

FORM APPROVED COUNTY COUNSEL 5/16/15  
 BY: GREGORY P. PRIAMOS DATE

112



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

**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
 May 20, 2015

**SUBJECT:** First Amendment to Lease, Department of Public Social Services, Moreno Valley, 2-Year Lease Extension, CEQA Exempt, District 5, [\$1,570,354] 49.92% Federal; 45.93% State; 4.12% County DPSS; 0.03% Other

**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 Section 15061(b)(3);
2. Ratify the attached First 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 5 days of approval by the Board.

**BACKGROUND:**

Summary  
 Commences on Page 2

FISCAL PROCEDURES APPROVED  
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
 BY: Esteban Hernandez 5/20/15

*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	\$ 64,637	\$ 779,157	\$ 1,570,354	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 2,663	\$ 32,101	\$ 64,699	\$ 0	
<b>SOURCE OF FUNDS:</b> 49.92 % Federal: 45.93% State; 4.12% County DPSS Budget; 0.03% Other				<b>Budget Adjustment:</b> No	
				<b>For Fiscal Year:</b> 2014/15-2016/17	

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

APPROVE:  
 BY: *Rohini Dasika*  
 Rohini Dasika

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- 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:** First Amendment to Lease, Department of Public Social Services, Moreno Valley, 2-Year Lease Extension, CEQA Exempt, District 5, [\$1,570,354] 49.92% Federal; 45.93% State; 4.12% County DPSS; 0.03% Other

**DATE:** May 20, 2015

**PAGE:** 2 of 2

**BACKGROUND Summary:**

The County has been under lease at 23119 Cottonwood Ave. Building C, Moreno Valley, since 2010. The facility, occupied by the Department of Public Social Services' Self Sufficiency Division, will continue to be utilized by the Department to provide program services to the community. On September 14, 2010, the Board approved the Original lease which provided an option to extend the lease for 2 additional years. This Option to Extend will be exercised upon execution of the attached First Amendment.

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 15061 (b)(3) Common Sense Exemption. 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.

Lessor:	Bel Air Plaza, LTD 9201 Wilshire Blvd, Suite 103 Beverly Hills, CA 90210	
Premises Location:	23119 Cottonwood Ave., Building C Moreno Valley, CA	
Size:	30,656 square feet	
Rent:	<u>Current</u>	<u>New</u>
	\$1.88 per sq. ft. modified gross	\$1.91 per sq. ft. modified gross
	\$57,525.21 per month	\$58,675.71 per month
	\$690,302.52 per year	\$704,108.52 per year
Term:	Extended two years commencing June 1, 2015 through May 31, 2017.	
Rent Adjustment:	2%	
Utilities:	County to pay electric. Lessor to pay all other utilities.	
Custodial:	Included in rent.	
Interior/Exterior Maintenance:	Included in rent.	

**Impact on Citizens and Businesses**

The public benefit continues with this location serving clients in the Region with temporary assistance.

**SUPPLEMENTAL: Additional Fiscal Information**

See attached Exhibits A, B & C. DPSS will budget these costs in FY2015/16 and FY2016/17 and will reimburse EDA for all lease costs on a monthly basis.

**Contract History and Price Reasonableness**

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

Attachments: Exhibits A, B & C, First Amendment to Lease, Notice of Exemption

# Exhibit A

FY 2014/15

## DPSS Lease Cost Analysis

23119 Cottonwood Ave. Bldg C, Moreno Valley, California

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

Current Office:		30,656	SQFT	
Approximate Cost per SQFT (July-May)	\$	1.88		
Approximate Cost per SQFT (June)	\$	1.91		
Lease Cost per Month (July-May)			\$	57,525.21
Lease Cost per Month (June)			\$	58,675.71
Total Lease Cost (July-May)			\$	632,777.31
Total Lease Cost (June)			\$	58,675.71
<b>Total Estimated Lease Cost for FY 2014/15</b>			<b>\$</b>	<b>691,453.02</b>

#### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July - May)			\$	40,465.92
Estimated Utility Costs per Month (June)			\$	3,678.72
Total Estimated Utility Cost			\$	44,144.64
RCIT			\$	-
Tenant Improvement			\$	-
EDA Lease Management Fee - 3.89% (July-May)			\$	24,615.04
EDA Lease Management Fee - 3.89% (June)			\$	2,282.49
Total EDA Lease Management Fee			\$	26,897.52
<b>TOTAL ESTIMATED COST FOR FY 2014/15</b>			<b>\$</b>	<b>762,495.19</b>
Amount Previously approved Original Lease			\$	697,858.27
Amount of FY14/15			\$	64,636.92
<b>TOTAL COUNTY COST 4.12%</b>			<b>\$</b>	<b>2,663.04</b>

# Exhibit B

FY 2015/16

## DPSS Lease Cost Analysis

23119 Cottonwood Ave. Bldg C, Moreno Valley, California

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

Current Office:	30,656	SQFT		
Approximate Cost per SQFT (July-May)	\$	1.92		
Approximate Cost per SQFT (June)	\$	1.96		
Lease Cost per Month (July-May)			\$	58,859.52
Lease Cost per Month (June)			\$	60,036.71
Total Lease Cost (July-May)			\$	647,454.72
Total Lease Cost (June)			\$	60,036.71
<b>Total Estimated Lease Cost for FY 2015/16</b>			<b>\$</b>	<b>707,491.43</b>

#### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	40,465.92
			\$	3,678.72
Total Estimated Utility Cost			\$	44,144.64
RCIT			\$	-
Tenant Improvement			\$	-
EDA Lease Management Fee - 3.89%			\$	27,521.42
<b>TOTAL ESTIMATED COST FOR FY 2015/16</b>			<b>\$</b>	<b>779,157.49</b>
<b>TOTAL COUNTY COST 4.12%</b>			<b>\$</b>	<b>32,101.29</b>

# Exhibit C

FY 2016/17

## DPSS Lease Cost Analysis

23119 Cottonwood Ave. Bldg C, Moreno Valley,

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

Current Office: 30,656

#### FY 2016/17

Approximate Cost per SQFT (July -May)	\$ 1.96
Approximate Cost per SQFT June)	
Lease Cost per Month (July -May)	\$ 60,036.71
Lease Cost per Month June)	
Total Lease Cost (July -May)	\$ 660,403.81
Total Lease Cost June)	\$ -
<b>Total Estimated Lease Cost for FY 2016/17</b>	<b>\$ 660,403.81</b>

#### Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12
Estimated Utility Costs per Month	\$ 3,678.72
Total Estimated Utility Cost	\$ 40,465.92
RCIT	\$ -
Tenant Improvement	\$ -
EDA Lease Management Fee - 3.89%	\$ 25,689.71
<b>TOTAL ESTIMATED COST FOR FY 2016/17</b>	<b>\$ 726,559.44</b>
<b>TOTAL COUNTY COST 4.12%</b>	<b>\$ 29,934.25</b>

F11: Cost - Total Cost \$ 1,570,353.85  
F11: Net County Cost - Total Cost \$ 64,698.58

1 **FIRST AMENDMENT TO LEASE**

2 (Department of Public Social Services)

3 23119 Cottonwood Ave. Building C, Moreno Valley, California

4  
5 This FIRST AMENDMENT to Lease ("First Amendment"), dated as of  
6 \_\_\_\_\_, 2015, is entered by and between the **COUNTY OF**  
7 **RIVERSIDE**, a political subdivision of the State of California ("County"), as Lessee, and  
8 **BEL AIR PLAZA,LP**, a California limited partnership, ("Lessor") and, sometimes  
9 collectively referred to as the Parties.

10 **RECITALS**

11 **A.** Lessor and County have entered into that certain Lease dated September  
12 14, 2010, ("Original Lease") pursuant to which Lessor has agreed to lease to County  
13 and County has agreed to lease from Lessor of that certain building located at 23119  
14 Cottonwood Ave. Building C, Moreno Valley, California (the "Building"), as more  
15 particularly described in the Original Lease (the "Original Premises").

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

18 **C.** The Parties now desire to amend the Lease by extending the term,  
19 modifying the rent and minor tenant improvements.

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

22 **1. Term.** Section 4.1 of the Original Lease is hereby amended by the  
23 following:

24 The term of this Lease shall be extended for a period of (2) two years  
25 commencing on June 1, 2015, and terminating on May 31, 2017.

26 **2. Rent.** Section 5.1 of the Original Lease is hereby amended by the  
27 following:

1 County shall pay to Lessor the monthly sum of \$58,675.71, for the period of  
2 June 1, 2015 through May 31, 2016 and shall increase two percent (2%) over the  
3 previous year Rent for the second year of the Lease.

4 **3. Rent Increases.** Section 5.2 of the Original Lease is hereby amended by  
5 the following:

6 The Rent shall increase commencing on the first day of each year of the Term of  
7 this Lease, commencing with the date that is one year after the Commencement Date.  
8 Each Rent increase shall be two percent (2%) over the Rent in effect for the  
9 immediately preceding year.

10 **4. Option to Extend Term.** Section 6.1 of the Original Lease is hereby  
11 amended by the following:

12 Lessor grants to County one option to extend the Lease term (the "Extension  
13 Option"). The Extension Option shall be for a period of two years ("Extended Term"),  
14 and is subject to terms and conditions described in this Section 6.1 of the Original  
15 Lease.

16 **5. First Amendment to Prevail.** The provisions of this First Amendment  
17 shall prevail over any inconsistency of conflicting provisions of the Lease, as heretofore  
18 amended, and shall supplement the remaining provisions thereof.

19 **6. Miscellaneous.** Except as amended or modified herein, all the terms of  
20 the Original Lease shall remain in full force and effect and shall apply with the same  
21 force and effect. Time is of the essence in this Amendment and the Lease and each  
22 and all of their respective provisions. Subject to the provisions of the Lease as to  
23 assignment, the agreements, conditions and provisions herein contained shall apply to  
24 and bind the heirs, executors, administrators, successors and assigns of the parties  
25 hereto. If any provisions of this Amendment or the Lease shall be determined to be  
26 illegal or unenforceable, such determination shall not affect any other provision of the  
27 Lease and all such other provisions shall remain in full force and effect. The language  
28 in all parts of the Lease shall be construed according to its normal and usual meaning

1 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the  
2 Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be  
3 recorded by Lessee.

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

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1 **IN WITNESS WHEREOF**, the Parties have executed this **Amendment** as

2 of the date first written above.

3  
4 LESSEE:  
5 COUNTY OF RIVERSIDE

LESSOR:  
6 BEL AIR PLAZA, LP

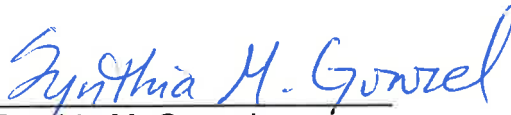
7  
8 By: \_\_\_\_\_  
9 Marion Ashley, Chairman  
Board of Supervisors

By:  \_\_\_\_\_  
Mark Rubyn

10  
11 ATTEST:  
12 Kecia Harper-Ihem  
13 Clerk of the Board

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

16  
17 APPROVED AS TO FORM:  
18 Gregory P. Priamos, County Counsel

19 By:  \_\_\_\_\_  
20 Synthia M. Gunzel  
21 Deputy County Counsel



## NOTICE OF EXEMPTION

March 25, 2015

**Project Name:** County of Riverside, Exercise of Lease Option Rights- Department of Public Social Services, Moreno Valley

**Project Number:** FM042462002300

**Project Location:**

23119 Cottonwood Ave. Building C, Moreno Valley; Assessor Parcel Number 296-151-029  
(see attached exhibits)

**Description of Project:** The County of Riverside (County), on behalf of the Department of Public Social Services (DPSS), desires to exercise its option to extend the lease with Bel Air Plaza, LTD (Lessor), for two additional years. On September 14, 2010, the County and Lessor entered into the original lease pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor that certain building located at 23119 Cottonwood Ave. Building C, Moreno Valley (premises), which provides an option to extend the lease for two additional years. This option to extend will be exercised upon execution of a written notice thereof. The facility, occupied by the DPSS' Self Sufficiency Division, will continue to be utilized by DPSS to provide program services to the community. The Project does not allow for any tenant improvements, internal/external upgrades, or substantive changes to the facility. The operation of the facility will continue to be similar to ongoing uses and will not result in an increase in the intensity of the use of the site. No additional direct or indirect physical environmental impacts are anticipated.

**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 15061(b)(3), General Rule or "Common Sense" Exemption.

**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 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

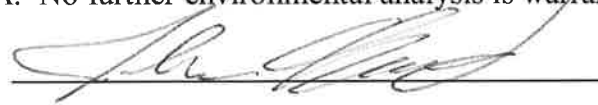
exemption only involves negligible or no expansion of the previous site's use. The Project as proposed is the option to extend an existing lease. As previously discussed, no physical upgrades, changes in usage or tenant improvements are included as part of the Project. The option to extend the lease 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.

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:

3/26/15

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

Project Name: Exercise of Lease Option Rights- Department of Public Social Services,  
Moreno Valley

Accounting String: **Fund: 524830-47220-7200400000- FM042462002300**

DATE: March 26, 2015

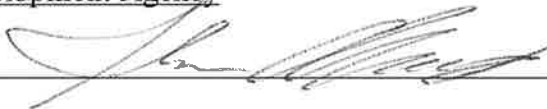
AGENCY: Riverside County Economic Development Agency

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: Yoland King, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

RECEIPT # (S) \_\_\_\_\_



Date: March 25, 2015

To: Mary Ann Meyer, Office of the County Clerk

From: John Alfred, Acting Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM042462002300**  
Exercise of Lease Option Rights- Department of Public Social Services, Moreno Valley

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

**After posting, please return the document to Mail Stop #1330 Attention: John Alfred, Acting Senior Environmental Planner, Economic Development Agency, 3403 10<sup>th</sup> Street, Suite 400. Riverside, CA 92501. If you have any questions, please contact John Alfred at 955-4844.**

Attachment

cc: file





**23119 Cottonwood Avenue, Building C, Moreno Valley, California**

**296-151-029**