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

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
August 27, 2014

SUBJECT: First Amendment to Lease, Department of Public Social Services, Desert Hot Springs, 10 Year Lease, CEQA Exempt, District 5/District 4, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the activity contained in the First Amendment of the Lease is exempt from CEQA guidelines pursuant to Section 15601(b)(3), as it can be seen with certainty that there is no possibility the activity may have a significant effect on the environment.
2. Approve the attached First Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND:

Summary: (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: N/A				Budget Adjustment: No	
				For Fiscal Year: 2014/15-2024/25	

C.E.O. RECOMMENDATION:

APPROVE

BY:
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY: GREGORY P. PRIAMOS
DATE: 8/18/14
Environmental Concurrence

By: Susan von Zabern
Susan von Zabern, Director
Department of Public Social Services

- A-30
- 4/5 Vote
- Positions Added
- Change Order

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

Economic Development Agency / Facilities Management

FORM 11: First Amendment to Lease, Department of Public Social Services, Desert Hot Springs, 10 Year Lease, CEQA Exempt, District 5/District 4, [\$0]

DATE: August 27, 2014

PAGE: 2 of 3

BACKGROUND:

Summary:

On May 14, 2013, the County entered into a lease with Pierson Professional Plaza, LP, for a 10 year lease for a 38,000 square foot build to suit office for use by the Department of Public Social Services. The required development approvals have taken longer than anticipated affecting the construction completion timeline. To facilitate the requirements of pending construction financing, the Lessor has requested a revision to the Delay in Delivery language within the lease, and the County has agreed to the request. The attached First Amendment to Lease modifies the Delay in Delivery penalty date by extending it from May 1, 2015 to January 31, 2016.

In accordance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000-21177) and California Code of Regulations Section 15063, an Initial Study was prepared to analyze the project related to the underlying lease to determine if any potential significant impacts upon the environment would result from approval and execution of the Lease.

The results of the analysis demonstrate that the project would not have any significant impacts on the environment. The initial Study/Negative Declaration (IS/ND) was prepared and circulated for public review and comment from November 26, 2012, to December 25, 2012.

The First Amendment modifies the commencement dates of the Lease and therefore it can be seen with certainty that there will be no significant impact on the environment.

Lessor: Pierson Professional Plaza, LP
5305 E. Second Street, Suite 204
Long Beach, CA 90803

Location: 65753 Pierson Boulevard
Desert Hot Springs, CA

Size: 38,000 square feet.

Term: Ten years.

Rent: \$82,460.00 per month.

Options to Extend: Two, five-year options.

Option to Terminate: After the fifth year for reduced funding with 150 days' notice.

Utilities: All interior utilities, including electricity, water, and gas, will be placed on account directly in County's name for payment.

Custodial: Included in rent.

Interior/Exterior Maintenance: Included in rent.

Parking: Approximately 237 total parking spaces.

(Continued)

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Economic Development Agency / Facilities Management

FORM 11: First Amendment to Lease, Department of Public Social Services, Desert Hot Springs, 10 Year Lease, CEQA Exempt, District 5/District 4, [\$0]

DATE: August 27, 2014

PAGE: 3 of 3

BACKGROUND:

Summary: (Continued)

The attached First Amendment to Lease has been reviewed and approved by County Counsel.

Impact on Residents and Business

This lease amendment addresses the current contract terms only has no impact on residents and businesses.

Additional Fiscal Information:

This First Amendment to Lease has no financial impact.

1 **FIRST AMENDMENT TO LEASE**

2 **65753 Pierson Boulevard**

3 **Desert Hot Springs, California**

4
5 This **FIRST AMENDMENT TO LEASE** ("First Amendment") is made as of
6 _____, 2014 by and between the **COUNTY OF RIVERSIDE**, a
7 political subdivision of the State of California ("County"), as Lessee, and **PIERSON**
8 **PROFESSIONAL PLAZA, LP** ("Lessor") and, sometimes collectively referred to as the
9 Parties.

10 **RECITALS.**

11 **A.** Pierson Professional Plaza, LP, Lessor, and County entered into that
12 certain Lease dated May 14, 2013, ("Original Lease") whereby Lessor has agreed to
13 lease to County and County has agreed to lease from Lessor that certain building
14 located at 65753 Pierson Boulevard, Desert Hot Springs, California, as more
15 particularly described in the Original Lease.

16 **B.** The Original Lease, together with this First Amendment, is collectively
17 referred to hereinafter as the "Lease."

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

20 **1. Term.**

21 Section 4.1 of the Lease shall be amended by deleting the second
22 sentence and replacing it as follows: The Term of this Lease shall be for a period of
23 ten (10) years ("Original Term") commencing no earlier than July 1, 2014, and no later
24 than January 31, 2016, on the earlier of (a) the date County staff occupies the
25 Premises, or (b) the date on which County accepts the Premises for occupancy, which
26 shall occur only after Lessor delivers to County a copy of the Certificate of Occupancy
27 executed by the appropriate governing authority, if applicable, and provided that
28 County, in its sole discretion, is satisfied that all leasehold improvements have been

1 completed in accordance with Exhibit "B" and Exhibit "F," excepting minor punch list
2 items, ("Commencement Date").

3 Section 4.3 of the Lease shall be deleted in its entirety and
4 replaced as follows: If the Original Term of this Lease has not commenced no earlier
5 than July 1, 2014, and no later than January 31, 2016, County may, at its sole option,
6 either: (a) deduct from any rents that may become due hereunder the sum of \$2,508.00
7 for each day the Premises are not substantially complete and available for occupancy
8 as per paragraph 2.4, after said date, as liquidated damages for failure to provide
9 occupancy in a timely manner as prescribed hereunder. Lessor and County agree that
10 such damages are to be one of the mutually exclusive remedies, as prescribed in this
11 Section 4, for such failure, in that at the time of entering into this Lease it would be
12 impractical and extremely difficult to fix the actual damages that would flow from
13 Lessor's failure to provide occupancy in a timely manner, including, but not
14 limited to, the difference in money between the total sum to be paid by County to
15 another party for rent to Lease such party's real property, if the rental hereunder is less
16 than the rental to be paid such other party; or if the Original Term of this Lease has not
17 commenced by January 31, 2016, or (b) cancel this Lease, and Lessor hereby waives
18 any and all rights that it may have against County for any costs, expenses and/or
19 charges that Lessor may have incurred as a result of preparing the Premises for
20 occupancy.

21 **2. First Amendment to Prevail.** The provisions of this First Amendment
22 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore
23 amended, and shall supplement the remaining provisions thereof. Unless defined
24 herein or the context requires otherwise, all capitalized terms herein shall have the
25 meaning defined in the Lease, as heretofore amended.

26 **3. Miscellaneous.** Except as amended or modified herein, all the terms of
27 the Lease shall remain in full force and effect and shall apply with the same force and
28 effect. If any provisions of this Amendment or the Lease shall be determined to be

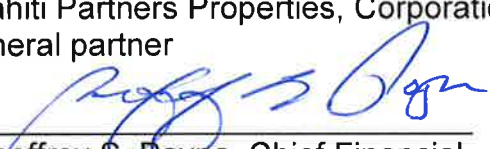
1 illegal or unenforceable, such determination shall not affect any other provision of the
2 Lease and all such other provisions shall remain in full force and effect. The language
3 in all parts of the Lease shall be construed according to its normal and usual meaning
4 and not strictly for or against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

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

10 **IN WITNESS WHEREOF**, the Parties have executed this Amendment as
11 of the date first written above.

12 LESSOR:

13 Pierson Professional Plaza, LP
14 By: Tahiti Partners Properties, Corporation,
15 its general partner

16 By: 
17 Geoffrey S. Payne, Chief Financial
18 Officer of general partner

LESSEE:

County of Riverside

19 By: _____
20 Jeff Stone, Chairman
21 Board of Supervisors

22 ATTEST:
23 Kecia Harper-Ihem
24 Clerk of the Board

25 By: _____
26 Deputy

27 APPROVED AS TO FORM:
28 Gregory P. Priamos, County Counsel

By: 
Patricia Munroe
Deputy County Counsel

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