

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS 10/21/15
 DATE

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

675



FROM: Economic Development Agency

SUBMITTAL DATE:
 October 22, 2015

SUBJECT: Third Amendment to Lease, Department of Public Health/WIC, Cathedral City, 5 Year Lease Renewal, District 4, CEQA Exempt, [\$454,466], 100% Federal Funds

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), the common sense exemption;
2. Ratify the Third 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 days of approval by the Board.

BACKGROUND:

Summary

(Commences on Page 2) **FISCAL PROCEDURES APPROVED**
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Susana Garcia-Bocanegra 10/22/15
 Susana Garcia-Bocanegra

[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	\$ 7,157	\$ 86,023	\$ 454,466	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: Federal 100%				Budget Adjustment: No	
				For Fiscal Year: 2014/15-2019/20	

C.E.O. RECOMMENDATION:

APPROVE
 BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

By: Susan D. Harrington
 Susan Harrington, Director
 Department of Public Health

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

3-2

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

Economic Development Agency

FORM 11: Third Amendment to Lease, Department of Public Health/WIC, Cathedral City, 5 Year Lease
Renewal, District 4, CEQA Exempt, [\$454,466], 100% Federal Funds

DATE: October 22, 2015

PAGE: 2 of 3

BACKGROUND:

Summary

On September 11, 2012 the Board of Supervisors approved a Second Amendment to Lease for the Department of Public Health/WIC program located at 68-615 B Perez Road, Suite 17, Cathedral City, California. This facility continues to meet the needs of the department.

The Economic Development Agency (EDA), Real Estate Division, has negotiated a five year extension with a reduced rate and reduced annual escalator to provide the affordability of obtaining tenant improvements which will be amortized over a five year lease term. The improvements include a new Mitsubishi 2 ton ductless split system air conditioning unit, chair rails in the group room, demo reception counter at lobby to accommodate 2 person systems furniture workstation to improve efficiency of lobby space, installation of 3, 20 amp circuits for the systems furniture, new paint, and corner guards to protect the paint, tile carpet and VCT flooring throughout the suite.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Class 1-Existing Facilities and Section 15061 (b) (3), the common sense exemption. The proposed project, the lease amendment, is the letting of property involving existing facilities with minor tenant improvement alterations and no negligible expansion of an existing use will occur.

The Third Amendment to Lease is summarized as follows:

Location: 68-615 Perez Road, Suite 17, Cathedral City, California

Lessor: T.W. Investments

Size: 3,089 Sq. Ft.

Term: Five years, commencing on June 15, 2015 and terminating June 14, 2020

Rent:	Current	New
	\$ 1.84 PSF	\$ 1.75 PSF
	\$ 5,670.74 Per Month	\$ 5,405.75 Per Month
	\$68,048.88 Per Year	\$64,869.00 Per Year

Annual Escalator: Reduced from 3% to 2.5%

Tenant Improvements: \$25,800.00 Lessor shall contract vendor to perform the improvements. County will pay \$430.00 per month amortized over the term of the lease, in addition to the monthly rent, as per Exhibit B-1 the Amortization Schedule. A fifteen percent contingency has been included to capture any unforeseen overages. Tenant improvements shall not exceed \$29,670.00

(Continued)

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

Economic Development Agency

FORM 11: Third Amendment to Lease, Department of Public Health/WIC, Cathedral City, 5 Year Lease Renewal, District 4, CEQA Exempt, [\$454,466], 100% Federal Funds

DATE: October 22, 2015

PAGE: 3 of 3

BACKGROUND:

Summary (Continued)

Maintenance: Lessor

Utilities: County pays Electric and Phone, Lessor provides all other services

Custodial: Lessor shall provide and County will pay \$710.00 per month in addition to the base rent. Cost to be reviewed annually and adjusted as needed

Impact on Citizens and Businesses

The continued and extended occupancy of the Department of Public Health and Health Care Systems will provide a positive overall economic impact to the community. The construction phase will provide important construction jobs through the completion of the project. The long term tenancy of Department of Public Health/WIC and Health Care Systems in this region will benefit the community by providing a positive impact to local residents and businesses.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C. Department of Public Health has budgeted these costs in FY 2015/16 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

The lease rate is deemed competitive based upon the current market. This contract has been in place since November 2006.

Attachments:

Exhibits A, B & C

Third Amendment to Lease

Notice of Exemption

Aerial Image

Exhibit A

FY 2014/15

Department of Environmental Health

68-615 Perez Road, Suite 17, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	3,089	SQFT	
Approximate Cost per SQFT (July - May)	\$	-	
Approximate Cost per SQFT (June)	\$	1.75	
Lease Cost per Month (July - May)		\$	-
Lease Cost per Month (June)		\$	5,405.75
Total Lease Cost (July - May)		\$	-
Total Lease Cost (June)		\$	5,405.75
Total Estimated Lease Cost for FY 2014/15		\$	5,405.75

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	370.68
Total Estimated Utility Cost		\$	370.68
RCIT		\$	-
Day Porter		\$	710.00
Tenant Improvements		\$	430.00
EDA Lease Management Fee - 4.12%		\$	240.43
TOTAL ESTIMATED COST FOR FY 2014/15		\$	7,156.86

Exhibit B

FY 2015/16

Department of Environmental Health

68-615 Perez Road, Suite 17, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		3,089	SQFT	
Approximate Cost per SQFT (July - May)	\$	1.75		
Approximate Cost per SQFT (June)	\$	1.79		
Lease Cost per Month (July - May)		\$	5,405.75	
Lease Cost per Month (June)		\$	5,540.90	
Total Lease Cost (July - May)			\$	59,463.25
Total Lease Cost (June)			\$	5,540.90
Total Estimated Lease Cost for FY 2015/16			\$	65,004.15

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July - June)			<u>\$</u>	<u>370.68</u>
Total Estimated Utility Cost			\$	4,448.16
RCIT			\$	-
Day Porter			\$	8,520.00
Tenant Improvements			\$	5,160.00
EDA Lease Management Fee - 4.12%			<u>\$</u>	<u>2,890.76</u>
TOTAL ESTIMATED COST FOR FY 2015/16			\$	86,023.08

Exhibit C

FY 2016/17 to FY 2019/20
Department of Environmental Health
68-615 Perez Road, Suite 17, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 3,089 SQFT

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Approximate Cost per SQFT (July - May)	\$ 1.79	\$ 1.79	\$ 1.88	\$ 1.93
Approximate Cost per SQFT (June)	\$ 1.84	\$ 1.88	\$ 1.93	\$ 1.93
Lease Cost per Month (July - May)	\$ 5,540.90	\$ 5,679.43	\$ 5,821.41	\$ 5,966.95
Lease Cost per Month (June)	\$ 5,679.43	\$ 5,821.41	\$ 5,966.95	\$ 5,966.95
Total Lease Cost (July - May)	\$ 60,949.94	\$ 62,473.69	\$ 64,035.53	\$ 65,636.42
Total Lease Cost (June)	\$ 5,679.43	\$ 5,821.41	\$ 5,966.95	\$ 5,966.95
Total Estimated Lease Cost for FY 2016/17 to FY 2019/20	\$ 66,629.37	\$ 68,295.10	\$ 70,002.48	\$ 71,603.37

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 370.68	\$ 370.68	\$ 370.68	\$ 370.68
Total Estimated Utility Cost	\$ 4,448.16	\$ 4,448.16	\$ 4,448.16	\$ 4,448.16
RCIT	\$ -	\$ -	\$ -	\$ -
Day Porter	\$ 8,520.00	\$ 8,520.00	\$ 8,520.00	\$ 8,520.00
Tenant Improvements	\$ 5,160.00	\$ 5,160.00	\$ 5,160.00	\$ 5,160.00
EDA Lease Management Fee - 4.12%	\$ 2,957.72	\$ 3,026.35	\$ 3,096.69	\$ 3,162.65
TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2019/20	\$ 87,715.25	\$ 89,449.61	\$ 91,227.33	\$ 92,894.18

\$ 454,466.31 F11: Cost - Total

1 **THIRD AMENDMENT TO LEASE**

2 **68-615 B. Perez Road, Suite 17, Cathedral City, California**

3
4 **THIS THIRD AMENDMENT TO LEASE** (“3rd Amendment”), dated as of
5 _____, is entered into by and between the COUNTY OF RIVERSIDE, a
6 political subdivision of the State of California, (“County”) as (“Lessee”), and T.W.
7 INVESTMENTS, LLC, a limited liability company as (“Lessor”), sometimes collectively
8 referred to as the “Parties.”

9 **RECITALS**

10 a. Lessor and County have entered into that certain Lease dated November
11 21, 2006, (the “Original Lease”) pursuant to which Lessor has agreed to lease to
12 County and County has agreed to lease from Lessor that certain building located at 68-
13 615 B. Perez Road, Suite 17, Cathedral City (the “Building”), as more particularly
14 described in the Lease (the “Original Premises”).

15 b. The Original Lease has been amended by:

16 i. That certain First Amendment to Lease dated May 8, 2007, by and
17 between County of Riverside and T.W. Investments (the 1st Amendment), whereby the
18 Parties amended the Lease to expand the square footage by eighty-nine square feet,
19 and amend the monthly amounts.

20 ii. The Second Amendment to Lease dated September 11, 2012, by
21 and between County of Riverside and T.W. Investments (the 2nd Amendment),
22 whereby the Parties amended the Lease to, among other things, to extend the term,
23 amend the monthly amounts and reduce the annual escalator from four percent (4%) to
24 three percent (3%).

25 c. The Original Lease together with this Amendment are collectively referred
26 to herein as the “Lease.”

27 d. The Parties now desire to amend the Lease to extend the term period
28 and the monthly amounts, reduce the annual escalator from three percent (3%) to two

1 and a half percent (2.5%) and Lessor to provide improvements to the Premises as
2 more particularly described in Exhibits "B" and "B-1," attached hereto and by this
3 reference incorporated herein.

4 **NOW THEREFORE**, for good and valuable consideration the receipt and
5 adequacy of which is hereby acknowledged, the Parties agree as follows:

6 1. **Term.** Section 4 of the Original Lease is hereby amended by the
7 following:

8 The term of this Lease shall be extended for five (5) years commencing on June
9 15, 2015 and terminating on June 16, 2020.

10 2. **Rent.** Section 5 of the Original Lease is hereby amended by the
11 following:

12 County shall pay to Lessor the monthly sum as rent for the leased premises
13 during the term of this Lease as indicated below.

<u>Monthly Amount</u>	<u>Year</u>
\$5,405.75	June 15, 2015 to June 16, 2016
\$5,540.90	June 15, 2016 to June 16, 2017
\$5,679.43	June 15, 2016 to June 16, 2018
\$5,821.42	June 15, 2018 to June 16, 2019
\$5,966.96	June 15, 2019 to June 16, 2020

20 3. **Percentage Increase.** Subsection 5.2 of Section 5, is hereby amended by
21 the following:

22 Notwithstanding the provision of Section 5 herein, the monthly rent shall be
23 decreased from three percent (3%) on each anniversary of the Lease by an amount
24 equal to two and a half percent (2.5%) of such monthly rental.

25 4. **Custodial Services.** Subsection 8.1.1 of Section 8 is hereby amended
26 by the following:

27 Notwithstanding the provisions of Section 8.1 herein, the cost of the monthly
28 custodial services shall not exceed \$710.00. Within sixty (60) days of each anniversary

1 date of the Lease, Lessor shall prepare an itemized expense statement of the actual
2 costs for custodial services for the previous year. County shall receive a rent credit for
3 the amount overpaid. In the event costs exceed \$710.00, County shall reimbursement
4 Lessor, within sixty (60) days, the difference between \$710.00 and the actual cost.
5 Lessor shall provide County with a statement of overages prior to release of
6 reimbursement to Lessor.

7 **5. Improvements by Lessor.** Section 11.1.7 has been deleted in its
8 entirety and replaced with the following:

9 Lessor shall perform the requested improvements as outlined in Exhibit "B,"
10 attached hereto and by this reference incorporated herein. The improvements shall be
11 amortized over a five (5) year lease term as noted in Exhibit "B-1," attached hereto and
12 by this reference incorporated herein.

13 **CAPITALIZED TERMS.** Third Amendment to Prevail. Unless defined herein or
14 the context requires otherwise, all capitalized terms herein shall have the meaning
15 defined in the Lease, as heretofore amended. The provisions of this Third Amendment
16 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore
17 amended, and shall supplement the remaining provisions thereof.

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

1 Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be
2 recorded by Lessee.

3 7. EFFECTIVE DATE. This Third Amendment to Lease shall not be binding
4 or consummated until its approval by the Riverside County Board of Supervisors and
5 fully executed by the Parties.

6 IN WITNESS WHEREOF, the parties have executed this Amendment as of the date
7 first written above.

8

9 LESSEE:
10 COUNTY OF RIVERSIDE, a political
11 subdivision of the State of California

LESSOR:
T.W. INVESTMENTS, LLC
a limited liability company
Its: Owner

12

13 By: _____
14 Marion Ashley, Chairman
Board of Supervisors

By:  _____
Name: T.W. Ireland, LLC
Title: Owner

15

16 ATTEST:
17 Kecia Harper-Ihem
Clerk of the Board

18

19 By: _____
Deputy

20

21 APPROVED AS TO FORM:
22 Gregory P. Priamos, County Counsel

23 By:  _____
24 SYNTHIA M. GUNZEL
25 Deputy County Counsel

26

27

28 CC:ra/100615/CC013/17.714 S:\Real Property\TYPING\Docs-17.500 to 17.999\17.714.doc

EXHIBIT B

PAW
5/28/15

Cathedral City WIC TIS
5/26/2015



1. VCT in the aisles surrounding the counseling cubicles. (Except Break Room) Match existing accents.

a. Due to age and the deteriorated condition of the existing carpet we would like to replace this flooring with VCT (vinyl composite tile).

2. New carpet for the private office, (4) counseling cubicle, lactation room, print room and reception/intake.

a. Due to age and the deteriorated condition of the existing carpet we would like to replace with carpet tiles/squares.

i. Type – Carpet tiles 24" x 24" in each of the cubicles, private office, lactation room, print room, and reception/intake. The aisles in the cubicle area will be converted to VCT – transition strips separating the workstation carpet from the cubicle carpet squares. Carpet (TBD) Lift modular workstations to install carpet squares. Expedites installation and saves money by not having to breakdown furniture.

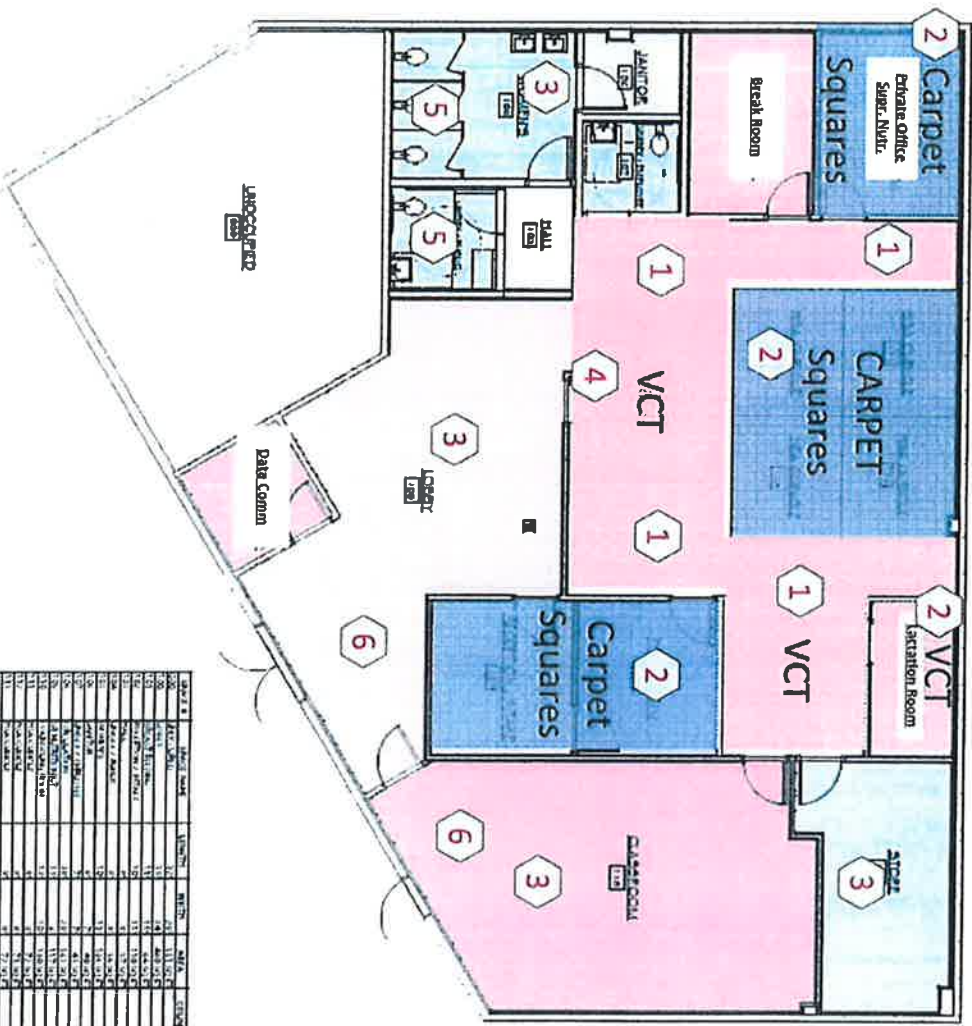
3. Fix/Replace any existing laminate tiles that are damaged/warped/cracked/bubbled. Conduct walk-through visual inspection to determine any existing tiles that meet this criteria.

Fixes/Improvements

4. Fix the wall

5. New handle sanitary napkin case, each stall. Add air freshener.

6. Rebalance the air between the classroom & lobby (reception/intake). Too warm in lobby vs. too cold in the classroom and vis-à-vis.



NO.	Room Name	AREA	PERIMETER	VOLUME	PERIMETER
01	RECEPTION	111	111	111	111
02	CLASSROOM	111	111	111	111
03	LABORATORY	111	111	111	111
04	STORAGE	111	111	111	111
05	OFFICE	111	111	111	111
06	LABORATORY	111	111	111	111
07	LABORATORY	111	111	111	111
08	LABORATORY	111	111	111	111
09	LABORATORY	111	111	111	111
10	LABORATORY	111	111	111	111
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50	LABORATORY	111	111	111	111

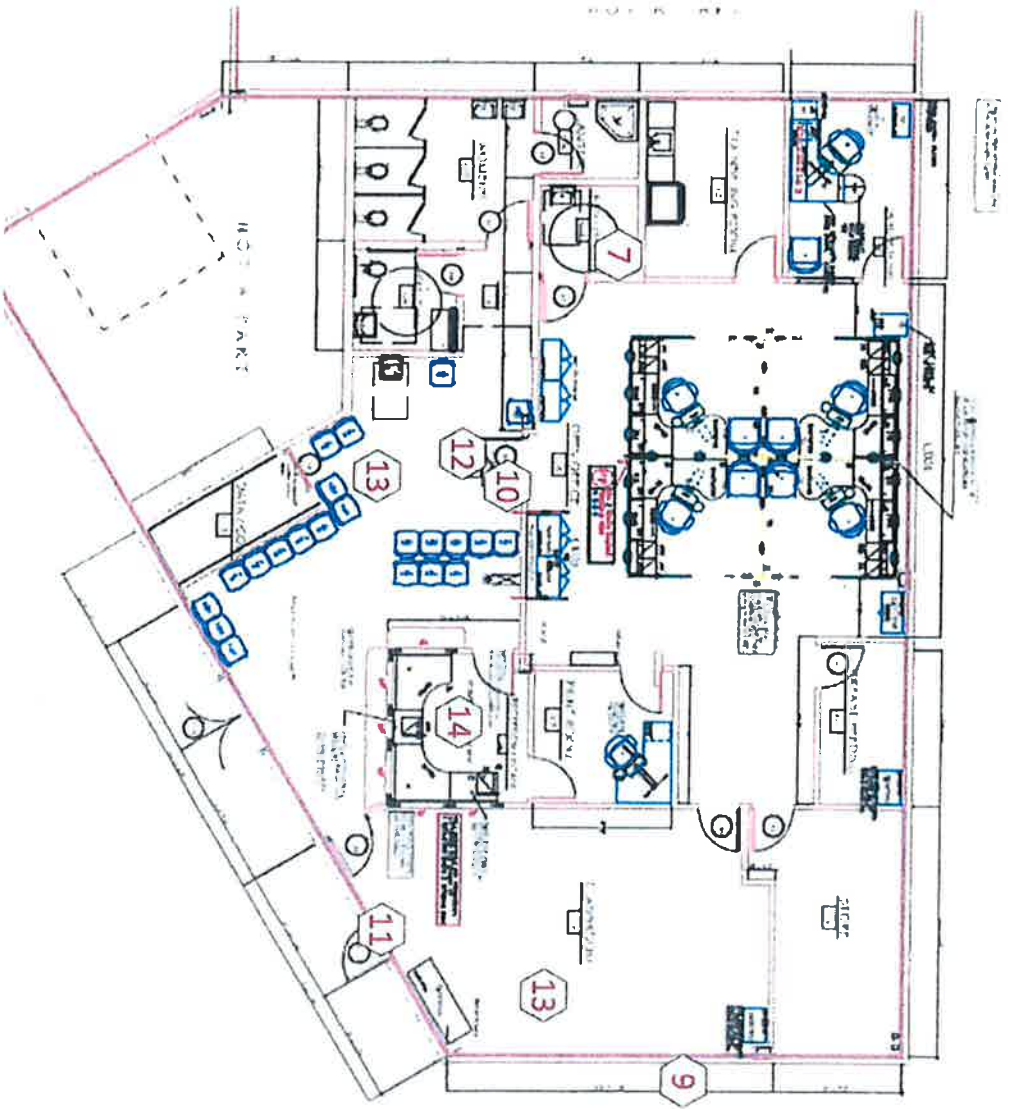
05/26/2015

EXHIBIT B

Fixes/Improvements cont.

- 7. Deep clean the employee restroom, remove residue around the bottom of the commode and replace air filter.
- 8. Paint touch up and patch where necessary throughout the facility. Roll one possibly two walls with new accent paint color in the lobby and/or classroom. Paint (TBD)
- 9. Increase the wattage on the exterior light bulb to fully illuminate the employee parking area when they leave after hours.
- 10. Fix the gap between the door jam and door.
- 11. Tighten and/or replace the door closer. When participants exit the door does not completely close. Have addressed this issue on other occasions, but successive attempts to tighten door closer to mitigate the situation have failed.
- Add-ons**
- 12. Install cipher combo lock.
- 13. Add a chair rail; minimum 3"H on chair rail backing. Review areas in classroom and lobby that require a chair rail.
- 14. Reconfigure the receptionist counter.
 - a. Demo and replace with modular counter.
 - i. Current configuration issues: Whenever participants enter through the double doors (main entrance) they crowd the counter, and obstruct the front doors, thereby, creating an egress issue if staff and participants need to evacuate the premises. Would like to consider GM Business Interiors Etho-Space receptionist counter; Est. \$12,000.00 with design/procurement/installation fees. Landlord handles electrical hook-ups. County resolves data.
- 15. Corner Guards at any exposed right angle wall. Conduct walk-through.
- 16. Increase frequency of floor care; minimum each quarter Strip/wax/seal VCT and shampoo carpets.

Cathedral City WIC Tis
5/26/2015



Not to scale. All dimensions are approximate. All measurements are based on the property of the building. All dimensions are approximate. All measurements are based on the property of the building. All dimensions are approximate. All measurements are based on the property of the building.

EXHIBIT B-1

LESSOR'S MONTHLY ALLOCATIONS OF LEASEHOLD IMPROVEMENT COSTS

Data		Amortization Schedule	
Total:		\$25,800	
Annual interest rate:	0.00%		
Term in years:	5		
Allocations per year:	12		
First allocation:	6/1/2015		

ALLOCATED AMOUNT: \$430.00
Allocated Amount:* \$430.00 Beginning balance of allocation 1: 25,800.00
 1st allocation in table: 1

Table

Mo. No.	Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
1	6/1/2015	25,800.00	0.00	430.00	25,370.00	0.00
2	7/1/2015	25,370.00	0.00	430.00	24,940.00	0.00
3	8/1/2015	24,940.00	0.00	430.00	24,510.00	0.00
4	9/1/2015	24,510.00	0.00	430.00	24,080.00	0.00
5	10/1/2015	24,080.00	0.00	430.00	23,650.00	0.00
6	11/1/2015	23,650.00	0.00	430.00	23,220.00	0.00
7	12/1/2015	23,220.00	0.00	430.00	22,790.00	0.00
8	1/1/2016	22,790.00	0.00	430.00	22,360.00	0.00
9	2/1/2016	22,360.00	0.00	430.00	21,930.00	0.00
10	3/1/2016	21,930.00	0.00	430.00	21,500.00	0.00
11	4/1/2016	21,500.00	0.00	430.00	21,070.00	0.00
12	5/1/2016	21,070.00	0.00	430.00	20,640.00	0.00
13	6/1/2016	20,640.00	0.00	430.00	20,210.00	0.00
14	7/1/2016	20,210.00	0.00	430.00	19,780.00	0.00
15	8/1/2016	19,780.00	0.00	430.00	19,350.00	0.00
16	9/1/2016	19,350.00	0.00	430.00	18,920.00	0.00
17	10/1/2016	18,920.00	0.00	430.00	18,490.00	0.00
18	11/1/2016	18,490.00	0.00	430.00	18,060.00	0.00
19	12/1/2016	18,060.00	0.00	430.00	17,630.00	0.00
20	1/1/2017	17,630.00	0.00	430.00	17,200.00	0.00
21	2/1/2017	17,200.00	0.00	430.00	16,770.00	0.00
22	3/1/2017	16,770.00	0.00	430.00	16,340.00	0.00
23	4/1/2017	16,340.00	0.00	430.00	15,910.00	0.00
24	5/1/2017	15,910.00	0.00	430.00	15,480.00	0.00
25	6/1/2017	15,480.00	0.00	430.00	15,050.00	0.00
26	7/1/2017	15,050.00	0.00	430.00	14,620.00	0.00
27	8/1/2017	14,620.00	0.00	430.00	14,190.00	0.00
28	9/1/2017	14,190.00	0.00	430.00	13,760.00	0.00
29	10/1/2017	13,760.00	0.00	430.00	13,330.00	0.00
30	12/1/2017	13,330.00	0.00	430.00	12,900.00	0.00
31	1/1/2018	12,900.00	0.00	430.00	12,470.00	0.00
32	2/1/2018	12,470.00	0.00	430.00	12,040.00	0.00
33	3/1/2018	12,040.00	0.00	430.00	11,610.00	0.00
34	4/1/2018	11,610.00	0.00	430.00	11,180.00	0.00
35	5/1/2018	11,180.00	0.00	430.00	10,750.00	0.00
36	6/1/2018	10,750.00	0.00	430.00	10,320.00	0.00
37	7/1/2018	10,320.00	0.00	430.00	9,890.00	0.00
38	8/1/2018	9,890.00	0.00	430.00	9,460.00	0.00
39	9/1/2018	9,460.00	0.00	430.00	9,030.00	0.00
40	10/1/2018	9,030.00	0.00	430.00	8,600.00	0.00



NOTICE OF EXEMPTION

September 2, 2015

Project Name: Department of Public Health, Cathedral City Site, Lease Amendment

Project Number: FM042163001300

Project Location: 68-615 B Perez Road, Suite 17, Cathedral City, California 92234;
Assessor Parcel Number 687-330-024 (See attached exhibit)

Description of Project: The County of Riverside (County), on behalf of the Department of Public Health (DOPH), proposes to amend the lease with T.W. Investments (Lessor), to extend the term period and provide tenant improvements. The premises consists of an existing building located at 68-615 B Perez Road, Suite 17, Cathedral City, California, providing Women, Infants and Children (WIC) benefits to the community. The original lease, dated November 21, 2006, wherein County has leased a building from Lessor, has been amended by the First Amendment to Lease dated May 8, 2007, whereby the parties amended the lease to expand the square footage by eighty-nine square feet and amend the monthly amounts; and by the Second Amendment to Lease dated September 11, 2012, whereby the parties agreed to extend the term, amend the monthly amounts and reduce the annual escalator from four percent (4%) to three percent (3%) of the Lease. The lease dated November 21, 2006, together with its amendments, shall collectively be referred to as the "Lease." The parties now desire to amend the Lease to extend the term period by five years with a reduced rate and annual escalator and to provide the affordability of obtaining tenant improvements which will be amortized over a five year lease term. The Economic Development Agency (EDA), Real Estate Division, has negotiated tenant improvements consisting of a new Mitsubishi 2-ton ductless split system air conditioning unit, chair rails in the group room, a reception counter at lobby to accommodate systems furniture, 2-person workstation to free up walk way space in the lobby, installation of three (3) 20-amp circuits for the systems furniture, new paint and corner guards to protect the paint, tile carpet and vinyl composition tile flooring throughout the suite. The existing structure consists of approximately 3,089 square feet and is located in a developed portion of the City of Cathedral City. The size and scale of the interior improvements will be substantially limited to the interior of the structure and will not change the existing use of the site. The proposed project is the letting of property involving existing facilities for the purpose of providing WIC benefits to the residents of the County 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; T.W. Investments

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.

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686

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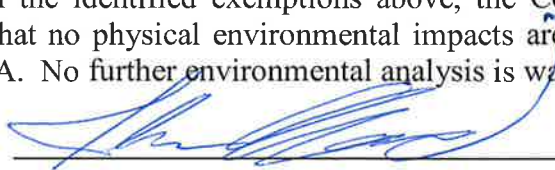
Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

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 extension of the term period and tenant improvement alterations is not anticipated to result in any direct or reasonably foreseeable indirect 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 extension to the term of an existing lease with minor tenant improvements. The proposed improvements would not involve any changes to land use, the existing building, or environment. 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. The majority of the tenant improvements will be limited to the interior of the structure and based upon their limited scope will not result in any noise, air quality, or traffic impacts. 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 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 proposed extension to the term of the lease and minor tenant improvements 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. Additionally, any upgrades to the site would primarily entail minor tenant improvements which would not result in any direct or indirect physical environmental impacts. The site is highly developed, and no impacts to biological, cultural, or historical resources would occur. 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: _____



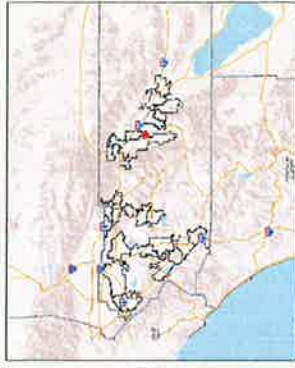
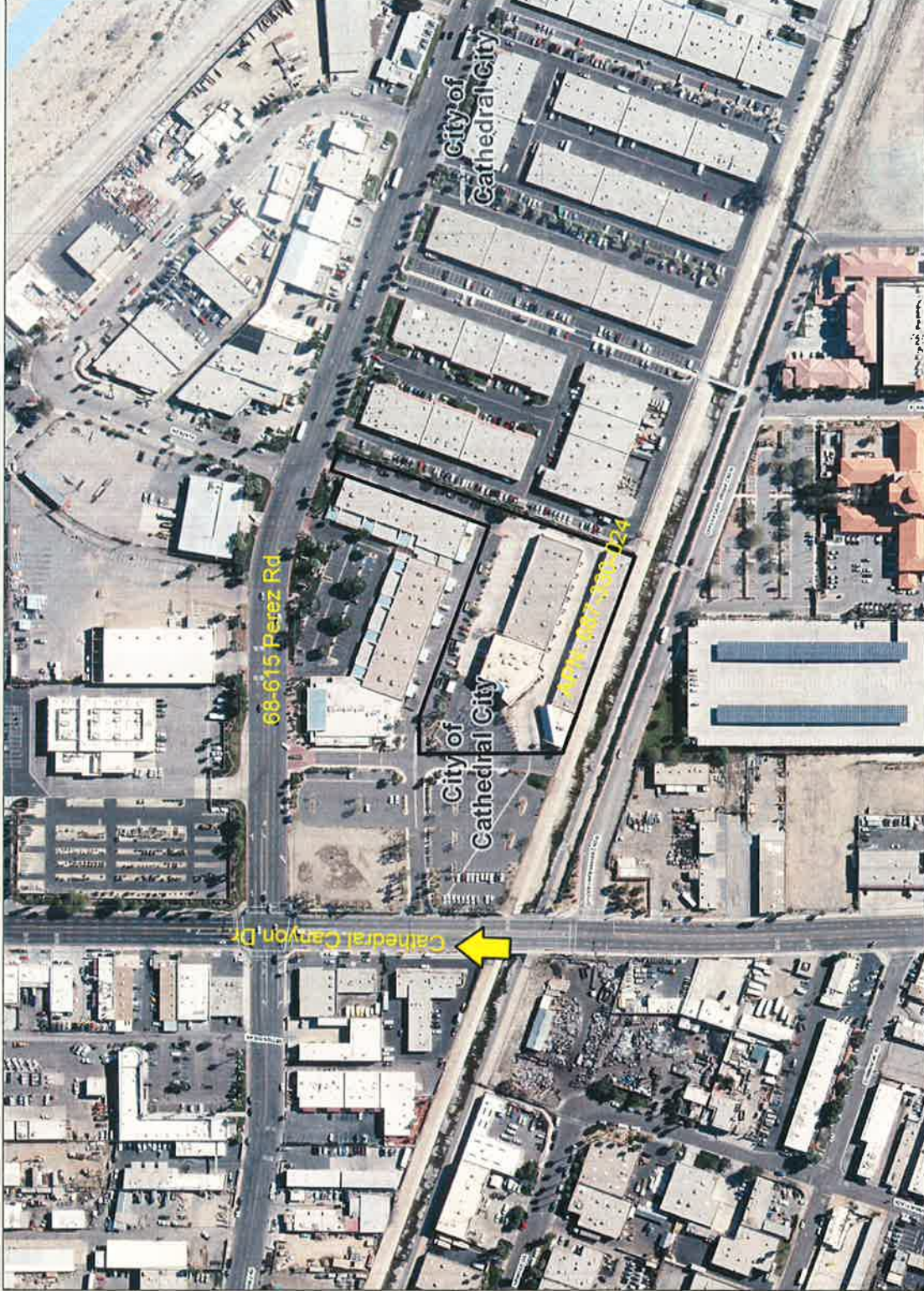
Date: _____

9/2/15

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

DOPH/WIC

68-615 Perez Road



Legend

- RCLIS Parcels
- City Boundaries
- roads
- highways
- HWY
- INTERCHANGE
- INTERSTATE
- OFFRAMP
- ONRAMP
- USHWY
- counties
- cities
- hydrographylines
- waterbodies
- Lakes
- Rivers

Notes

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RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Department of Public Health, Cathedral City Site, Lease Amendment

Accounting String: 524830-47220-7200400000- FM042163001300

DATE: September 1, 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: Cindy Campos, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: September 1, 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 # FM042163001300**
Department of Public Health, Cathedral City Site, Lease Amendment

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 10th Street, Suite 400. Riverside, CA 92501. If you have any questions, please contact John Alfred at 955-4844.

Attachment

cc: file

Third Amendment to Lease, Department of Public Health/WIC

68-615 B. Perez Rd., Suite 17, Cathedral City, CA



Legend
 RCLIS Parcels

Notes
 APN 687-330-024

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