annual rent
3 increases, and option to terminate.

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

6 1. **TERM.** Section 3 (a) of the Lease is hereby amended to extend the
7 lease term from September 1, 2019 through August 31, 2022 ("Term").

8 2. **RENT.** Section 5 of the Lease is hereby amended by the following:
9 Lessee shall pay to Lessor the monthly sum of \$2,050.00 as rent for the leased
10 premises effective September 1, 2019 ("Effective Date"). Thereafter, the monthly rent
11 shall be increased annually on each anniversary of the Effective Date by an amount
12 equal to two and one half percent (2.5%) of the monthly rent paid during the preceding
13 year.

14 **OPTION TO TERMINATE.** Section 11 (c) is hereby deleted in its entirety.
15 Section 11 (a) is hereby deleted in its entirety and replaced with the following: County
16 may terminate this Lease for any reason, any time after October 28, 2020 by providing
17 Lessor sixty (60) days advance written notice.

18 4. **CAPITALIZED TERMS/FOURTH AMENDMENT TO PREVAIL.** Unless
19 defined herein or the context requires otherwise, all capitalized terms herein shall have
20 the meaning defined in the Lease, as heretofore amended. The provisions of this
21 Fourth Amendment shall prevail over any inconsistency or conflicting provisions of the
22 Lease, as heretofore amended, and shall supplement the remaining provision thereof.

23 5. **MISCELLANEOUS.** Except as amended or modified herein, all the terms
24 of the Lease shall remain in full force and effect and shall apply with the same force
25 and effect. Time is of the essence in this Fourth Amendment and the Lease and each
26 and all of their respective provisions. Subject to the provisions of the Lease as to
27 assignment, the agreements, conditions and provisions herein contained shall apply to
28 and bind the heirs, executors, administrators, successors and assigns of the parties

1 hereto. If any provision of this Fourth Amendment or the Lease shall be determined to
2 be illegal or unenforceable, such determination shall not affect any other provision of
3 the Lease and all such other provisions shall remain in full force and effect. The
4 language in all parts of the Lease shall be construed according to its normal and usual
5 meaning and not strictly for or against either Lessor or Lessee. Neither this Fourth
6 Amendment, nor the Lease, nor any notice nor memorandum regarding the terms
7 hereof, shall be recorded by Lessee.

8 (Remainder of Page Intentionally Left Blank)

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1 **6. EFFECTIVE DATE.** This Fourth Amendment to Lease shall not be
2 binding or consummated until its approval by the Riverside County Board of
3 Supervisors and fully executed by the Parties.

4 IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment as
5 of the date first written above.

6
7 **LESSEE:**

8 **COUNTY OF RIVERSIDE,**
9 a political subdivision of the
10 State of California

11
12 By: 
13 Kevin Jeffries, Chairman
Board of Supervisors

LESSOR:

8 **KING STREET PARTNERS**
By: L&M Langner Living Trust, dated 4/26/2007
Its: Managing Partner

11
12 By: 
13 Lawrence P. Langner, co-trustee

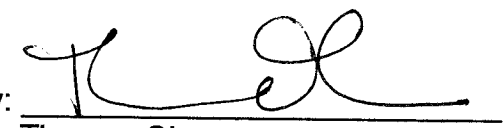
14
15 **ATTEST:**

Kecia R. Harper
Clerk of the Board

17
18 By: 
19 Deputy

20 **APPROVED AS TO FORM:**

Gregory P. Priamos, County Counsel

22
23 By: 
24 Thomas Oh
25 Deputy County Counsel

26 MH:jb/090319/IN069/20.743



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

12/11/19
Date

VB
Initial

NOTICE OF EXEMPTION

September 3, 2019

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System-Behavioral Health (RUHS-BH), Fourth Amendment to Lease Agreement with King Street Partners, Indio, County of Riverside

Project Number: FM042341006900

Project Location: 82-632 Highway 111, Suite A-3, west of King Street, Indio, California 92201; Assessor's Parcel Number (APN) 614-202-013; (See Attached Exhibit)

Description of Project: The County of Riverside (County) has leased office space within Suite A-3 of the building located at 82-632 Highway 111, Indio, since 2006. The Lease Agreement with King Street Partners has been amended three times previously for term extensions, tenant improvements, and rent modifications. RUHS-BH provides public services at the location and the space continues to meet the needs of the department. The County is seeking to extend the term of the Lease Agreement. The Fourth Amendment to the Lease Agreement shall be for a period of three years, commencing September 1, 2019 and terminating August 31, 2022. In addition, the option to terminate can also be executed after 12 months from Board approval, providing 90 days advanced notice. The Fourth Amendment to the Lease Agreement is identified as the proposed project under the California Environmental Quality Act (CEQA). The proposed project will result in the continuing use of an office building and will not result in an expansion of use. 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 King Street Partners

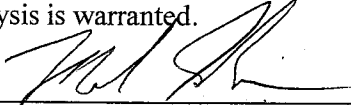
Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

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 the Lease Agreement.

DEC 10 2019 3.14

- **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 the extension of term of an existing Lease Agreement at an existing facility. The amendment to extend the Lease will not increase or expand the use of the site, as no alterations to the existing building are being considered; 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 the indirect effects would be limited to the continued use of the existing space. The Fourth Amendment to the Lease Agreement will not result in any direct or indirect physical environmental effects; 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: 9/13/19

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 with King Street Partners, Indio, California**

Accounting String: 524830-47220-7200400000 - FM042341006900

DATE: September 3, 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: September 3, 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 # FM042341006900**
Riverside University Health System, Department of Behavioral Health, Fourth Amendment to Revenue Lease with King Street Partners, Indio, 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