FROM: ECONOMIC DEVELOPMENT AGENCY (EDA) AND RIVERSIDE UNIVERSITY HEALTH CARE SYSTEM (RUHS):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA) AND RIVERSIDE UNIVERSITY HEALTH CARE SYSTEM (RUHS): First Amendment to Lease; Amended And Restated Subordination, Non-Disturbance, And Attornment Agreement, Corona, 15 Year Lease, District 2, CEQA Exempt [$0] (Clerk 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 the State CEQA Guidelines Section 15061 (b) (3), the common sense exemption;

2. Approve the attached First Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County;

3. Approve the attached Amended and Restated Subordination, Non-Disturbance, and Attornment Agreement and authorize the Chairman of the Board to execute the same on behalf of the County; and

4. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk upon approval of the project.

ACTION: Policy
C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On September 13, 2016, the Board of Supervisors approved minute order 3-12 and the County entered into a 15-year Lease with Corona Medical Arts Plaza, LLC (Lessor) for the design and construction of a new 45,204 square foot integrated Care Clinic facility. On November 8, 2016 the Board of Supervisors approved minute order 3-5 for the County to subordinate its Leasehold Estate in favor of Lessor to facilitate financing the project, however the lender had not fully finalized and secured its lender

Lessor has now fully secured its lender and requires a First Amendment to Lease to direct the lease payments to lenders trustee and to amend and restate the Subordination, Non-Disturbance and Attornment Agreement.

By execution of the First Amendment to Lease and Amended and Restated Subordination, Non-Disturbance, and Attornment Agreement, the County agrees to subordinate its Leasehold Estate to the liens in favor of the lender which shall have no effect on prospective rights and obligations of the County or the Lender as set for in the Lease. In addition, in the event the Lender or its successor becomes the Lessor, the County will recognize (attorn) the Lender or its successor as Lessor and the County’s rights and obligations shall remain the same (not disturbed) as set forth in the lease for the remainder of the lease term.

Impact on Citizens and Businesses

This RUHS Care Clinic will provide an appropriately located facility that will serve the Family Medicine and Primary Health Care needs of all the residents within the region. The RUHS Care Clinic is conveniently located close to public transportation for ease of access.

Contract History and Price Reasonableness

The attached First Amendment to Lease and Amended and Restated Subordination, Non-Disturbance and Attornment Agreement supports the original lease and does not require modification of the financial terms of the contract.
Attachments:
First Amendment to Lease
Amended and Restated Subordination, Non-Disturbance, and Attornment Agreement
Notice of Exemption
Aerial Map

MinuteTrak: 4342

Gregory F. Priamos, Director County Counsel 6/7/2017