

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

638



FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS
 DATE: 9/6/14
 Departmental Concurrence

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
September 18, 2014

SUBJECT: Second Amendment to Lease – Human Resources Department, Cathedral City, 3 Year Lease Extension, District 4/District 4, CEQA Exempt, [\$74,582] 100% Employee Assistance Service Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Class 1 Existing Facilities, and General Rule Exemption Section 15061; and
2. Ratify the attached Second 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)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Esteban Hernandez 9/18/14

Robert Field
 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	\$ 25,022	\$ 23,573	\$ 74,582	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Employee Assistance Services Fund 100%
Budget Adjustment: No
 For Fiscal Year: 2014/15 – 2015/16

C.E.O. RECOMMENDATION:

APPROVE
 BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: _____ District: 4/4 Agenda Number: _____

3-11

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

Economic Development Agency / Facilities Management

FORM 11: Second Amendment to Lease – Human Resources Department, Cathedral City, 3 Year Lease Extension, District 4/District 4, CEQA Exempt, [\$74,582] 100% Employee Assistance Service Fund

DATE: September 18, 2014

Page 2 of 3

BACKGROUND:

Summary

The County and Terry Williams Ireland dba TW Investments, agree to extend the lease agreement for the facility located at 68-625 Perez Road, Suite 10A, Cathedral City, California. The Human Resources Department (HR) has utilized this office since June 1999, for its Employee Assistance Services (EAS) program.

While this facility meets the basic needs and requirements of the HR Department, shortly prior to the expiration of the lease term, HR decided to explore alternate sites to seek improvement of its confidentiality and privacy needs for its clients. During this time, the tenancy moved into a holdover state and the County continued to pay the rent with landlords consent. After evaluating relocation costs and not finding any suitable improved sites available, HR has elected to stay at the current location until the expiration of the extended term.

Lessor: T W Investments
76322 Via Chianti
Indian Wells, California 92210

Premises Location: 68-625 Perez Road, Suite 10A, Cathedral City, California

Term: Three years commencing June 1, 2013 and expiring May 31, 2016

Size: 1,200 square feet

Rent: New rent commences effective June 1, 2013, as the department sought relocation feasibility to no avail. During period of June 1, 2013 – June 30, 2014, provisions of Holding Over and rental increase rate of 2% apply under previous lease terms and conditions.

<u>Old</u>	<u>New</u>
\$1.40 per sq. ft.	\$1.49 per sq. ft.
\$1,680.00 per month	\$1,782.83 per month
\$20,160.00 per year	\$21,394.00 per year

<u>Increase</u>	
Per Sq. Ft.	\$.09
Per Month	\$102.83
Per Year	\$1233.96

Rental Adjustment: Increase 3% August 1, 2014 and annually during the term of the lease.

Utilities: County pays electric and telephone, Landlord pays all others.

Maintenance: Provided by Landlord

Custodial: Provided by Landlord

(Continued)

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Economic Development Agency / Facilities Management

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DATE: September 18, 2014

Page 3 of 3

BACKGROUND:

Summary: (Continued)

Improvements: N/A

RCIT Costs: N/A

Impact on Residents and Businesses

The continued occupancy of this office space by the HR provides Employee Assistance Services (EAS) to the County employees within the area and positively impacts the local businesses by increased consumption of goods and services at gas stations, restaurants, stores and other areas of business within the Coachella Valley.

SUPPLEMENTAL:

Additional Fiscal Information:

The costs for 2012/13 are \$1,996, the costs for 2013/14 are \$23,991, the costs for 2014/15 are \$25,022 and the cost for 2015/16 are \$23,573 for a total cost of \$74,582. HR has budgeted these costs in FY 2014/15 and will reimburse EDA for all lease costs on a monthly basis.

Contact History and Price Reasonableness

This is a three year lease renewal. The lease rate is deemed competitive based upon the requested short-term lease and improved real estate market conditions.

Attachment:

Second Amendment

Exhibits A

Notice of Exemption

Exhibit A

FY 2014/15

Human Resources Lease Cost Analysis

68-625 Perez Road, Suite 10A, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	1,200	SQFT	
Approximate Cost per SQFT (July)	\$	1.52	
Approximate Cost per SQFT (Aug - June)	\$	1.56	
Lease Cost per Month (July)	\$	1,818.49	
Lease Cost per Month (Aug - June)	\$	1,873.04	
Total Lease Cost (July)	\$	1,818.49	
Total Lease Cost (Aug - June)	\$	20,603.45	
Total Estimated Lease Cost for FY 2014/15	\$	22,421.94	

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		<u>\$ 144.00</u>	
Total Estimated Utility Cost	\$	1,728.00	
RCIT	\$	-	
Tenant Improvement	\$	-	
EDA Lease Management Fee - 3.89%	\$	<u>872.21</u>	
TOTAL ESTIMATED COST FOR FY 2014/15	\$	<u>25,022.15</u>	

Exhibit B

FY 2015/16

Human Resources Lease Cost Analysis

68-625 Perez Road, Suite 10A, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	1,200	SQFT	
Approximate Cost per SQFT (July)	\$	1.56	
Approximate Cost per SQFT (Aug - May)	\$	1.61	
Lease Cost per Month (July)	\$	1,873.04	
Lease Cost per Month (Aug - May)	\$	1,929.23	
Total Lease Cost (July)	\$	1,873.04	
Total Lease Cost (Aug - May)	\$	19,292.32	
Total Estimated Lease Cost for FY 2015/16	\$	21,165.37	

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		<u>\$ 144.00</u>	
Total Estimated Utility Cost	\$	1,584.00	
RCIT	\$	-	
Tenant Improvement	\$	-	
EDA Lease Management Fee - 3.89%	\$	823.33	
TOTAL ESTIMATED COST FOR FY 2015/16	\$	23,572.70	
TOTAL COUNTY COST 0.00%	\$	-	

F11: Cost - Total Cost FY12/13	\$	1,996.18
F11: Cost - Total Cost FY13/14	\$	23,991.23
F11: Cost - Total Cost FY14/15	\$	25,022.15
F11: Cost - Total Cost FY15/16	\$	23,572.70
	\$	74,582.26

F11: Net County Cost - Total Cost \$ -



NOTICE OF EXEMPTION

June 30, 2014

Project Name: County of Riverside, Human Resources Department, EAS Program, Lease

Project Number: FM042163001100

Project Location: APN: 687-330-023; 68-625 Perez Road, Suite 10A, Cathedral City, CA
Latitude: 33° 47' 04.6752"N, Longitude: -116° 28' 08.5296"W. (See attached exhibit).

Description of Project: The County of Riverside, Economic Development Agency (EDA) proposes to extend an existing lease agreement by and between the County of Riverside, Human Resources Department and T.W. Investments. The leased building in question is located 68-625 Perez Road, Suite 10A, Cathedral City, California. The proposed project is the amendment of the existing lease involving an existing facility and no expansion of an existing use. The lease has been ongoing between the County of Riverside and T.W. Investments since 1999. The lease agreement is for the renewal of approximately 3 years commencing retro actively to June 1, 2013, with various amendments including changes to the rent, length of the term of the lease, and termination rights. The project does not involve any changes to land use, the existing building, or to the environment. The lease amendment and renewal will not alter or increase any continuing activities or uses of the site and no potential environmental impacts would occur.

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

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1 Existing Facilities and General Rule Exemption Section 15061.

Reasons Why Project is Exempt: The project is 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 any impacts to scenic resources, historic resources, or unique sensitive environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The project only includes renewing an existing lease with minor changes to the lease terms. These changes will not alter the existing and ongoing use of the site as office space and will neither increase nor decrease the level of operations that occurs at the site. Therefore, no environmental impacts are anticipated to occur.

- Section 15301 – Class 1 Existing Facilities Exemption. The project as proposed is a continued lease of a public facility between the County of Riverside, Human Resources Department and T.W. Investments. The lease for the existing public structure has been ongoing between both parties since 1999. Neither the lease renewal nor changes to the language of the lease will involve construction or expand the ongoing use of the site as office space.

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8914 • F: 951.955.6686

www.rivcoeda.org

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Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

- Section 15061 (b) (3) - General Rule or “Common Sense” Exemption. The State CEQA Guidelines provides this exemption based upon the general rule that CEQA only applies to projects with the potential to cause a significant effect on the environment. With certainty, there is no possibility that the proposed project may have a significant effect on the environment. The lease renewal and amendments to the lease will not require any construction activities and will not result in any operational changes of the use of the site as office space. 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 meets all of the required categorical exemptions as identified. No further environmental analysis is warranted.

Signed:  Date: 6.30.14

John Alfred, Acting Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: **Human Resources and T.W. Investments Lease**

Accounting String: **524830-47220-7200400000-FM042163001100**

DATE: June 30, 2014

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: **John Alfred, Acting Senior Environmental Planner, Economic Development Agency**

Signature: _____

PRESENTED BY: **Tracy Kaiser, Development Specialist, Economic Development Agency**

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____

1 soon thereafter as a warrant can be issued in the normal course of County's business.
2 Rent to commence effective June 1, 2013.

3 (b) Notwithstanding the provisions of Paragraph 4(a) herein,
4 the monthly rent shall be increased on each anniversary of this Lease by an amount
5 equal to three (3%) percent of such month rental.

6 **3. Notices.** Section 12 of the Lease shall be deleted in its entirety and
7 replaced as follows. Any notices required or desired to be served by either party upon
8 the other shall be addressed to the respective parties as set forth below:

9
10 COUNTY:

11 Economic Development Agency
12 Real Estate Division
13 County of Riverside
14 3403 Tenth Street, Suite 500
15 Riverside, CA 92501

LESSOR:

TW Investments
c/o T.W. Ireland
76322 Via Chianti
Indian Wells, CA 92210

16
17 **4. Second Amendment to Prevail.** The provisions of this Second
18 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease
19 as heretofore amended and shall supplement the remaining provisions thereof. The
20 Lease remains in full force and effect except to the extent amended by this Second
21 Amendment. Unless defined herein or the context requires otherwise, all capitalized
22 terms herein shall have the meaning defined in the Lease.

23 **5.** Except as modified or supplemented by this Second Amendment to
24 Lease, all provisions of this Lease shall remain in full force and effect.

1 6. This Second Amendment shall not be binding or consummated until its
2 approval by the Board of Supervisors of County of Riverside.

3
4 Dated: _____

5 COUNTY OF RIVERSIDE

TW INVESTMENTS

6
7
8 By: _____
9 Jeff Stone, Chairman
10 Board of Supervisors

By:  _____
Terry William Ireland, Owner

11 ATTEST:
12 Kecia Harper-Ihem
13 Clerk of the Board

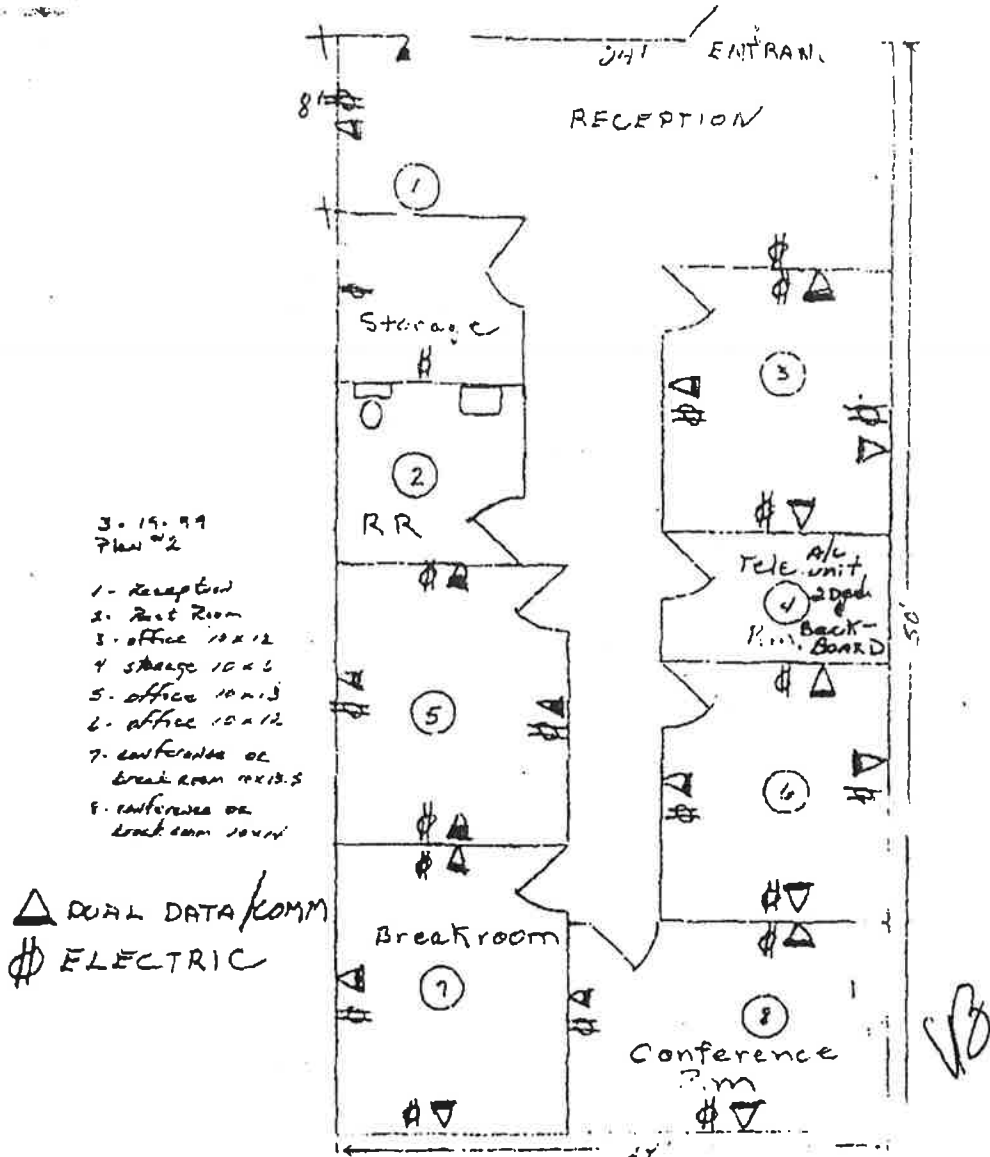
14 By: _____
15 Deputy

16 APPROVED AS TO FORM:
17 PAMELA J. WALLS, County Counsel

18 By:  _____
19 Patricia Munroe, Deputy

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EXHIBIT "A"



3-19-77
Plan # 2

- 1- Reception
- 2- Rest Room
- 3- office 10x12
- 4- Storage 10x6
- 5- office 10x13
- 6- office 10x12
- 7- conference or break room 10x13.5
- 8- conference or break room 10x12

△ DUAL DATA/KOMM
⊕ ELECTRIC

County of Alameda
General Assessors
Plan # 2
3-19-77

Primer Business Park
6425 Rock Rd #10
Emeryville, CA
4:1

EXHIBIT "A"