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

ITEM: 3.20
(ID # 18471)
MEETING DATE:
Tuesday, August 30, 2022

FROM : FACILITIES MANAGEMENT AND DEPARTMENT OF ENVIRONMENTAL HEALTH :

SUBJECT: FACILITIES MANAGEMENT - REAL ESTATE (FM-RE) AND DEPARTMENT OF ENVIRONMENTAL HEALTH: Ratification and Approval of the First Amendment to Lease with Sanderson Building, LLC - Department of Environmental Health, Hemet, 3-Year Lease Extension, CEQA Exempt, District 3. [$1,019,573, Permit Fees 100%] (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(b)(3), Existing Facilities Exemption, and Section 15061(b)(3), Common Sense exemption;

2. Ratify and Approve the First Amendment to Lease with Sanderson Building, LLC, a California limited liability company, and authorize the Chair of the Board to execute the same of behalf of the County; and

3. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk within five (5) working days of approval by the Board.

ACTION:Policy, CIP

Jeff Johnson
Jeff Johnson, Director Environmental Health 8/8/2022

Rose Salgado, Director of Facilities Management 8/15/2022

Aaron Gettis
Aaron Gettis, Deputy County Counsel 8/16/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, 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:	August 30, 2022
xc:	FM, Environmental Health, Recorder

Kecia R. Harper
Clerk of the Board
By: Deputy

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$ 338,053	$ 347,193	$1,019,573	$0
NET COUNTY COST	$0	$0	$ 0	$0
SOURCE OF FUNDS: Permit Fees 100%			**Budget Adjustment:**	No
			For Fiscal Year:	2022/23-24/25

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside has been under a lease at 800 S. Sanderson Avenue, Hemet, California since 2000 (Lease). The office, occupied by the Department of Environment Health (DEH), continues to meet the needs of DEH. DEH desires to extend the lease three (3) years under a First Amendment to Lease (First Amendment).

Pursuant to the California Environmental Quality Act (CEQA), the Amendment was reviewed and determined to be categorically exempt form CEQA under State CEQA Guidelines Section 15301 Class 1- Existing Facilities exemption and Section 15061 (b)(3) Common Sense exemption. The proposed project is the letting of property involving previously occupied space.

This First Amendment to Lease is summarized below:

Lessor:	Sanderson Building, LLC, a California limited liability company 29826 Haun Road. Suite 305 Menifee, California 92586	
Premises Location:	800 S. Sanderson Avenue Hemet, California 92543	
Size:	13,482 square feet	
Term:	August 24, 2021, through August 23, 2024	
Rent:	Current $1.80 sq. ft. $24,225 per month $290,704 per year	New $1.84 sq. ft. $24,855 per month $298,264 per year
Storage Rent:	$600.00 per month	
Annual Increase:	3%	

Utilities:	County pays for electricity and phone. Landlord pays for all other utilities.
Custodial Services:	Lessor to provide.
Maintenance:	Lessor to provide.
Improvements:	Lessor to provide.

Impact on Residents and Businesses

This facility will continue to provide important Environmental Health services for citizens and businesses in this region of the County.

Additional Fiscal Information

See attached Exhibits A, B & C.
DEH will budget these costs in FY 2022/23 – 24/25 and will reimburse (FM-RE) for all associated Lease costs.
No Net County Cost or General Funds will be used.

Contract History and Price Reasonableness

The lease contract and associated rent are aligned with the current real estate market.

ATTACHMENTS:

- Exhibit(s) A, B & C
- First Amendment to Lease
- Notice of Exemption
- Aerial Map

GF:sc/02232022/HM029/30.680

Meghan Hahn

Meghan Hahn, Senior Management Analyst 8/18/2022

FIRST AMENDMENT TO LEASE

Department of Environmental Health

800 S. Sanderson Ave. Hemet, California

This **FIRST AMENDMENT TO LEASE** ("First Amendment") dated as of AUG 3 0 2022 is entered by and between **Sanderson Building, LLC,** a California limited liability company leases to the **COUNTY OF RIVERSIDE,** a political subdivision of the State of California ("County"), sometimes collectively referred to as the "Parties".

1. Recitals.

a. HUB Enterprise, a California limited partnership as to a 50% interest, Ronald J. Hartley, and Jeryl C. Hartley, Trustees of the 1987 Hartley Living Trust as to a 25% interest, and Steven A. Gibson and Lynette A. Gibson, husband and wife as joint tenants, as to a 25% interest, predecessors-in-interest to Lessor, and County entered into the certain Lease dated August 23, 2016 (Original Lease), pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor that certain building located at 800 S. Sanderson Hemet, State of California, as more particularly described in the Lease and also referred to as the Premises.

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

c. County now desires to extend the term of the Lease for an additional period of three (3) years on the same terms and conditions.

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

2. Term. Section 3 of the Lease shall be amended as follows: The term of this Lease is hereby extended for three (3) years, commencing August 24, 2021, and expiring August 23, 2024.

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3. Rent. Section 5 of the Lease shall be amended as follows:

Effective August 21, 2022, the rent shall be $ 24,855.35 per month. The monthly rent shall be adjusted on each anniversary of the Lease, August 24th, by Three percent (3%) annually.

4. Storage Space. County shall lease an adjacent space as Shown on Exhibit 'G', attached herein, for the purpose of housing a storage container.

5. Additional Rent. County shall lease an adjacent space as shown on Exhibit 'G' for $ 600.00 per month.

6. First Amendment to Prevail. The provisions of this First Amendment shall prevail over any inconsistent or conflicting provisions of the Lease. Any capitalized terms shall have the meaning defined in the Lease, unless defined herein or the context requires otherwise.

7. **Miscellaneous.** Except as amended or modified herein, all the terms of the Lease shall remain in full force and effect. Time is of the essence in this First Amendment and the 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 First Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provisions of the Lease. 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 County. Neither this First Amendment nor the Lease shall be recorded by the County.

8. Effective Date. This First 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 the following page)

In Witness Whereof, the Parties have executed this First Amendment as of the date written below.

Dated: AUG 30 2022

COUNTY:

County of Riverside, a political subdivision of the State of California

By: _____
Jeff Hewitt, Chair
Board of Supervisors

LESSOR:

Sanderson Building, LLC, a California limited liability company

By: Lynette Gibson
Lynette Gibson, Manager

ATTEST:
Kecia R. Harper
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____
Ryan Yabko
Deputy County Counsel

GF:sc/02232022/HM029/30.680

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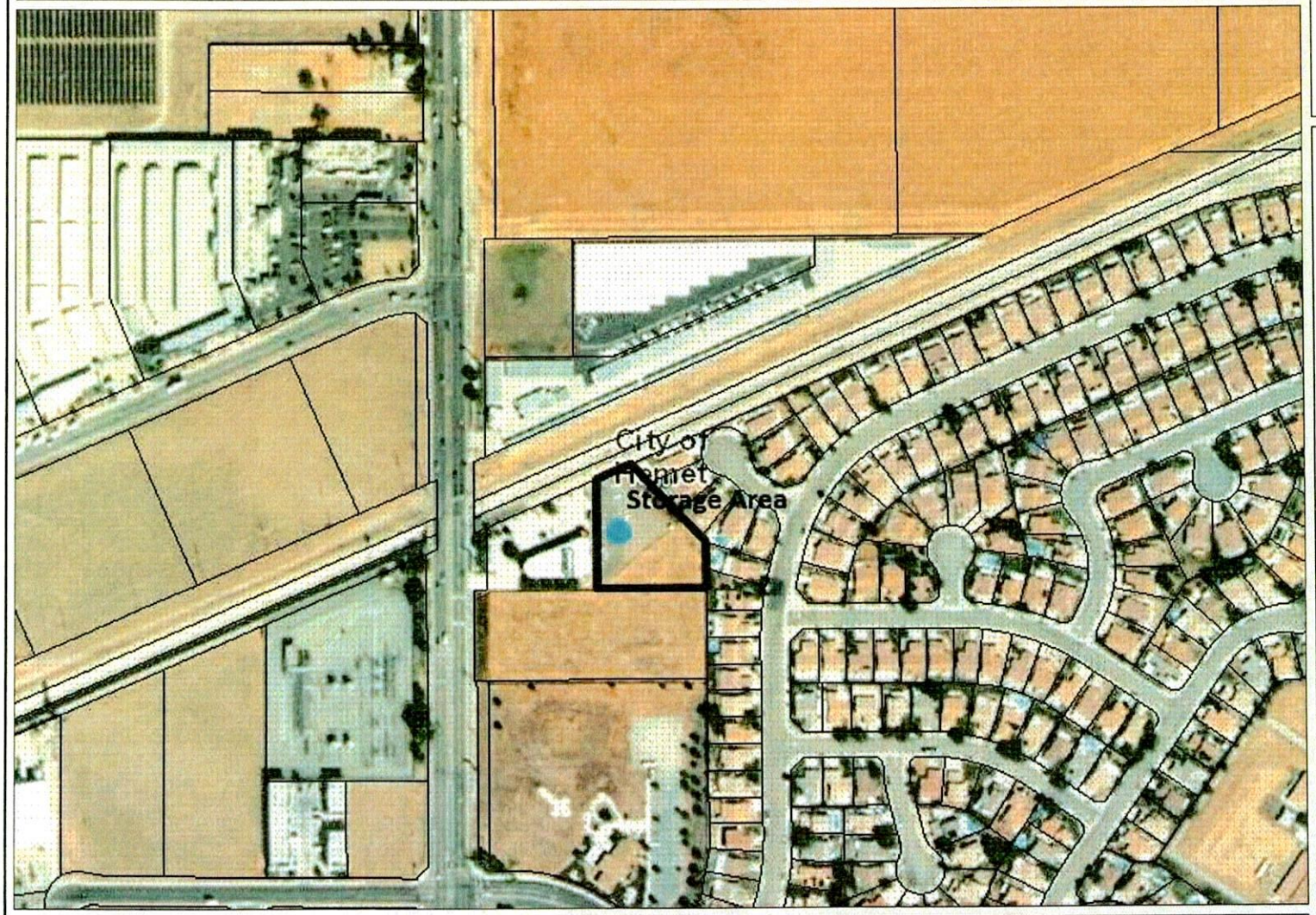
Map My County Map

Exhibit G



Legend

- Parcels
- Blueline Streams
- City Areas
- World Street Map

0 376 752 Feet

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.

REPORT PRINTED ON... 5/23/2022 8:37:40 AM

Notes

Exhibit A

FY 2021/22

Department of Environmental Health

800 S. Sanderson Ave., Hemet

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	13,482 SQFT		
Approximate Cost per SQFT (Jul - Aug)	$ -		
Approximate Cost per SQFT (Sep - Jun)	$ 1.80		
Lease Cost per Month (Jul - Aug)		$ -	
Lease Cost per Month (Sep - Jun)		$ 24,225.00	
Total Lease Cost (Jul - Aug)			$ -
Total Lease Cost (Sep - Jun)			$ 242,250.00
Total Estimated Lease Cost for FY 2021/22			**$ 242,250.00**

Estimated Additional Costs:

Utility Cost per SQFT	$ 0.12		
Estimated Utility Costs per Month		$ 1,617.84	
Total Estimated Utility Cost (Jul - Aug)			$ -
Total Estimated Utility Cost (Sep - Jun)			$ 16,178.40
			$ 16,178.40
Storage Rent		$ 600.00	
			$ 6,000.00
FM Lease Management Fee as of 07/01/2021	4.86%		$ 11,773.35
TOTAL ESTIMATED COST FOR FY 2021/22			**$ 276,201.75**
TOTAL COUNTY COST	**0%**		**$ -**

EXHIBIT B

FY 2022/23

Department of Environmental Health

800 S. Sanderson Ave., Hemet

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	13,482 SQFT		
Approximate Cost per SQFT (Jul - Aug)	$ 1.80		
Approximate Cost per SQFT (Sep - Jun)	$ 1.84		
Lease Cost per Month (Jul - Aug)		$ 24,225.00	
Lease Cost per Month (Sep - Jun)		$ 24,855.35	
Total Lease Cost (Jul - Aug)			$ 48,450.00
Total Lease Cost (Sep - Jun)			$ 248,553.50
Total Estimated Lease Cost for FY 2022/23			**$ 297,003.50**

Estimated Additional Costs:

Utility Cost per SQFT	$ 0.12		
Estimated Utility Costs per Month		$ 1,617.84	
Total Estimated Utility Cost			$ 19,414.08
			$ 19,414.08
Storage Rent		$ 600.00	
			$ 7,200.00
FM Lease Management Fee as of 07/01/2021	4.86%		$ 14,434.37
TOTAL ESTIMATED COST FOR FY 2022/23			**$ 338,051.95**
TOTAL COUNTY COST	**0%**		**$ -**

Exhibit C

FY 2023/24 - 2024/25

Department of Environmental Health

800 S. Sanderson Ave., Hemet

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 13,482 SQFT

		FY 2023/24	FY 2024/25
Approximate Cost per SQFT (Jul - Aug)		$ 1.84	$ 1.90
Approximate Cost per SQFT (Sep - Jun)		$ 1.90	
Lease Cost per Month (Jul - Aug)		$ 24,855.35	$ 25,601.01
Lease Cost per Month (Sep - Jun)		$ 25,601.01	$ -
Total Lease Cost (Jul - Aug)		$ 49,710.70	$ 51,202.02
Total Lease Cost (Sep - Jun)		$ 256,010.11	$ -
Total Estimated Lease Cost for FY 2023/24 - 2024/25		**$ 305,720.81**	**$ 51,202.02**
Estimated Additional Costs:			
Utility Cost per SQFT		$ 0.12	$ 0.12
Estimated Utility Costs per Month		$ 1,617.84	$ 1,617.84
Total Estimated Utility Cost		**$ 19,414.08**	**$ 3,235.68**
Storage Rent		$ 600.00	$ 600.00
		$ 7,200.00	**$ 1,200.00**
Lease Management Fee as of 7/1/2022	4.86%	$ 14,858.03	$ 2,488.42
TOTAL ESTIMATED COST FOR FY 2023/24 - 2024/25		**$ 347,192.92**	**$ 58,126.12**

F11 Total Cost		**$ 1,019,572.74**
F11 Total County Cost	**0%**	**$ -**

Map My County Map

Environmental Health 800 S. Sanderson Ave. Hemet

Legend

World Street Map

RCIT

0 188 376 Feet

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.

REPORT PRINTED ON... Fri Nov 09 3:33:45 PM

Notes

456-060-005
District 3

County of Riverside
Facilities Management
3133 Mission Inn Avenue, Riverside, CA

FOR COUNTY CLERK USE ONLY
Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.
8/31/22
Date
Initial

NOTICE OF EXEMPTION

March 22, 2022

Project Name: Approval of First Amendment to Lease Agreement, Department of Environmental Health (DEH), Hemet

Project Number: FM042310002900

Project Location: 800 South Sanderson Avenue, north of West Johnston Avenue, Hemet, California 92545, Assessor's Parcel Numbers (APNs) 456-060-005

Description of Project: The County of Riverside (County) DEH has occupied space at 800 South Sanderson Avenue, Hemet, California since 2000. Since that time, DEH has expanded their presence at the facility, whereby they currently occupy the entire building. The building consists of two floors and approximately 13,482 square feet of office space. DEH entered into a new five-year Lease Agreement on August 23, 2016. The lease included tenant improvements to help restore the aging facility. The facility continues to be well suited for DEH. The County is seeking to extend the term of the lease three years through August 23, 2024 with a First Amendment to the Lease Agreement. The First Amendment to the Lease Agreement with Sanderson Building, LLC, a California limited liability company, is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is the letting of property involving existing facilities; no expansion of the existing facility will occur. The operation of the facility will continue to provide public behavioral health services. No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: Riverside County

Name of Person or Agency Carrying Out Project: Riverside County Facilities Management

Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

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 involve unusual circumstances that could potentially 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.

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- **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 for an existing Lease Agreement regarding environmental health services for DEH. The project would not substantially increase or expand the use of the site; use 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:** 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 three-year extension of the Lease Agreement 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. 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.

Therefore, the County of Riverside Facilities Management 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:** 3-22-2022

Mike Sullivan, Senior Environmental Planner
County of Riverside, Facilities Management

RIVERSIDE COUNTY CLERK & RECORDER

AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER

Project Name: First Amendment to Lease Agreement, DEH Hemet

Accounting String: 524830-47220-7200400000 - FM042310002900

DATE: March 22, 2022

AGENCY: Riverside County Facilities Management

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, Facilities Management**

Signature: _____

PRESENTED BY: **Georgina Flores, Real Property Agent, Facilities Management**

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _

DATE: _

RECEIPT # (S) _

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County of Riverside
Facilities Management
3133 Mission Inn Avenue, Riverside, CA 92507

Date: March 22, 2022

To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Facilities Management

Subject: **County of Riverside Facilities Management Project #** FM042310002900
First Amendment to Lease Agreement, DEH Hemet

The Riverside County's Facilities Management'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 #2600
Attention: Mike Sullivan, Senior Environmental Planner,
Facilities Management,
3133 Mission Inn Avenue, Riverside, CA 92507

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

Attachment

cc: file