

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



ITEM: 3.10
(ID # 19089)

MEETING DATE:

Tuesday, December 13, 2022

FROM : FACILITIES MANAGEMENT:

SUBJECT: FACILITIES MANAGEMENT – REAL ESTATE (FM-RE): Ratification and Approval of First Amendment to Lease with Riverside University Health System – Behavioral Health, La Quinta, Three Year Lease, CEQA Exempt per State CEQA Guidelines sections 15301 and 15061(b)(3), District 4. [\$1,139,086 - Department Funds - State 50%, Federal 50%] (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 First Amendment to Lease with Pierce Group – Calle Tampico, LLC, 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) working days by the Board.

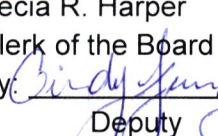
ACTION:Policy


Rose Salgado, Director of Facilities Management 10/27/2022

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, and Hewitt
Nays: None
Absent: Perez
Date: December 13, 2022
xc: FM, Recorder

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	\$ 369,604	\$ 380,100	\$ 1,139,086	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Department Funds - State 50%, Federal 50%			Budget Adjustment: No	
			For Fiscal Year: 2022/23 -2024/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside has been under lease at 78-140 Calle Tampico, La Quinta, since December 13, 2016, for use by Riverside University Health System – Behavioral Health’s (RUHS-BH) TAY program.

RUHS-BH will continue to occupy the facility, and this proposed First Amendment to Lease between the County and Lessor will extend the term, amend the rental amount, and modify County’s Right to Early Termination.

Pursuant to the California Environmental Quality Act (CEQA), the First Amendment to Lease was reviewed and determined to be exempt from CEQA under State CEQA Guidelines Section 15301, Existing Facilities Exemption, and Section 15061(b)(3), Common Sense exemption. The proposed project, the First Amendment to Lease, is the letting of property involving existing facilities and no expansion of an existing use will occur.

The Lease Agreement is summarized as follows:

Lessor: Pierce Group – Calle Tampico, LLC
78060 Calle Estado
La Quinta, CA 92253

Location: 78-140 Calle Tampico
La Quinta, California

Term: Three years, commencing June 14, 2022, and expiring June 13, 2025

Size: Approximately 13,719 sq. ft.

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

Rent:	<u>Current:</u>	<u>New:</u>
	\$2.01 per sq. ft.	\$2.02 per sq. ft.
	\$27,628.79 per month	\$27,763.57 per month
	\$331,545.48 per year	\$333,162.84 per year

Rent Adjustment: Three percent annually commencing, June 14, 2023.

Option to Terminate: Option to terminate Lease after June 14, 2024, with one hundred twenty days advance written notice to Lessor.

Utilities: County pays for telephone services; Landlord pays for all other services.

Custodial: Lessor to provide

Maintenance: Lessor to provide

Impact on Citizens and Businesses

This facility will continue to provide health services and a positive impact on residents and local business. The facility has provided peer services, clinical assessment services, individual and group therapy, and medication management to clients ages 16-25.

SUPPLEMENTAL:

Additional Fiscal Information

All the associated costs for this Lease Agreement will be budgeted in FY 2022/23 through 2024/25 through the RUHS-Behavioral Health budget. The RUHS-Behavior Health will reimburse FM-RE for all associated lease costs on a monthly basis.

Contract History and Price Reasonableness

The Original Lease was five years commencing on December 13, 2016. The lease contract and associated rent are aligned with the current real estate market.

ATTACHMENTS:

- First Amendment to Lease
- Notice of Exemption
- Exhibit A
- Aerial Map

JG:sc/05062022/LQ007/30.734

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

Meghan Hahn
Meghan Hahn, Principal Management Analyst 12/1/2022

Wesley Stanfield
Wesley Stanfield 11/21/2022

Aaron Gettis
Aaron Gettis, Deputy County Counsel 11/29/2022

County of Riverside
Facilities Management-PMO
3450 14th Street, 2nd Floor, Riverside, CA

FOR COUNTY CLERK USE ONLY

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

12/13/22 B8
Date Initial

NOTICE OF EXEMPTION

May 17, 2022

Project Name: Approval of First Amendment to Lease Agreement, Riverside University Health System Department of Behavioral Health (RUHS-BH), Calle Tampico, La Quinta

Project Number: FM042430000700

Project Location: 78-140 Calle Tampico, Suite 200, west of Washington Street, La Quinta, California 92253, Assessor's Parcel Number (APN) 770-020-023

Description of Project: The County of Riverside (County) RUHS-BH entered into a Lease Agreement on December 13, 2016 to occupy 13,719 square feet of office space located in Suite 200 at 78-140 Calle Tampico, La Quinta, California. On April 12, 2016, the Board of Supervisors approved Agenda Item 3.16 authorizing the Facilities Management (FM), Real Estate Division to locate office space for RUHS-.

The County and Lessor desire to amend the Lease with this First Amendment to extend the term period, amend the rental amount, modify County's Right to Early Termination and modify the Notice section. The First Amendment to the Lease Agreement with Pierce Group – Calle Tampico, LLC, 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.

DEC 13 2022 3:10

RIVERSIDE COUNTY CLERK & RECORDER

AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER

Project Name: **First Amendment to Lease Agreement, RUHS-BH Calle Tampico, La
Quinta**

Accounting String: **524830-47220-7200400000 - FM042430000700**

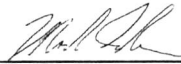
DATE: May 17, 2022

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: **Jennifer Grabow, Real Property Agent III, Facilities Management**

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -

County of Riverside
Facilities Management
3450 14th Street, Riverside, CA 92501

Date: May 17, 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 # FM042430000700**
First Amendment to Lease Agreement, RUHS-BH Calle Tampico, La Quinta

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,


3450 14th Street, Second Floor, 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 of Riverside
Facilities Management-PMO
3450 14th Street, 2nd Floor, Riverside, CA

FOR COUNTY CLERK USE ONLY		
FILED / POSTED		
County of Riverside		
Peter Aldana		
Assessor-County Clerk-Recorder		
E-202201268		
12/14/2022 01:41 PM Fee: \$ 50.00		
Page 1 of 2		
Removed:	By:	Deputy
		

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May 17, 2022

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DEC 13 2022 3:10

- **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, rental adjustment, and modifications to the Right to Early Termination and Notice sections of the existing Lease regarding behavioral health services for RUHS-BH. 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 and minor administrative contractual modifications to the Lease 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: 5-17-2022

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

1 **FIRST AMENDMENT TO LEASE**

2 **78-140 Calle Tampico**

3 **La Quinta, California**

4
5 This **FIRST AMENDMENT TO LEASE** ("First Amendment") dated as of
6 December 13, 2022, is entered by and between **PIERCE GROUP – CALLE**
7 **TAMPICO, LLC**, a Idaho limited liability company ("Lessor"), successor-in-interest to
8 **EMERALD LA QUINTA, LLC**, and the **COUNTY OF RIVERSIDE**, a political
9 subdivision of the State of California ("County"), sometimes collectively referred to as
10 the "Parties".

11 **RECITALS**

12 a. **EMERALD LA QUINTA, LLC**, as lessor, and County entered into
13 that certain Lease dated December 13, 2016 ("Original Lease") whereby **EMERALD**
14 **LA QUINTA, LLC** agreed to lease to County and County agreed to lease from
15 **EMERALD LA QUINTA, LLC** that certain building located at 78-140 Calle Tampico, La
16 Quinta, California ("the Building"), as more particularly described in the Lease ("the
17 Original Premises").

18 b. County and Lessor desire to amend the Lease with this First
19 Amendment to extend the term period, amend the rental amount and yearly percentage
20 increase, modify County's Right to Early Termination and update the Notice section.

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

23 1. **Term.** Section 3(a) of the Lease is amended by the following: The term
24 of the Lease shall be extended for a period of three (3) years commencing June 14,
25 2022 and expiring June 13, 2025 (the "Extension Term").

26 2. **Rent.** Section 5.1 of the Lease is hereby amended by the following:
27 County shall pay the sum of \$27,763.57 per month to Lessor as rent for the Leased
28 Premises, payable, in advance, on the first day of the month or as soon thereafter as a

1 warrant can be issued in the normal course of County's business; provided, however,
2 in the event rent is owing for any period during the term hereof which is for less than
3 one (1) full calendar month is owing said rent shall be pro-rated based upon the
4 actual number of days of said month.

5 **3. Percentage Increase.** Section 5.2 of Lease is hereby amended by the
6 following: Notwithstanding the provisions of Section 5.1 herein, the monthly rent shall
7 be increased on each anniversary of this Lease by an amount equal to three (3)
8 percent of the then current monthly rental.

9 **4. County's Right to Early Termination.** Section 6.4 of the Lease is
10 amended by adding the following:

11 The County shall have the option to terminate the Lease, without cause, after June 14,
12 2024, with one hundred twenty (120) days advance written notice to Lessor.

13 **5. Notice.** Section 19.18 of the Lease shall be amended as follows:

14 **County's Notification Address:**

15 County of Riverside
16 Facilities Management
17 3450 14th Street, Suite 200
18 Riverside, CA 92501
19 Telephone: (951) 955-4820

20 **Lessor's Notification Address:**

21 Pierce Group – Calle Tampico, LLC
22 78-060 Calle Estado
23 La Quinta, CA 92253

24 **6. Capitalized Terms.** FIRST AMENDMENT TO PREVAIL. Unless defined herein
25 or the context requires otherwise, all capitalized terms herein shall have the meaning defined in
26 the Lease, as heretofore amended. The provisions of this First Amendment shall prevail over
27 any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall
28 supplement the remaining provisions thereof.

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7. Miscellaneous. Except as amended or modified herein, all the terms of the Lease shall remain in full force and effect and shall apply with the same force and effect. If any provisions of this First Amendment or the Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease and all such other provisions shall remain in full force and effect. 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 Lessee. Neither this First Amendment, nor the Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by Lessee.

8. Effective Date. This First Amendment shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

(SIGNATURE ON NEXT PAGE)

1 **In Witness Whereof**, the Parties have executed this First Amendment as of the
2 date first written above.

3 Dated: December 13, 2022

4
5 COUNTY:

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

LESSOR:

Pierce Group – Calle Tampico, a Idaho
limited liability company

8
9 By: Jeff Hewitt
10 Jeff Hewitt, Chair
Board of Supervisors

By: Barry Miller
Its: LLC Member

11
12 ATTEST:
13 Kecia R. Harper
14 Clerk of the Board

15 By: Cindy Juarez
16 Deputy

17
18 APPROVED AS TO FORM:
19 COUNTY COUNSEL

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

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25
26 JG:sc/05062022/LQ007/30.734

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