

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS
 DATE: 3/2/15
 Departmental Concurrence

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

621



FROM: Economic Development Agency

SUBMITTAL DATE:
 April 2, 2015

SUBJECT: Second Amendment to Lease, Department of Public Social Services, Cathedral City, 3-year lease extension, CEQA Exempt, District 4, [\$332,251]; 52% Federal, 26% State, 2% County DPSS, 7% Realign, 13% Realign 2011

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, Existing Facilities; 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.

(Continued)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Esteban Hernandez 4/2/15

Robert Field

Robert Field
 Assistant County Executive Officer/EDA

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 18,034	\$ 108,623	\$ 332,251	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 361	\$ 2,172	\$ 6,645	\$ 0	
SOURCE OF FUNDS: 52% Federal, 26% State, 2% County DPSS, 7% Realignment, 13% Realign 2011				Budget Adjustment: No	
				For Fiscal Year: 2014/15 - 2017/18	

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.: 3.46 of 7/31/07; 3.29 of 6/18/13

District: 4

Agenda Number:

3-6

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

Economic Development Agency

FORM 11: Second Amendment to Lease, Department of Public Social Services, Cathedral City, 3-year lease extension, CEQA Exempt, District 4, [\$332,251]; 52% Federal, 26% State, 2% County DPSS, 7% Realign, 13% Realign 2011

DATE: April 2, 2015

PAGE: 2 of 3

RECOMMENDED MOTION: (Continued)

- 3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk upon approval by the Board.

BACKGROUND:

Summary

The County of Riverside has been under lease with T W Investments, at this location since May, 2007. The Department of Public Social Services (DPSS) has occupied this office in Cathedral City for use by their Self Sufficiency through Employment Division and it continues to meet the requirements of DPSS. This Second Amendment to lease extends the Lease through April, 2018. This Second Amendment to Lease includes, among other things, to extend the term of the Lease through April, 2018, and provide for two options to renew the Lease by the County.

Pursuant to the California Environmental Quality Act (CEQA), the Lease Amendment was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines Section 15301, Class 1 – Existing Facilities and Section 15303 – New Construction of Small Structures. The proposed project is the extension of letting of property involving existing facilities with minor tenant improvement alterations and negligible expansion of an existing use will occur. The addition and installation of an exterior awning over the back door is a minor and negligible expansion of the current use.

Lessor: Terry William Ireland
 dba T W Investments
 76322 Via Chianti
 Indian Wells, CA 92210

Premises Location: 68625 Perez Road
 Suites 4 & 5
 Cathedral City, Ca 92253

Size: 4,944 square feet.

Rent:	<u>Current</u>	<u>New</u>
	\$1.64 per sq. ft. modified gross	\$1.64 per sq. ft. modified gross
	\$8,108.16 per month	\$8,108.16 per month
	\$97,297.92 per year	\$97,297.92 per year

Term: Extended three years commencing May 1, 2015 and ending April 30, 2018.

Rental Adjustment: 2.5% annually.

Options to Extend: Two, 1-year options.

Utilities: County to pay electric. Lessor to pay all other utilities.

(Continued)

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

Economic Development Agency

FORM 11: Second Amendment to Lease, Department of Public Social Services, Cathedral City, 3-year lease extension, CEQA Exempt, District 4, [\$332,251]; 52% Federal, 26% State, 2% County DPSS, 7% Realign, 13% Realign 2011

DATE: April 2, 2015

PAGE: 3 of 3

BACKGROUND:

Summary (Continued)

Custodial: Included in rent.

Interior/Exterior
Maintenance: Included in rent.

Improvements: Minor improvements to be completed and paid by Lessor.

Impact on Citizens and Businesses

The public benefit continues with this location providing social services in the Region with mandated programs provided by DPSS, including job training.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C

DPSS has budgeted these costs in FY2014/15 and will reimburse EDA for all lease costs.

Contract History and Price Reasonableness

This is a 3-year lease extension. The lease rate is competitive based on the current market.

Attachments:

Exhibits A, B & C

Second Amendment

Notice of Exemption

Exhibit A

FY 2014/15

DPSS Lease Cost Analysis

68625 Perez Road, Suites 4 & 5, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	4,944	SQFT		
Approximate Cost per SQFT (July -Apr) 1st Amendment	\$	1.64		
Approximate Cost per SQFT (May - June) 2nd Amendme	\$	1.64		
Lease Cost per Month (July -Apr) 1st Amendment	\$		8,108.16	
Lease Cost per Month (May - June) 2nd Amendment	\$		8,108.16	
Total Lease Cost (July -Apr) 1st Amendment			\$	81,081.60
Total Lease Cost (May - June) 2nd Amendment			\$	16,216.32
Total Estimated Lease Cost for FY 2014/15			\$	97,297.92

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July - Apr) 1st Amendment	\$		5,932.80	
Estimated Utility Costs per Month (May - June) 2nd Amendment	\$		1,186.56	
Total Estimated Utility Cost			\$	7,119.36
RCIT			\$	-
Tenant Improvement			\$	-
EDA Lease Management Fee - 3.89% 1st Amendment	\$		3,154.07	
EDA Lease Management Fee - 3.89% 2nd Amendment	\$		630.81	
Total EDA Lease Management Fee			\$	3,784.89
TOTAL ESTIMATED COST FOR FY 2014/15			\$	108,202.17
Amount Previously approved in 1st Amendment			\$	90,168.47
Amount of FY14/15 for 2nd Amendment			\$	18,033.69
TOTAL COUNTY COST 2.00%			\$	360.67

Exhibit B

FY 2015/16

DPSS Lease Cost Analysis

68625 Perez Road, Suites 4 & 5, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	4,944	SQFT		
Approximate Cost per SQFT (July - April)	\$	1.64		
Approximate Cost per SQFT (May - June)	\$	1.68		
Lease Cost per Month (July - April)			\$	8,108.16
Lease Cost per Month (May - June)			\$	8,310.86
Total Lease Cost (July - April)			\$	81,081.60
Total Lease Cost (May - June)			\$	16,621.73
Total Estimated Lease Cost for FY 2015/16			\$	97,703.33

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Cost per month			<u>\$</u>	<u>593.28</u>
Total Estimated Utility Cost			\$	7,119.36
EDA Lease Management Fee - 3.89%			\$	3,800.66
TOTAL ESTIMATED COST FOR FY 2015/16			\$	108,623.35
TOTAL COUNTY COST 2.00%			\$	2,172.47

Exhibit C

FY 2016/17 to FY 2017/18

DPSS Lease Cost Analysis

68625 Perez Road, Suites 4 & 5, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 4,944 SQFT

	FY 2016/17	FY 2017/18
Approximate Cost per SQFT (July -Apr)	\$ 1.68	\$ 1.72
Approximate Cost per SQFT (May - June)	\$ 1.72	\$ -
Lease Cost per Month (July - Apr)	\$ 8,310.86	\$ 8,518.64
Lease Cost per Month (May - June)	\$ 8,518.64	\$ -
Total Lease Cost (July - Apr)	\$ 83,108.64	\$ 85,186.36
Total Lease cost (May - June)	\$ 17,037.27	\$ -
Total Estimated Lease Cost for FY 2016/17 to FY 2017/18	\$ 100,145.91	\$ 85,186.36

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Cost per month	\$ 593.28	\$ 593.28
Total Estimated Utility Cost	\$ 7,119.36	\$ 5,932.80
 EDA Lease Management Fee - 3.89%	 \$ 3,895.68	 \$ 3,313.75
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2017/18	\$ 111,160.95	\$ 94,432.91
 TOTAL COUNTY COST 2.00%	 \$ 2,223.22	 \$ 1,888.66

F11: Cost - Total Cost	\$ 332,250.89
F11: Net County Cost - Total Cost	\$ 6,645.02

1 **SECOND AMENDMENT TO LEASE**

2 (Economic Development Agency,
3 68625 Perez Road, Suites 4 & 5,
4 Cathedral City, California)

5
6 This SECOND AMENDMENT to Lease (“Second Amendment”) is made as of
7 _____, 2015, by and between the **COUNTY OF RIVERSIDE**, a political
8 subdivision of the State of California (“County”), and **TERRY WILLIAM IRELAND, dba**
9 **T W Investments**, (“Lessor”) and sometimes collectively referred to as the Parties.

10 **1. Recitals**

11 a. Terry William Ireland dba T W Investments, successor in interest
12 to 6505 Paramount Associates, LLC, as Lessor, and County, entered into that certain
13 Lease dated July 31, 2007, (“Original Lease”) pertaining to the premises located at
14 68625 Perez Road, Suites 4 & 5, Cathedral City, California, as more particularly
15 described in the Lease.

16 b. The Original Lease has been amended by:

17 i. That certain First amendment to Lease dated, June 18, 2013, by
18 and between the County of Riverside and T W Ireland dba T W Investments, (“First
19 Amendment”).

20 c. The Original Lease, as amended, shall hereafter be referred to as
21 the “Lease”.

22 d. County and Lessor desire to further amend the Lease by extending
23 the term, modifying the rent and minor tenant improvements.

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

26 **2. Term.** Section 4.1 of the Lease shall be amended by adding the
27 following:
28

1 The term of this Lease shall be extended commencing May 1, 2015, and
2 expiring April 30, 2018 (the "Extended Term").

3 **3. Rent.** Section 5.1 of the Lease shall be deleted and replaced as follows:

4 **5.1 Rent.** Commencing May 1, 2015, County shall pay the sum of
5 \$8,108.16 per month to Lessor as rent for the Leased Premises, payable, in advance,
6 on the first day of the month or soon thereafter as a warrant can be issued in the
7 normal course of County's business.

8 **4. Options.** Section 6.1 of the Lease shall be deleted and replaced as
9 follows:

10 **6.1 Option to Extend Term.** Lessor grants to County two (2), one-
11 year options to extend the Lease term ("Extension Option(s)"). Each Extension Option
12 shall be for a period of one (1) year ("Extended Term"), subject to the conditions
13 described in this Section 6.1.

14 **6.1.1 Exercise of Option.** The Extension Option shall be
15 exercised by County delivering to Lessor written notice thereof no later than one
16 hundred twenty (120) days prior to the expiration of the Original Term or any extension
17 thereof.

18 **6.1.2 Option Rent.** The rent payable by County during the
19 Extended Terms shall be increased two and one-half (2.5%) percent on each
20 anniversary date during the Extended Term.

21 **5. Improvements by Lessor.** Section 11 of the Lease shall be amended to
22 add subsection 11.1.9 as follows:

23 **11.1.9 Additional Improvements by Lessor during the**
24 **Extended Term.** Lessor, at its total cost and expense, not subject to reimbursement
25 by County, shall install an exterior awning over the back door to the premises similar to
26 the adjacent suite. Work to be completed by July 1, 2015.

27 **6. Second Amendment to Prevail.** The provisions of this Second
28 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,

1 as heretofore amended, and shall supplement the remaining provisions thereof.
2 Unless defined herein or the context requires otherwise, all capitalized terms herein
3 shall have the meaning defined in the Lease, as heretofore amended.

4 **7. Notices.** Section 19.18 of the Lease is hereby amended by changing the
5 Notification Address of the County to read as follows:

6 County's Notification Address:

7 County of Riverside
8 Economic Development Agency
9 Attn.: Deputy Director of Real Estate
10 3403 Tenth Street, Suite 400
11 Riverside, CA 92501

12 **8. Miscellaneous.** Except as amended or modified herein, all the terms of
13 the Lease shall remain in full force and effect and shall apply with the same force and
14 effect. If any provisions of this Amendment or the Lease shall be determined to be
15 illegal or unenforceable, such determination shall not affect any other provision of the
16 Lease and all such other provisions shall remain in full force and effect. The language
17 in all parts of the Lease shall be construed according to its normal and usual meaning
18 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the
19 Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded
20 by Lessee.

21 **9. Successor and Assigns.** This Second Amendment shall inure to the
22 benefit of the Parties' successors and /or assigns.


23 **10. Effective Date.** This Second Amendment to Lease shall not be binding
24 or consummated until its approval by the County's Board of Supervisors and fully
25 executed by the Parties.

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

3 LESSEE:
4 COUNTY OF RIVERSIDE

LESSOR:
TERRY WILLIAM IRELAND dba T W
Investments

5
6 By: _____
7 Marion Ashley, Chairman
Board of Supervisors

By: 
Terry William Ireland

8
9 ATTEST:
10 Kecia Harper-Ihem
Clerk of the Board

11 By: _____
12 Deputy

13 APPROVED AS TO FORM:
14 Gregory P. Priamos,
15 County Counsel

16 By: 
17 SYNTHIA M. GUNZEL
Deputy County Counsel



NOTICE OF EXEMPTION

March 27, 2015

Project Name: County of Riverside, Second Amendment to Lease, Department of Public Social Services, Cathedral City

Project Number: FM042163001500

Project Location:

68625 Perez Road, Suites 4 & 5, Cathedral City, Ca 92253; Assessor Parcel Number 687-330-023
(see attached exhibits)

Description of Project: County of Riverside (County) proposes to amend and extend the term of the lease with Terry William Ireland dba TW Investment (Lessor) through April, 2018. The premise currently consists of an existing building providing social services in the region with mandated programs provided by the Department of Public Social Services (DPSS), including job training, located at 68625 Perez Road, Suites 4 & 5, Cathedral City, California. The original lease, dated July 31, 2007, has been amended by that certain First amendment to Lease, dated June 18, 2013, by and between the County and Lessor, ("First Amendment"). The original lease, as amended, hereafter referred to as the "Lease". County and Lessor desire to further amend the Lease by extending the term three years, as stated, modifying the rent and minor tenant improvements. DPSS has occupied this office in Cathedral City for use by their Self Sufficiency through Employment Division and it continues to meet the requirements of DPSS. This Second Amendment to lease includes, among other things, to provide for two options to renew the Lease by the County, and tenant improvements, which are to be completed by Lessor by July 1, 2015. The tenant improvement consists of installing an exterior awning over the back door to the premises, similar to the adjacent suite. The Project does not involve any changes to land use, the existing building, or environment and the tenant improvements are limited to the interior of the structure. The proposed Project is the letting of property involving existing facilities with minor tenant improvement alterations and no expansion of an existing use will occur. The leased premises consist of approximately 4,944 square feet for the purpose of providing services for the Department of Public Social Services and shall not be used for any other purpose.

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: State California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15303(e), Class 3, New Construction or Conversion of Small Structures; Section 15061(b)(3), General Rule or "Common Sense" Exemption.

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6486

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Workforce Development

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 biological environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The option to extend the lease and minor tenant improvement alterations is not anticipated to result in any significant physical environmental impacts.

- Section 15301 – Class 1 Existing Facilities Exemption. This 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 the option to extend an existing lease. As previously discussed, no physical upgrades, changes in usage and only minor tenant improvements are included as part of the Project. The option to extend the lease will not increase or expand the use of the site, and merely allows for the continued use of the site in a similar capacity; therefore, the Project meets the scope and intent of the Class 1 Exemption.
- 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 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 *Muzzy Ranch Co. v Solano County Airport Land Use Comm’n* (2007) 41 Cal.4th 372. With certainty, there is no possibility that the Project may have a significant effect on the environment. The option to extend the lease will not have an effect on the environment. The use and operation of the facility will be substantially similar to the existing uses and will not create any new environmental impacts to the surrounding area. No alterations will occur and no impacts beyond the ongoing use of the site are anticipated. 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.
- Section 15303(e), Class 3 – New Construction or Conversion of Small Structures Exemption. This exemption consists of the construction and location of limited numbers of new, small facilities, or structures. The exemption includes a number of examples, none of which specifically fit the proposed Project; however, Section 15303 also makes it clear that the provided examples are not exclusive. The proposed Project includes only an exterior awning over the back door to the premises.

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 is exempt under CEQA. No further environmental analysis is warranted.

Signed:  Date: 3/27/15

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Second Amendment to Lease, Department of Public Social Services,
Cathedral City

Accounting String: **Fund: 524830-47220-7200400000- FM042163001500**

DATE: March 27, 2015

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: Heidi Rigler, Senior Real Property Agent, Economic Development
Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____