

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

921



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
 May 7, 2015

**SUBJECT:** Fifth Amendment to Lease, Department of Public Social Services, Desert Hot Springs – Two Year Lease, CEQA Exempt, District 4, [\$149,558]; Federal 40.3%, State .3%, County .2%, Realign 20.3%, Realign 2011 38.1%, Other .8%

**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 and Section 15061(b)(3);
2. Ratify the attached Fifth Amendment to Lease 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) days of approval by the Board.

**BACKGROUND:**

**Summary**

(Commences on Page 2)

**FISCAL PROCEDURES APPROVED**

PAUL ANGULO, CPA, AUDITOR-CONTROLLER

BY: Esteban Hernandez 5/6/15

*[Signature]*

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	\$ 31,158	\$ 74,779	\$ 149,558	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 62	\$ 150	\$ 299	\$ 0	

**SOURCE OF FUNDS:** Federal 40.3%, State .3%, County .2%,  
 Realign 20.3%, Realign 2011 38.1%, Other .8%

**Budget Adjustment:** No  
**For Fiscal Year:** 2014/15 – 2016/17

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *[Signature]*  
 Rohini Dasika

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

By: Susan von Zabern  
 Director  
 Department of Public Social Services

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

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

Economic Development Agency

**FORM 11:** Fifth Amendment to Lease, Department of Public Social Services, Desert Hot Springs – Two Year Lease, CEQA Exempt, District 4, [\$149,558]; Federal 40.3%, State .3%, County .2%, Realign 20.3%, Realign 2011 38.1%, Other .8%

**DATE:** May 7, 2015

**PAGE:** 2 of 3

## **BACKGROUND:**

### **Summary**

The County and DIBA Real Estate Investments, LLC, desire to extend the lease agreement for the facility located at 14-201 Palm Drive, #107, 108, 109b, Desert Hot Springs, California. The Department of Public Social Services (DPSS) has utilized this office since September 26, 2000, for its Family Resource Center (FRC) program. This facility continues to meet the needs and requirements of the department and a lease extension has been negotiated by the Economic Development Agency's (EDA) Real Estate.

Pursuant to the California Environmental Quality Act (CEQA), the Lease Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301, Class 1-existing facilities and Section 15061(b)(3). The proposed project is the extension of the term for the letting of property involving existing facilities for the continuation of an existing use to occur.

Lessor:	DIBA Real Estate Investments, LLC 28008 Harrison Parkway Valencia, California 91355	
Premises Location:	14-201 Palm Drive, #107, 108, 109b, Desert Hot Springs, California	
Term:	Two years commencing February 1, 2015	
Size:	2,904 square feet	
Rent:	Former	New
	\$ 1.78 per sq. ft.	\$ 1.95 per sq. ft
	\$ 5,179.28 per month	\$ 5,662.80 per month
	\$62,151.36 per year	\$67,953.60 per year
Rental Adjustment:	Not Applicable, (Flat Rate Entire Term)	
Utilities:	County pays electric, gas and telephone, Landlord pays all others.	
Maintenance:	Provided by Landlord	
Custodial:	Provided by Landlord	

### **Impact on Citizens and Businesses**

The public benefit continues with this location serving clients in the community and region.

## **SUPPLEMENTAL:**

### **Additional Fiscal Information**

See attached Exhibits A, B & C

DPSS will budget these costs in FY 2014/15 thru FY 2016/17 and will reimburse EDA for all lease costs on a monthly basis.

(Continued)

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**DATE:** May 7, 2015

**PAGE:** 3 of 3

**Contract History and Price Reasonableness**

This is a 2-year lease extension. The lease rate is competitive based on the current real estate market.

**Attachments:**

Exhibits A, B & C

Fifth Amendment to Lease

Notice of Exemption

# Exhibit A

## DPSS Lease Cost Analysis FY 2014/15

14201 Palm Drive, Suites 107, 108, 109b, Desert Hot Springs, California

### **ESTIMATED AMOUNTS**

#### **Total Square Footage to be Leased:**

Current Office:	2,904	SQFT		
Approximate Cost per SQFT (July - Jan)	\$	1.78		
Approximate Cost per SQFT (Feb - Jun)	\$	1.95		
Lease Cost per Month (July - Jan)			\$	5,169.12
Lease Cost per Month (Feb - June)			\$	5,662.80
Total Lease Cost (July - Jan)			\$	36,183.84
Total Lease Cost (Feb - June)			\$	28,314.00
<b>Total Estimated Lease Cost for FY 2014/15</b>			<b>\$</b>	<b>64,497.84</b>

#### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July - Jan) - 4th Amendment			\$	2,439.36
Estimated Utility Costs per Month (Feb - June) - 5th Amendment			\$	1,742.40
Total Estimated Utility Cost			\$	4,181.76
EDA Lease Management Fee (Based @ 3.89%) - 4th Amendment			\$	1,407.55
EDA Lease Management Fee (Based @ 3.89%) - 5th Amendment			\$	1,101.41
Total EDA Lease Management Fee			\$	2,508.97
<b>TOTAL ESTIMATED COST FOR FY 2014/15</b>			<b>\$</b>	<b>71,188.57</b>
Amount Previously approved in 4th Amendment			\$	40,030.75
Amount of FY14/15 for 3rd Amendment			\$	31,157.81
<b>TOTAL COUNTY COST .2%</b>			<b>\$</b>	<b>62.32</b>

# Exhibit B

## DPSS Lease Cost Analysis FY 2015/16

14201 Palm Drive, Suites 107, 108, 109b, Desert Hot Springs, California

### **ESTIMATED AMOUNTS**

#### **Total Square Footage to be Leased:**

Current Office:	2,904	SQFT	
Approximate Cost per SQFT (July - Jun)	\$	1.95	
Lease Cost per Month (July - Jun)		\$	5,662.80
Total Lease Cost (July - Jun)			\$ 67,953.60
<b>Total Estimated Lease Cost for FY 2015/16</b>			<b>\$ 67,953.60</b>

#### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	348.48
Total Estimated Utility Cost			\$ 4,181.76
EDA Lease Management Fee (Based @ 3.89%)			\$ 2,643.40
<b>TOTAL ESTIMATED COST FOR FY 2015/16</b>			<b>\$ 74,778.76</b>
<b>TOTAL COUNTY COST .2%</b>			<b>\$ 149.56</b>

# Exhibit C

**DPSS Lease Cost Analysis FY 2016/17**  
**14201 Palm Drive, Suites 107, 108, 109b, Desert Hot Springs, California**

***ESTIMATED AMOUNTS***

**Total Square Footage to be Leased:**

Current Office: 2,904 SQFT

	<b>FY 2016/17</b>
Approximate Cost per SQFT (July - Jan)	\$ 1.95
Lease Cost per Month (July - Jan)	\$ 5,662.80
Total Lease Cost (July - Jan)	\$ 39,639.60
<b>Total Estimated Lease Cost for FY 2015/16</b>	<b>\$ 39,639.60</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12
Estimated Utility Costs per Month (July - Jan)	\$ 348.48
Total Estimated Utility Cost	\$ 2,439.36
EDA Lease Management Fee (Based @ 3.89%)	\$ 1,541.98
<b>TOTAL ESTIMATED COST FOR FY 2016/17</b>	<b>\$ 43,620.94</b>
<b>TOTAL COUNTY COST .2%</b>	<b>\$ 87.24</b>

1 **FIFTH AMENDMENT TO LEASE**

2 **14-201 Palm Drive, #107, 108, 109b, Desert Hot Springs, California**

3  
4 This **FIFTH AMENDMENT TO LEASE** ("Fourth Amendment") is made as of  
5 \_\_\_\_\_, 2015 by and between the **COUNTY OF RIVERSIDE**, a  
6 political subdivision of the State of California ("County"), and **DIBA REAL ESTATE**  
7 **INVESTMENTS, LLC**, ("Lessor"), a California Limited Liability Company.

8 **RECITALS**

9 A. County and First Western Land Management, LLC, predecessor to  
10 DIBA Real Estate Investments, LLC, entered into that certain lease dated September  
11 26, 2000, ("Original Lease") pursuant to which County leased a portion of that certain  
12 building located at 14201 Palm Drive, Suites 107, 108, 109b, Desert Hot Springs,  
13 California (the "Building"), as more particularly shown on Exhibit "A," attached hereto  
14 and made a part hereof.

15 B. The Original Lease has been amended by:

16 i. That certain First Amendment to Lease dated October 28,  
17 2003, by and between First Western Land Management, LLC and the County ("First  
18 Amendment"), whereby the Parties amended the Lease to extend the term.

19 ii. That certain Second Amendment to Lease dated November  
20 22, 2005, by and between First Western Land Management, LLC and the County  
21 ("Second Amendment"), whereby the Parties amended the Lease to extend the term  
22 and rental amounts.

23 iii. That certain Third Amendment to Lease dated January 13,  
24 2009, by and between Eun Hee Lee, successor in interest to First Western Land  
25 Management, LLC and the County (the "Third Amendment"), whereby the Parties  
26 amended the Lease to extend the term and rental amounts.

27 iv. That certain Fourth Amended to Lease dated March 1,  
28 2011, by and between Diba Real Estate, LLC, successor in interest to Eun Hee Lee,

1 Wilshire State Bank and the County, whereby the Parties amended the Lease to  
2 extend the term, rental amounts, addresses of the parties under notices, options to  
3 extend Lease, improvements by Lessor and County's representative.

4 v. On January 29, 2013, the County exercised its option to  
5 extend the term of the Lease to expire on January 31, 2015.

6 C. The Original Lease, as heretofore, currently, or hereafter  
7 amended, shall hereafter be referred to as the "Lease."

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

10 **1. Lease Term.** Section 3 of the Lease shall be amended as follows  
11 subject to the provisions contained in Paragraph 12 of the Lease:

12 The term of this Lease shall be extended twenty four (24) months commencing on  
13 February 1, 2015, and terminating on January 31, 2017.

14 **2. Rent.** Section 5 of the to Lease shall be amended as follows: Monthly  
15 rent shall be paid as follows through the extended term:

16 \$5,662.80 per month February 1, 2015 through January 31, 2017

17 **3. Options.** Section 4 of the Lease shall be deleted in its entirety and  
18 replaced as follows:

19 4. Options. Lessor grants the following rights to County:

20 (a) Lessor grants to County one (1) option to extend the  
21 Lease term ("Extension Option(s)"). The Extension Option shall be for a period of  
22 twelve (12) months ("Extended Term"), subject to the conditions described in this  
23 Section 4.

24 (i) Exercise of Option. The Extension Option  
25 shall be exercised by County delivering to Lessor written notice thereof no later than  
26 sixty-five (65) days prior to the eighteenth month subject to the provisions contained in  
27 Paragraph 3 of the Lease.  
28

1 (ii) Option Rent. The rent payable by County  
2 during any Extended Term shall be at the annual increase rate of 4% during the term.

3 **4. Option to Terminate.** Section 12 of the Lease shall be amended by  
4 adding subsection (e) as follows:

5 (e) The Parties' Rights to Early Termination Option. The parties  
6 hereto agree to the mutual Right to Early Termination after the eighteenth (18) month  
7 of the Lease term contained in Paragraph 3 of the Lease by serving upon the other  
8 sixty (60) days' written notice of the parties' intention.

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

11 **6. Capitalized Terms.** Fifth Amendment to Prevail. Unless defined herein  
12 or the context requires otherwise, all capitalized terms herein shall have the meaning  
13 defined in the Lease, as heretofore amended. The provisions of this Fifth Amendment  
14 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore  
15 amended, and shall supplement the remaining provisions thereof.

16 **7. Miscellaneous.** Except as amended or modified herein, all the terms of  
17 the Original Lease shall remain in full force and effect and shall apply with the same  
18 force and effect. Time is of the essence in this Fifth Amendment and the Lease and  
19 each and all of their respective provisions. Subject to the provisions of the Lease as to  
20 assignment, the agreements, conditions and provisions herein contained shall apply to  
21 and bind the heirs, executors, administrators, successors and assigns of the parties  
22 hereto. If any provisions of this Fifth Amendment or the Lease shall be determined to  
23 be illegal or unenforceable, such determination shall not affect any other provision of  
24 the Lease and all such other provisions shall remain in full force and effect. The  
25 language in all parts of the Lease shall be construed according to its normal and usual  
26 meaning and not strictly for or against either Lessor or Lessee. Neither this  
27 Amendment, nor the Original Lease, nor any notice nor memorandum regarding the  
28 terms hereof, shall be recorded by Lessee.

1           8.     This Fifth Amendment to Lease shall not be binding or consummated  
2 until its approval by the Board of Supervisors of Riverside County.


3  
4 Dated: \_\_\_\_\_

5 COUNTY OF RIVERSIDE

DIBA REAL ESTATE INVESTMENTS, LLC

6  
7 By: \_\_\_\_\_  
8 Marion Ashley, Chairman  
Board of Supervisors

By:  \_\_\_\_\_  
Mehrdad Daniel Safavieh (Partner)

9  
10 By:  \_\_\_\_\_  
Mehran Michael Banayan (Partner)

11 **ATTEST:**

12 Kecia Harper-Ihem  
13 Clerk of the Board

14 By: \_\_\_\_\_  
15 Deputy

16  
17  
18  
19 **APPROVED AS TO FORM:**

20 Gregory P. Priamos  
21 County Counsel

22 By:  \_\_\_\_\_  
23 **SYNTHIA M. GUNZEL**  
Deputy County Counsel

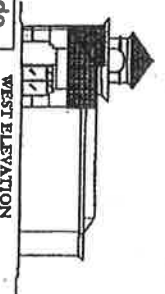
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NORTH ELEVATION

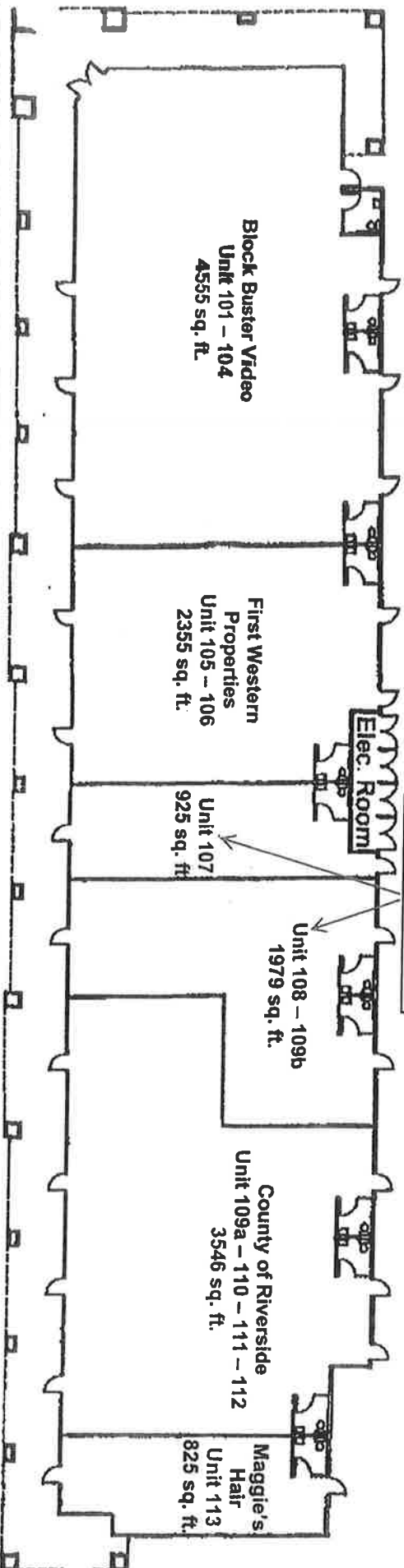


EAST ELEVATION



WEST ELEVATION

County of Riverside  
14-201 Palm Drive  
Suites 107, 108 - 109b



# **Lease Plan**

Building Size: 14,185 square feet

First Western Building at K-Mart Center

1401 Palm Drive, Desert Hot Springs, CA 92240

EXHIBIT A