

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

153



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**

March 17, 2016

**SUBJECT:** Second Amendment to Lease, Department of Public Social Services, Norco, 10-Year Lease CEQA Exempt, District 2, [\$(453,774)]; 58.8% Federal; 37.6% State; 3.6% County DPSS Budget

**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 and Section 15061(b)(3);
2. Ratify the attached Second 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: Susana Garcia-Bocanegra 3/21/16  
Susana Garcia-Bocanegra

Robert Field  
Robert Field  
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
<b>COST</b>	\$ (39,585)	\$ (40,960)	\$ (453,774)	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
<b>NET COUNTY COST</b>	\$ (1,425)	\$ (1,475)	\$ (16,336)	\$ 0	

**SOURCE OF FUNDS:** 58.8% Federal; 37.6% State; 3.6% County DPSS Budget  
**Budget Adjustment:** No  
**For Fiscal Year:** 2015/16-24/25

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

APPROVE  
BY: Rohini Dasika  
Rohini Dasika

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

FORM APPROVED COUNTY COUNSEL  
BY: GREGORY P. PRIAMOS DATE: 2/17/16

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

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

**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, Norco, 10-Year Lease CEQA Exempt, District 2, [\$(453,774)]; 58.8% Federal; 37.6% State; 3.6% County DPSS Budget

**DATE:** March 17, 2016

**PAGE:** 2 of 3

**BACKGROUND:**

**Summary**

The County of Riverside has occupied this new facility since May 5, 2015, for use by the Department of Public Social Services' (DPSS) Self Sufficiency Division. The purpose of this Second Amendment to Lease is to revise and memorialize the agreed rent misstated in the First Amendment to Lease. The County shall pay the sum of \$107,595.00 per month to Lessor as rent.

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.

Lessor: Parkridge Avenue 517 Corp.  
c/o TDA, Inc.  
2025 Pioneer Ct.  
San Mateo, CA 94403

Premises Location: 517 Parkridge Avenue, Norco, CA

Size: 50,000 square feet.

Rent:	<u>Initial rent:</u>	<u>First Amendment</u>	<u>Second Amendment:</u>
	\$105,000.00 per mo.	\$107,650.00 per mo.	\$107,595.00 per mo.

Term: 10 years, ending April 30, 2025

Rent Adjustment: 3.0% annually.

Utilities: County pays separately for interior and exterior electric and interior water and sewer Services

Custodial/Day Porter: \$3,095.00 per month paid with monthly rent, included with the First Amendment.

Interior/Exterior Maintenance: Included in rent.

**Impact on Citizens and Businesses**

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

**SUPPLEMENTAL:**

**Additional Fiscal Information**

Due to a calculation error the agreed rent was misstated in the First Amendment to Lease. See attached Exhibits A, B, & C

DPSS has budgeted these costs in FY2015/16 thru FY2024/25 and will reimburse Economic Development Agency for all lease costs on a monthly basis.

(Continued)

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Economic Development Agency

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**DATE:** March 17, 2016

**PAGE:** 3 of 3

**Contract History and Price Reasonableness**

This is a 10 year lease. The lease rate is competitive based on the current real estate market.

**Attachments:**

Exhibits A, B & C

Aerial Image

Second Amendment to Lease

Notice of Exemption

# Exhibit A

**FY 2015/16  
DPSS Lease Cost Analysis  
517 Parkridge Avenue**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office:		50,000
Approximate Cost per SQFT (July-April)	\$	2.09
Approximate Cost per SQFT (May-June)	\$	2.15
Lease Cost per Month (July - April) Second Amendment	\$	104,500.00
Lease Cost per Month (May - June) Second Amendment	\$	107,635.00
Total Lease Cost (July-April)	\$	1,045,000.00
Total Lease Cost (May-June)	\$	215,270.00
<b>Total Estimated Lease Cost for FY 2015/16</b>	\$	<b>1,260,270.00</b>

**Estimated Additional Costs:**

Total Estimated Utility Cost - Second Amendment	\$	72,000.00
Day Porter (July-June) Second Amendment	\$	37,140.00
Tenant Improvement Second Amendment	\$	1,194,198.48
EDA Lease Management Fee - 4.12% Second Amendment	\$	101,124.10
<b>TOTAL ESTIMATED COST FOR FY 2015/16</b>	\$	<b>2,664,732.58</b>
Amount approved in previous Agreement	\$	2,704,317.96
Amount of FY15/16	\$	<u>(39,585.38)</u>
<b>TOTAL COUNTY COST 3.6%</b>	\$	<b>(1,425.07)</b>

# Exhibit B

## FY 2016/17 DPSS Lease Cost Analysis 517 Parkridge Avenue

### ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	50,000.00	
Approximate Cost per SQFT (July - April)	2.15	
Approximate Cost per SQFT (May - June)	2.22	
Lease Cost per Month (July - April ) Second Amendment	\$	107,635.00
Lease Cost per Month (May - June) Second Amendment	\$	110,864.05
Total Lease Cost (July - April )	\$	1,076,350.00
Total Lease Cost (May - June)	\$	221,728.10
Total Estimated Lease Cost for FY 2016/17	\$	1,298,078.10
Total Estimated Utility Cost - Second Amendment	\$	72,000.00
Day Porter (July-June) Second Amendment	\$	37,140.00
Tenant Improvement Second Amendement	\$	1,194,198.48
EDA Lease Management Fee - 4.12% Second Amendment	\$	102,681.80
TOTAL ESTIMATED COST FOR FY 2016/17	\$	2,704,098.38
Amount approved in previous Agreement	\$	2,745,058.74
Amount of FY16/17	\$	<u>(40,960.36)</u>
TOTAL COUNTY COST 3.6%	\$	(1,474.57)

# Exhibit C

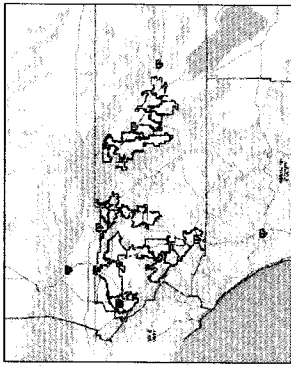
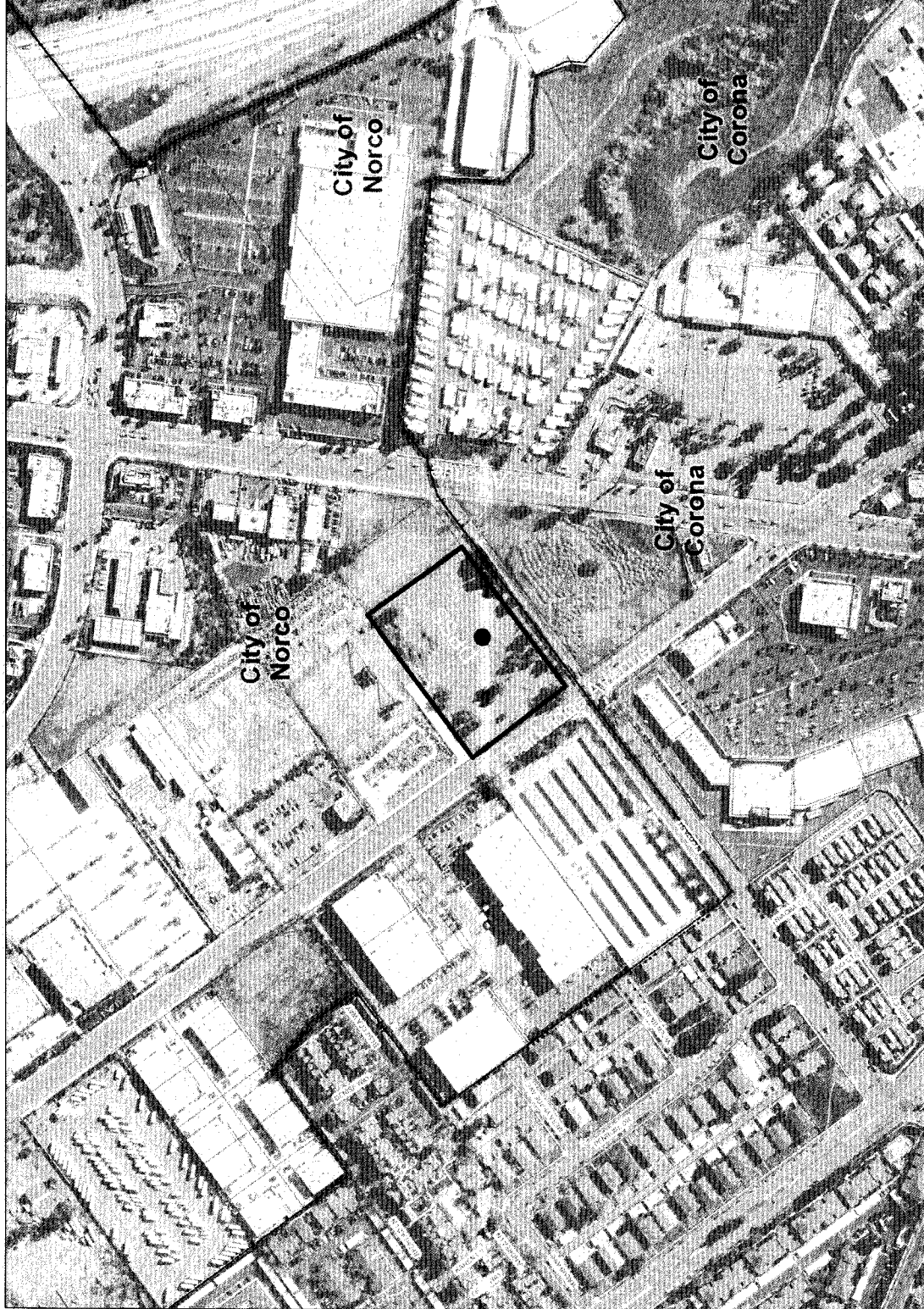
## FY 2017/18 to FY 2024/25 DPSS Lease Cost Analysis 517 Parkridge Avenue

**ESTIMATED AMOUNTS**

	FY 2017/18	FY 2018/19	FY2019/20- FY2024/25
<b><u>Total Square Footage to be Leased:</u></b>			
Current Office:	50,000	50,000	50,000 SQFT
Approximate Cost per SQFT (July - April)	\$ 2.22	\$ 2.28	
Approximate Cost per SQFT (May - June)	\$ 2.28	\$ 2.35	
Lease Cost per Month (July - April) Second Amendment	\$ 110,864.05	\$ 114,189.97	\$ 760,786.37
Lease Cost per Month (May - June) Second Amendment	\$ 114,189.97	\$ 117,615.67	\$ 643,170.70
Total Lease Cost (July - April)	\$ 1,108,640.50	\$ 1,141,899.72	\$ 7,607,863.67
Total Lease Cost (May - June)	\$ 228,379.94	\$ 235,231.34	\$ 1,286,341.39
Total Estimated Lease Cost for FY 2017/18 to FY 2024/25	<b>\$ 1,337,020.44</b>	<b>\$ 1,377,131.06</b>	<b>\$ 8,894,205.06</b>
Total Estimated Utility Cost - Second Amendment	\$ 72,000.00	\$ 72,000.00	\$ 420,000.00
Day Porter (July-June) Second Amendment	\$ 37,140.00	\$ 37,140.00	\$ 216,650.00
EDA Lease Management Fee - 4.12% Second Amendment	\$ 55,085.24	\$ 56,737.80	\$ 366,441.25
Amount approved in previous Agreement	\$ 1,543,622.27	\$ 1,586,844.16	\$ 10,184,312.29
<b>TOTAL ESTIMATED COST FOR FY 2017/18 to FY 2024/25</b>	<b>\$ 1,501,245.69</b>	<b>\$ 1,543,008.86</b>	<b>\$ 9,897,296.31</b>
Amount of FY17/18-24/25	<u>\$ (42,376.58)</u>	<u>\$ (43,835.30)</u>	<u>\$ (287,015.98)</u>
<b>TOTAL COUNTY COST 3.6%</b>	<b>\$ (1,525.56)</b>	<b>\$ (1,578.07)</b>	<b>\$ (10,332.58)</b>
F11: Cost - Total Cost	\$ (453,773.61)		
F11: Net County Cost - Total Cost	\$ (16,335.85)		

# Second Amendment to Lease

517 Parkridge Avenue, Norco



## Legend

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

**\*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**  
 District 2  
 APN: 122-061-002



0 486

971 Feet



REPORT PRINTED ON... 12/10/2015 11:08:00 AM

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1 **SECOND AMENDMENT TO LEASE**

2 **517 Parkridge Avenue**

3 **Norco, California**

4  
5 This **SECOND AMENDMENT TO LEASE** ("Second 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 **PARKRIDGE AVENUE 517 Corp.**, a California Corporation ("Lessor") and, sometimes  
9 collectively referred to as the "Parties" or individually as a "Party."

10 **RECITALS**

11 **A.** Lessor and County entered into that certain Lease dated November 26,  
12 2013, ("Original Lease") pursuant to which Lessor has agreed to lease to County and  
13 County has agreed to lease from Lessor that certain building located at 517 Parkridge  
14 Avenue, California, as more particularly described in the Original Lease.

15 **B.** The Original Lease has been amended by:

16 1. That certain First Amendment to Lease dated September 22, 2015, by  
17 and between Parkridge Avenue 517 Corp., a California Corporation and County of  
18 Riverside, a political subdivision of the State of California (the "First Amendment")  
19 whereby the Parties amended the Lease to memorialize the Commencement Date and  
20 rent to include custodial services.

21 **C.** The Original Lease, together with this Second Amendment, is collectively  
22 referred to hereinafter as the "Lease."

23 **D.** County and Lessor desire to further amend the Lease by revising and  
24 memorializing the agreed rent.

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

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



1 Commencing May 5, 2015, County shall pay the sum of \$ 104,500.00 per  
2 month to Lessor as rent for the Leased Premises, plus the amount of \$3,095.00 per  
3 month for Day Porter services commencing June 21, 2015, for a total rent of  
4 \$107,595.00. Said rent shall be payable, in advance of the first day of the month;  
5 provided, however, in the event rent for any period during the term hereof which is for  
6 less than one (1) full calendar month said rent shall be pro-rated based upon the actual  
7 number of days of said month.

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

17 **4. Effective Date.** This Second Amendment to Lease shall not be binding  
18 or consummated until its approval by the Riverside County Board of Supervisors and  
19 fully executed by the Parties.

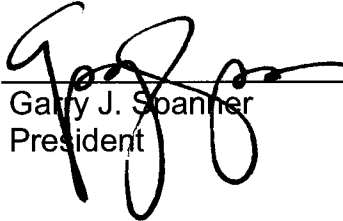
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1           **IN WITNESS WHEREOF**, the Parties have executed this Amendment as of the  
2 date first written above.

3 LESEE:  
4 County of Riverside

LESSOR:  
Parkridge Avenue 517 Corporation

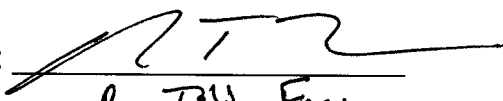
5  
6 By: \_\_\_\_\_  
7       John J. Benoit, Chairman  
8       Board of Supervisors

By:  \_\_\_\_\_  
Gary J. Spanner  
President

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

12 By: \_\_\_\_\_  
13                           Deputy

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

16 By:  \_\_\_\_\_  
17       R. Todd Fraun  
18       Deputy County Counsel



## NOTICE OF EXEMPTION

December 14, 2015

**Project Name:** Second Amendment to Lease, Parkridge, Department of Public Social Services, Norco

**Project Number:** FM042490000600

**Project Location:** 517 Parkridge Avenue, west of North Main Street/Hammer Avenue Norco, California;  
Assessor's Parcel Number (APN) 122-061-002 (See attached exhibits)

**Description of Project:** The County of Riverside (County) has occupied a facility on the site located at 517 Parkridge Avenue, APN 122-061-002, for use by the Department of Public Social Services (DPSS) Self Sufficiency Division since May 5, 2015. The purpose of the Second Amendment to Lease is to revise and memorialize the agreed rent misstated in the First Amendment to Lease. The rent will be \$55 dollars less (from \$107,650 to \$107,595 monthly) than identified in the First Amendment to the Lease. No other changes would occur to the Lease. The Second Amendment to the Lease is identified as the proposed Project under the California Environmental Quality Act (CEQA). The proposed project is the letting of property involving existing facilities; no expansion of an existing use will occur. The existing structure is located in a developed area. The leased premise consists of approximately 50,000 square feet and the operation of the facility will continue to provide public social services 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; Parkridge Avenue 517 Corp.

**Exempt Status:** State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

**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 Second Amendment to the lease is not anticipated to result in any direct or reasonably foreseeable indirect physical environmental impacts.

Administration  
Aviation  
Business Intelligence  
Cultural Services  
Community Services  
Custodial

Housing  
Housing Authority  
Information Technology  
Maintenance  
Marketing

Economic Development  
Edward-Dean Museum  
Environmental Planning  
Fair & National Date Festival  
Foreign Trade  
Graffiti Abatement

Parking  
Project Management  
Purchasing Group  
Real Property  
Redevelopment Agency  
Workforce Development

- **Section 15301 – Class 1 Existing Facilities Exemption:** This categorical 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 limited to the Second Amendment to the Lease that is limited to a rental adjustment. The use of the site would continue in the same manner as under the current lease and would not require any expansion of service or facilities; therefore, the Project is exempt as the Project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **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 *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed Second Amendment to the Lease will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will be substantially similar to the existing use and will not create any new environmental impacts to the surrounding area. No alterations and no impacts beyond the ongoing, existing use of the site 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: \_\_\_\_\_

Mike Sullivan, 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,  
Norco

Accounting String: Fund: 524830-47220-7200400000- FM042490000600

DATE: December 14, 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: Mike Sullivan, 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) -