

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



FROM: Economic Development Agency

SUBMITTAL DATE:

November 24, 2015

SUBJECT: Third Amendment to Lease, Department of Environmental Health, Murrieta, 3 Year Lease Renewal, District 3, CEQA Exempt, [\$259,176], 100% Permit and Service Fee

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 11/24/15

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	\$ 63,315	\$ 85,887	\$ 259,176	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: 100% Permit and Service Fee				Budget Adjustment: No	
				For Fiscal Year:	2015/16-2018/19

C.E.O. RECOMMENDATION:

APPROVE

BY:

Imelda Delos Santos

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

By:

Steve Van Stockum, Director

Department of Environmental Health

Positions Added

Change Order

A-30

4/5 Vote

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

Economic Development Agency

FORM 11: Third Amendment to Lease, Department of Environmental Health, Murrieta, 3 Year Lease Renewal, District 3, CEQA Exempt, [\$259,176], 100% Permit and Service Fee

DATE: November 24, 2015

PAGE: 2 of 3

BACKGROUND:

Summary

On August 10, 2010 the Board of Supervisors approved a Second Amendment to Lease for the Department of Environmental Health located at 38740 Sky Canyon, Suite 8, Murrieta, California. This facility continues to meet the needs of the department.

The Economic Development Agency (EDA), Real Estate Division, has negotiated a three year extension with a reduced annual escalator and minor tenant improvements at Lessor's sole cost and expense. The improvements are as follows: deep clean the entire suite including removal of cob webs; steam clean and shampoo the carpet in offices and hallways; remove hard water deposits from plumbing fixtures in break room and employee and public rest rooms; apply a fresh coat of paint throughout the suite, replace VCT flooring to match existing as needed in break room, restrooms and public lobby; strip, wax and buff all hard floor surfaces within the suite and install weather stripping at back exit door.

Pursuant to the California Environmental Quality Act ("CEQA") the lease amendment 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 expansion of an existing use will occur.

The Third Amendment to Lease is summarized as follows:

Location:	38740 Sky Canyon, Suite 8, Murrieta, CA 92563	
Lessor:	Raymond A. Bennett, Jeen M. Bennett, Trustees of the Bennett Family Trust Dated February 18, 1986	
Size:	4,300 Sq. Ft.	
Term:	Three years, commencing on October 1, 2015 and terminating September 30, 2018	
Rent:	Current	New
	\$ 1.42 PSF	\$ 1.45 PSF
	\$ 6,108.34 Per Month	\$ 6,261.05 Per Month
	\$73,300.08 Per Year	\$75,132.60 Per Year
Annual Escalator:	Reduced from 3% to 2.5%, annual escalator effective October 1, 2015	
Tenant Improvements:	Tenant Improvements in the estimated amount of \$8,000.00 shall be performed at Lessors sole cost and expense.	
Maintenance:	Lessor	
Utilities:	County pays Electric and Phone, Lessor provides all other services	
Custodial:	Lessor	

(Continued)

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

Economic Development Agency

FORM 11: Third Amendment to Lease, Department of Environmental Health, Murrieta, 3 Year Lease
Renewal, District 3, CEQA Exempt, [\$259,176], 100% Permit and Service Fee

DATE: November 24, 2015

PAGE: 3 of 3

Impact on Citizens and Businesses

Department of Environmental Health continued presence at this site will provide a positive overall economic impact to the community. The project will provide jobs throughout its existence and support of businesses in the area. The tenancy of the Department of Environmental Health in this region will benefit the community by providing a positive impact to local residents through the environmental programs provided.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C. Department of Environmental 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 June 2000.

Attachments:

Exhibits A, B & C

Third Amendment to Lease

Notice of Exemption

Aerial Image

Exhibit A

FY 2015/16

Department of Environmental Health

38740 Sky Canyon, Suite 8, Murrieta, CA 92563

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 4,300 SQFT

Approximate Cost per SQFT (July - Sept.) \$ 1.42

Approximate Cost per SQFT (October - June) 3rd Amendr \$ 1.45

Lease Cost per Month (July - Sept.) \$ 6,108.34

Lease Cost per Month (October - June) 3rd Amendment \$ 6,261.05

Total Lease Cost (July - Sept.) \$ 18,325.02

Total Lease Cost (October - June) 3rd Amendment \$ 56,349.45

Total Estimated Lease Cost for FY 2015/16 \$ 74,674.47

Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month (July - Sept) \$ 1,548.00

Estimated Utility Costs per Month (Oct - June) \$ 4,644.00

Total Estimated Utility Cost \$ 6,192.00

RCIT \$ -

Tenant Improvement

EDA Lease Management Fee - 3.79% (Jul-Sept) \$ 694.52

EDA Lease Management Fee - 4.12% (Oct-June) \$ 2,321.60 \$ 3,016.12

TOTAL ESTIMATED COST FOR FY 2015/16 \$ 83,882.59

Amount Previously Approved in Lease Agreement \$ 20,567.54

Amount of FY15/16 for 3rd Amendment \$ 63,315.05

Exhibit B

FY 2016/17

Department of Environmental Health

38740 Sky Canyon, Suite 8, Murrieta, CA 92563

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 4,300 SQFT

Approximate Cost per SQFT (July - Sept.) \$ 1.45

Approximate Cost per SQFT (October - June) 3rd Amendr \$ 1.49

Lease Cost per Month (July - Sept.) \$ 6,261.05

Lease Cost per Month (October - June) 3rd Amendment \$ 6,417.58

Total Lease Cost (July - Sept.) \$ 18,783.15

Total Lease Cost (October - June) 3rd Amendment \$ 57,758.19

Total Estimated Lease Cost for FY 2016/17 \$ 76,541.34

Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month (July - Sept) \$ 516.00

Total Estimated Utility Cost \$ 6,192.00

RCIT \$ -

Tenant Improvement \$ -

EDA Lease Management Fee - 4.12% \$ 3,153.50

TOTAL ESTIMATED COST FOR FY 2016/17 \$ 85,886.84

Exhibit C

FY 2017/18 to FY 2018/19

Department of Environmental Health

38740 Sky Canyon, Suite 8, Murrieta, CA 92563

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 4,300 SQFT

	FY 2017/18	FY 2018/19
Approximate Cost per SQFT (July - Sept.)	\$ 1.49	\$ 1.53
Approximate Cost per SQFT (October - June) 3rd Amendment	\$ 1.53	\$ -
Lease Cost per Month (July - Sept.)	\$ 6,417.58	\$ 6,578.02
Lease Cost per Month (October - June) 3rd Amendment	\$ 6,578.02	
Total Lease Cost (July - Sept.)	\$ 19,252.73	\$ 19,734.05
Total Lease Cost (October - June) 3rd Amendment	\$ 59,202.14	\$ -
Total Estimated Lease Cost for FY 2017/18 to FY 2018/19	\$ 78,454.87	\$ 19,734.05

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - Sept)	\$ 516.00	\$ 516.00
Total Estimated Utility Cost	\$ 6,192.00	\$ 1,548.00
RCIT	\$ -	\$ -
Tenant Improvement	\$ -	\$ -
EDA Lease Management Fee - 4.12%	\$ 3,232.34	\$ 813.04
TOTAL ESTIMATED COST FOR FY 2017/18 to FY 2018/19	\$ 87,879.21	\$ 22,095.09

F11: Cost - Total (\$ 259,176.19

1 d. The Parties now desire to amend the Lease to extend the term period
2 and adjust the monthly rent amounts, reduce the annual escalator from three percent
3 (3%) to two and a half percent (2.5%) and Lessor to provide tenant improvements to
4 the premises as more particularly described in Exhibit "A" as attached hereto and made
5 part of this agreement.

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

8 1. **Term.** Subsection 3 (a) Section 3 is hereby amended by the following:

9 The term of this Lease shall be extended for three (3) years commencing on
10 October 1, 2015 and terminating on September 30, 2018.

11 2. **Rent.** Subsection 5 (a) of Section 5 is hereby amended by the 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>
\$6,261.05	October 1, 2015 to September 30, 2016
\$6,417.58	October 1, 2016 to September 30, 2017
\$6,578.02	October 1, 2017 to September 30, 2018

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19 3. **Percentage Increase.** Subsection 5 (b) of Section 5 is hereby amended
20 by the following:

21 Notwithstanding the provision of Subsection 5 (b) of Section 5 herein, the
22 monthly rent escalator shall be decreased from three percent (3%) on each
23 anniversary of the Lease by an amount equal to two and a half percent (2.5%) of such
24 monthly rental. The annual escalator shall commence on October 1, 2015.

25 4. **Improvements by Lessor.** Subsection 9 (a) of Section 9 is hereby
26 amended by the following:
27
28

1 Lessor shall perform the requested improvements as outlined in Exhibit "A" at
2 Lessor's sole cost and expense as attached hereto and by this reference incorporated
3 herein.

4 CAPITALIZED TERMS. Third Amendment to Prevail. Unless defined herein or
5 the context requires otherwise, all capitalized terms herein shall have the meaning
6 defined in the Lease, as heretofore amended. The provisions of this Third Amendment
7 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore
8 amended, and shall supplement the remaining provisions thereof.

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

22
23 (Remainder of Page Intentionally Left Blank)
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6. EFFECTIVE DATE. This Third Amendment to Lease shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

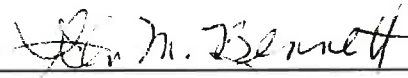
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

LESSEE:
COUNTY OF RIVERSIDE, a political
Subdivision of the State of California

LESSOR:
RAYMOND A. BENNETT AND
JEEN M. BENNETT, TRUSTEES OF THE
BENNETT FAMILY TRUST DATED
FEBRUARY 18, 1986

By: _____
Marion Ashley, Chairman
Board of Supervisors


By:  _____
Name: Raymond A. Bennett
Title: Owner

By:  _____
Name: Jeen M. Bennett
Title: Owner

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

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

By:  _____
SYNTHIA M. GUNZEL
Deputy County Counsel

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EXHIBIT "A"

TENANT IMPROVEMENTS 38740 SKY CANYON, SUITE A MURRIETA, CA 92563

Lessor at Lessor's sole cost and expense shall provide the tenant improvements as noted below. Improvements shall be performed after office hours, or over weekends. Lessor shall coordinate and schedule the improvements with Environmental Health Management staff to obtain access to the premises. The improvements are as follows:

- A. Lessor's contractor shall provide a fresh coat of paint throughout the suite including restrooms and lobby, break room, supply room, public lobby and restrooms. It is not necessary to paint the small locked computer room;
 - a. Paint color to match existing
 - b. Painting may be applied around the long wall of cabinets, and systems furniture
 - i. Office staff will remove personal items and fixtures from walls including plants
- B. Deep clean the office suite including light fixtures
 - a. Push back any cabling showing through light fixtures
 - b. Remove cob webs from ceiling corners and fixtures, and wherever noted throughout office suite premises
- C. Deep clean the FRP panels in all restrooms;
 - a. Remove all hard water deposits from break room sink and fixtures and restrooms
- D. Inspect, reset and replace the VCT tiles that are bubbling up or cracked or faded
- E. Deep clean and shampoo the carpet throughout the suite
- F. Strip, wax and buff hard floor surfaces throughout the suite
- G. Install weather stripping at emergency rear exit door.



NOTICE OF EXEMPTION

September 10, 2015

Project Name: Third Amendment to Lease, Department of Environmental Health, Murrieta Site

Project Number: FM042464000300

Project Location: 38740 Sky Canyon, Suite 8, Murrieta, CA 92563;
Assessor Parcel Number 957-400-009 (See attached exhibit)

Description of Project: The County of Riverside (County), on behalf of the Department of Environmental Health (DEH), proposes to amend the lease with Raymond A. Bennett, Jeen M. Bennett, Trustees of the Bennett Family Trust (Lessor), to extend the term period and provide tenant improvements. The premises consist of an existing building located at 38740 Sky Canyon, Suite 8, Murrieta, California, providing environmental programs 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 December 11, 2007, whereby County and Raymond A. Bennett and Jeen M. Bennett, Trustees of the Bennett Family Trust, successors in interest to Temecula Valley Developers, LLC amended the lease to extend the term and provide options to extend the lease term; and by the Second Amendment to Lease dated August 10, 2010, by and between County and Raymond A. Bennett and Jeen M. Bennett, Trustees of the Bennett Family Trust, whereby the parties amended the Lease to extend the term 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 three years with a reduced annual escalator and minor tenant improvements at Lessor's sole cost and expense. The improvements are as follows: deep clean the entire suite including removal of cob webs; steam clean and shampoo the carpet in offices and hallways; remove hard water deposits from plumbing fixtures in break room and employee and public rest rooms; apply a fresh coat of paint throughout the suite, replace vinyl composition tile flooring to match existing as needed in break room, restrooms and public lobby; strip, wax and buff all hard floor surfaces within the suite and install weather stripping at back exit door. The existing structure consists of approximately 4,300 square feet and is located in a developed portion of the City of Murrieta. The size and scale of the improvements will be limited to the interior of the structure and will not change the future operation of the site. The proposed project is the letting of property involving existing facilities for the purpose of providing continued services to the community 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;
Raymond A. Bennett, Jeen M. Bennett, Trustees of the Bennett Family Trust

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

www.rivcoeda.org

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Foreign Trade
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Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

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 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 tenant improvements will be limited to the interior of the structure and 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. 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 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: _____


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

Third Amendment to Lease, Department of Environmental Health

38740 Sky Canyon, Suite 8, Murrieta, CA



Legend

 RCLIS Parcels



IMPORTANT Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

Notes
APN 95740009



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RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Third Amendment to Lease, Department of Environmental Health, Murrieta Site

Accounting String: 524830-47220-7200400000- FM042464000300

DATE: September 10, 2015

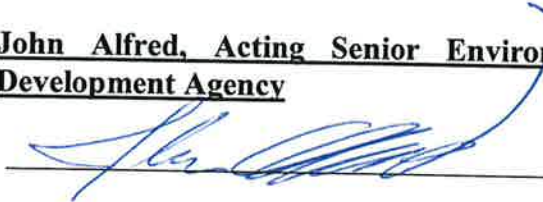
AGENCY: Riverside County Economic Development Agency

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 10, 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 # FM042464000300**
Third Amendment to Lease, Department of Environmental Health, Murrieta Site

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 Environmental Health

38740 Sky Canyon, Suite 8, Murrieta, CA



Legend

□ RCLIS Parcels



Notes
APN 95740009

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