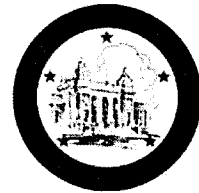


SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.3
(ID # 11380)

MEETING DATE:

Tuesday, February 4, 2020

FROM: ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification of Approval of First Amendment to Lease with Talat Radwan and Jason Radwan as Trustees of the Malki Living Trust Expressway Center, Riverside University Health System – Behavioral Health, Perris, 2-Year Lease, District 5, CEQA Exempt, [\$218,792; State Fund 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 Section 15301, Existing Facilities exemption and Section 15061(b)(3), "Common Sense" exemption;
2. Ratify and Approve the attached First Amendment to Lease with Talat Radwan and Jason Radwan as Trustees of the Malki Living Trust Expressway Center, 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.

Robert Field, Assistant County Executive Officer/ECD

12/23/2019

Matthew Chang, Director

1/16/2020

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: February 4, 2020
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	\$59,406	\$94,504	\$188,531	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: State 100%			Budget Adjustment: No	
			For Fiscal Year: 2019/20-2021/22	

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

The County of Riverside (County) and Talat Radwan and Jason Radwan as Trustees of the Malki Living Trust Expressway Center (Lessor), entered into a lease agreement on April 29, 2014, Minute Order 3.2 (Lease) for the purpose of providing office space for the Riverside University Health System – Behavioral Health (RUHS-BH). The leased facility is located at 85 Ramona Expressway, Suites 1-3, Perris, California. This First Amendment to Lease represents a request from the Riverside University Health System – Behavioral Health to extend the lease for two years commencing on November 12, 2019 terminating November 11, 2021. The increase in rent is due to an increase in custodial and maintenance fees. This facility continues to meet the needs of the department.

Pursuant to the California Environmental Quality Act (CEQA), the First 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 First 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 First Amendment to Lease is summarized below:

Lessor: Talat Radwan and Jason Radwan as Trustees of the Malki Living Trust Expressway Center
26371 Avery Parkway, Suite B
Mission Viejo, Ca 92692

Premises Location: 85 Ramona Expressway, Suites 1-3, Perris, California

Size: Approximately 4,000 square feet

Rent: Existing New

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

\$ 1.69 per sq. ft.	\$ 1.74 per month
\$ 6,753.05 per month	\$ 6,960.00 per month
\$81,036.60 per year	\$83,520.00 per year

Term: Two years commencing November 12, 2019 through November 11, 2021.

Annual Increase: Two (2%) percent

Custodial: Lessor is responsible

Maintenance: Lessor is responsible

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

Impact on Residents and Businesses

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

Contract History and Price Reasonableness

The Lease Agreement was approved by the Board on April 29, 2014 (M.O. 3.2). The lease rate is deemed competitive based upon the current market.

Additional Fiscal Information

The original five-year lease at this site for the period of November 12, 2014 to November 11, 2019 had an approved total cost of \$766,692. Projected total costs for the lease of this site at the conclusion of this two-year amendment will be \$954,223.


See attached Exhibits A, B, & C for a Fiscal Year breakdown of costs.

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

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

Attachments:

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


Steven Atkeson

1/29/2020


Gregory V. Priamos, Director County Counsel

1/20/2020

Exhibit A

FY 2019/20

RUHS - Behavioral Health Lease Cost Analysis
85 Ramona Expressway, Suites 1-3, Perris, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

New Office:	4,000	SQFT		
Approximate Cost per SQFT (July - Oct)	\$	1.69		
Approximate Cost per SQFT Nov - June	\$	1.74		
Lease Cost per Month (July - Oct)		\$	6,753.05	
Lease Cost per Month Nov - June		\$	6,960.00	
Total Lease Cost (July - Oct)		\$	27,012.20	
Total Lease Cost Nov - June		\$	55,680.00	
Total Estimated Lease Cost for FY 2019/20		\$	82,692.20	

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	480.00	
Total Estimated Utility Cost (July-Oct)			\$	1,920.00
Total Estimated Utility Cost (Nov-June)			\$	3,840.00
EDA Lease Management Fee - 4.92%			\$	4,068.46
TOTAL ESTIMATED COST FOR FY 2019/20			\$	92,520.66

Exhibit B

FY 2020/21

RUHS - Behavioral Health Lease Cost Analysis
85 Ramona Expressway, Suites 1-3, Perris, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

New Office:	4,000		
Approximate Cost per SQFT (July - Oct)	\$ 1.74		
Approximate Cost per SQFT (Nov - June)	\$ 1.77		
Lease Cost per Month (July - Oct)		\$ 6,960.00	
Lease Cost per Month (Nov - June)		\$ 7,099.20	
Total Lease Cost (July - Oct)		\$ 27,840.00	
Total Lease Cost (Nov - June)		\$ 56,793.60	
Total Estimated Lease Cost for FY 2020/21		\$ 84,633.60	

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12		
Estimated Utility Costs per Month		\$ 480.00	
Total Estimated Utility Cost			\$ 5,760.00
EDA Lease Management Fee - 4.92%			\$ 4,163.97
TOTAL ESTIMATED COST FOR FY 2020/21			\$ 94,557.57

Exhibit C

FY 2021/22

RUHS - Behavioral Health Lease Cost Analysis
85 Ramona Expressway, Suites 1-3, Perris, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

New Office: 4,000 SQFT

FY 2021/22

Approximate Cost per SQFT (July -Oct)	\$	1.77
Approximate Cost per SQFT (Nov - June)	\$	-
Lease Cost per Month (July -Oct)	\$	7,099.20
Lease Cost per Month (Nov - June)		
Total Lease Cost (July -Oct)	\$	28,396.80
Total Lease Cost (Nov - June)	\$	-
Total Estimated Lease Cost for FY 2021/22	\$	28,396.80

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12
Estimated Utility Costs per Month	\$	480.00
Total Estimated Utility Cost	\$	1,920.00

EDA Lease Management Fee - 4.92% \$ 1,397.12

TOTAL ESTIMATED COST FOR FY 2021/22 **\$ 31,713.92**

F11: Cost - Total Cost \$ 218,792.15

1 **FIRST AMENDMENT TO LEASE**

2 **85 Ramona Expressway, Suites 1-3, Perris, California**

3
4 This **FIRST AMENDMENT TO LEASE** ("First Amendment"), dated as of
5 February 4, 2020, is entered by and between the **COUNTY OF RIVERSIDE**, a
6 political subdivision of the State of California, ("County"), and **TALAT RADWAN AND**
7 **JASON RADWAN AS TRUSTEES OF THE MALKI LIVING TRUST EXPRESSWAY**
8 **CENTER**, ("Lessor"), sometimes collectively referred to as the "Parties".

9 **RECITALS.**

10 a. Lessor and County entered into that certain lease dated April 29, 2014,
11 pursuant to which Lessor has agreed to lease to County and County has agreed to
12 lease from Lessor a portion of that certain building located at 85 Ramona Expressway,
13 Suites 1-3, Perris, California ("Building"), as more particularly described in the Lease
14 (the "Original Lease").

15 b. The Original Lease together with this First Amendment are collectively
16 referred to herein as the "Lease".

17 c. The Parties now desire to amend the Lease with this First Amendment to
18 extend the term period, amend the rental amounts, provide for annual rent increases,
19 amend lessor's name, and add security services.

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

22 1. **TERM.** Section 4.1 of the Original Lease is hereby amended to extend
23 the lease term from November 12, 2019 through November 11, 2021 ("Term").

24 2. **RENT.** Sections 5 of the Original Lease is hereby amended by the
25 following: County shall pay to Lessor the monthly sum of \$6,960.00 as rent for the
26 leased premises effective November 12, 2019 ("Effective Date"). Thereafter, the
27 monthly rent shall be increased annually on each anniversary of the Effective Date by
28 an amount equal to two percent (2%) of the monthly rent paid during the preceding

1 year. County shall pay in advance, on the first day of the month or as soon thereafter
2 as a warrant can be issued in the normal course of County's business; provided,
3 however, in the event rent for any period during the term hereof which is for less than
4 one (1) full calendar month said rent shall be pro-rated based upon the actual number
5 of days of said month.

6 **3. LESSOR'S NAME.** Lessor's name is hereby amended by the following:

7 Lessor's name is being amended from Malki Living Trust to Talat Radwan
8 and Jason Radwan as Trustees of the Malki Living Trust Expressway Center.

9 **4. PREMISES.** The Lease is hereby amended to add security services to
10 Section 2 of the Lease.

11 2.7. County shall provide security services twenty-four (24) hours per day,
12 seven (7) days per week basis. The security guard shall walk the area in front and the
13 sides of the suite and the parking lot in front and the side of the suite. Also, the security
14 guard shall patrol inside the suite and walk the property outside every 15 minutes.

15 **5. CAPITALIZED TERMS: FIRST AMENDMENT TO PREVAIL.** Unless
16 defined herein or the context requires otherwise, all capitalized terms herein shall have
17 the meaning defined in the Lease, as heretofore amended. The provisions of this First
18 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
19 as heretofore amended, and shall supplement the remaining provision thereof.

20 **6. MISCELLANEOUS.** Except as amended or modified herein, all the terms
21 of the Lease shall remain in full force and effect and shall apply with the same force
22 and effect. Time is of the essence in this First Amendment and the Lease and each
23 and all of their respective provisions. Subject to the provisions of the Lease as to
24 assignment, the agreements, conditions and provisions herein contained shall apply to
25 and bind the heirs, executors, administrators, successors and assigns of the parties
26 hereto. If any provision of this First Amendment or the Lease shall be determined to be
27 illegal or unenforceable, such determination shall not affect any other provision of the
28 Lease and all such other provisions shall remain in full force and effect. The language

1 in all parts of the Lease shall be construed according to its normal and usual meaning
2 and not strictly for or against either Lessor or Lessee. Neither this First Amendment,
3 nor the Lease, nor any notice nor memorandum regarding the terms hereof, shall be
4 recorded by Lessee.

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

8 (Remainder of Page Intentionally Left Blank)
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1 IN WITNESS WHEREOF, the parties have executed this Amendment as of the
2 date first written above.

3 FEB 04 2020

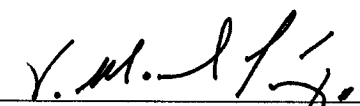
4 Dated: _____

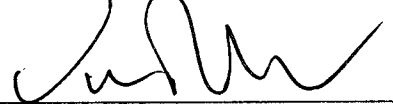
5 **COUNTY:**

LESSOR:

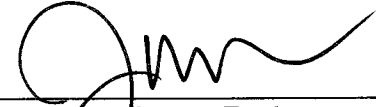
6 **COUNTY OF RIVERSIDE,**
7 a political subdivision of the
8 State of California

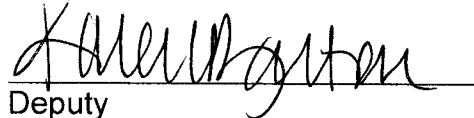
TALAT RADWAN AND JASON RADWAN
AS TRUSTEES OF THE MALKI
LIVING TRUST EXPRESSWAY CENTER

9 By: 
10 V. Manuel Perez, Chairman
11 Board of Supervisors

By: 
Name: Talat Radwan
Its: Trustee

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

By: 
Name: Jason Radwan
Its: Trustee

16 By: 
17 Deputy

18
19 **APPROVED AS TO FORM:**
20 Gregory P. Priamos, County Counsel

21 By: 
22 Wesley W. Stanfield
23 Deputy County Counsel

24 MH:ar/120519/PR063/20.753



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

2/4/2020
Date

KW
Initial

NOTICE OF EXEMPTION

October 29, 2019

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System-Behavioral Health (RUHS-BH), First Amendment to Lease Agreement with Talat Radwan and Jason Radwan as Trustees of the Malki Living Trust Expressway Center, Perris, County of Riverside

Project Number: FM042552006300

Project Location: 85 Ramona Expressway, Suites 1-3, east of Perris Boulevard, Perris, California 92571; Assessor's Parcel Number (APN) 303-100-035; (See Attached Exhibit)

Description of Project: The County of Riverside (County) and Talat Radwan and Jason Radwan as Trustees of the Malki Living Trust Expressway Center (Lessor), entered into a lease agreement on April 29, 2014, Minute Order 3.2 for the purpose of providing approximately 4,000 square feet of office space for RUHS-BH. The leased facility is located at 85 Ramona Expressway, Suites 1-3, Perris, California. This First Amendment to Lease represents a request from RUHS-BH to extend the lease commencing on November 12, through November 11, 2021. This facility continues to meet the needs of the department and the First 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 Talat Radwan and Jason Radwan as Trustees of the Malki Living Trust Expressway Center

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 possibly 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 First Amendment to the Lease Agreement.

FEB 04 2020 3.3

- **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 First 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 First 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: 10/30/19

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,
First Amendment to Lease, Perris, California**

Accounting String: 524830-47220-7200400000 - FM042552006300

DATE: October 29, 2019

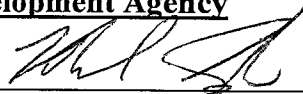
AGENCY: Riverside County Economic Development Agency

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: October 29, 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 # FM042552006300**
Riverside University Health System, Department of Behavioral Health, First Amendment to Lease,
Perris, 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