

FORM APPROVED COUNTY COUNSEL 4/22/15  
 BY: GREGORY P. PRIAMOS DATE  
 Departmental Concurrence

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

921



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
 May 7, 2015

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

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 Existing Facilities and Section 15061(b)(3);
2. Ratify the attached Fifth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) days of approval by the Board.

**BACKGROUND:**

Summary

(Commences on Page 2)

FISCAL PROCEDURES APPROVED  
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
 BY: Esteban Hernandez 5/6/15

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

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

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

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

APPROVE

BY: Rohini Dasika  
 Rohini Dasika

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Benoit, seconded by Supervisor Washington and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Washington, Benoit and Ashley  
 Nays: None  
 Absent: Tavaglione  
 Date: May 19, 2015  
 xc: EDA, DPSS, Recorder

Kecia Harper-Ihem  
 Clerk of the Board

By: [Signature]  
 Deputy

3-9

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

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

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

Economic Development Agency

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

**DATE:** May 7, 2015

**PAGE:** 2 of 3

**BACKGROUND:**

**Summary**

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

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

Lessor: DIBA Real Estate Investments, LLC  
28008 Harrison Parkway  
Valencia, California 91355

Premises Location: 14-201 Palm Drive, #107, 108, 109b, Desert Hot Springs, California

Term: Two years commencing February 1, 2015

Size: 2,904 square feet

Rent:	Former	New
	\$ 1.78 per sq. ft.	\$ 1.95 per sq. ft.
	\$ 5,179.28 per month	\$ 5,662.80 per month
	\$62,151.36 per year	\$67,953.60 per year

Rental Adjustment: Not Applicable, (Flat Rate Entire Term)

Utilities: County pays electric, gas and telephone, Landlord pays all others.

Maintenance: Provided by Landlord

Custodial: Provided by Landlord

**Impact on Citizens and Businesses**

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

**SUPPLEMENTAL:**

**Additional Fiscal Information**

See attached Exhibits A, B & C

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

(Continued)

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

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

**DATE:** May 7, 2015

**PAGE:** 3 of 3

**Contract History and Price Reasonableness**

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

**Attachments:**

Exhibits A, B & C

Fifth Amendment to Lease

Notice of Exemption

# Exhibit A

## DPSS Lease Cost Analysis FY 2014/15

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

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

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

#### Estimated Additional Costs:

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

# Exhibit B

DPSS Lease Cost Analysis FY 2015/16  
14201 Palm Drive, Suites 107, 108, 109b, Desert Hot Springs, California

## ESTIMATED AMOUNTS

### Total Square Footage to be Leased:

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

### Estimated Additional Costs:

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

# Exhibit C

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

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 2,904 SQFT

**FY 2016/17**

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

**Estimated Additional Costs:**

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



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

5/19/15      kb  
Date                      Initial

### NOTICE OF EXEMPTION

April 10, 2015

**Project Name:** County of Riverside, Fifth Amendment to Lease, Department of Public Social Services, Desert Hot Springs

**Project Number:** FM042191000400

**Project Location:** 14-201 Palm Drive, Suites 107, 108, 109b, Desert Hot Springs, California; Assessor Parcel Number: 656-020-029 (see attached exhibits)

**Description of Project:** County of Riverside (County) on behalf of the Department of Public Social Services (DPSS), proposes to amend and extend the term of the lease with Diba Real Estate Investments, LLC (Lessor), as successor in interest to Eun Hee Lee, Wilshire State Bank, and First Western Land Management, for two years commencing February 1, 2015. The premises consists of an existing building located at 14-201 Palm Drive, Suites 107, 108, 109b, Desert Hot Springs, California, providing a public benefit to the community and region through DPSS's Family Resource Center (FRC) program. The original lease, dated September 26, 2000, has been amended by the First Amendment to Lease dated October 28, 2003, by and between First Western Land Management, LLC and County, the Second Amendment to Lease dated November 22, 2005, by and between First Western Land Management, LLC and County, the Third Amendment to Lease dated January 13, 2009, by and between Eun Hee Lee, successor in interest to First Western Land Management, LLC and County, and the Fourth Amendment to Lease dated March 1, 2011, by and between Diba Real Estate, LLC, successor in interest to Eun Hee Lee, Wilshire State Bank. The lease dated September 26, 2000, together with its amendments, shall collectively be referred to as the "Lease." The leased facility consists of approximately 2,904 square feet for the purpose of providing program services to the community. The premises will continue to be utilized by DPSS and shall not be used for any other purpose. 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

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[www.rivcoeda.org](http://www.rivcoeda.org)

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

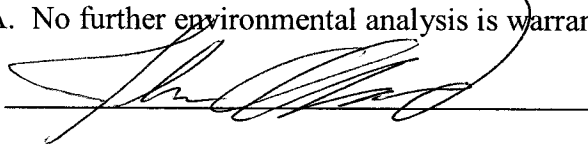
Parking  
Project Management  
Purchasing Group  
Real Property  
Redevelopment Agency  
Workforce Development

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 of the lease is not anticipated to result in any significant physical environmental impacts. 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 extension to the term of an existing lease. No physical upgrades, changes in usage or tenant improvements are included as part of the Project. The extension to the term of 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 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:

4/10/15

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



**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

Project Name: Fifth Amendment to Lease, Department of Public Social Services, Desert Hot Springs

Accounting String: 524830-47220-7200400000- FM042191000400

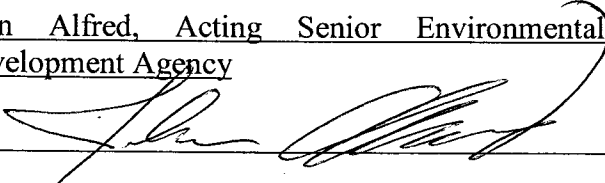
DATE: April 10, 2015

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: Tonja Acosta, 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 # FM042191000400**  
Fifth Amendment to Lease, Department of Public Social Services, Desert Hot Springs

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

1 **FIFTH AMENDMENT TO LEASE**

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

3  
4 This **FIFTH AMENDMENT TO LEASE** ("Fourth Amendment") is made as of  
5 May 19, 2015 by and between the **COUNTY OF RIVERSIDE**, a  
6 political subdivision of the State of California ("County"), and **DIBA REAL ESTATE**  
7 **INVESTMENTS, LLC**, ("Lessor"), a California Limited Liability Company.

8 **RECITALS**

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

15 B. The Original Lease has been amended by:

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

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

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

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

MAY 19 2015 3-9

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

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

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

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

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

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

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

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

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

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

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

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

28

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

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

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

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

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

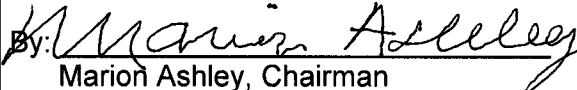
16 **7. Miscellaneous.** Except as amended or modified herein, all the terms of  
17 the Original Lease shall remain in full force and effect and shall apply with the same  
18 force and effect. Time is of the essence in this Fifth Amendment and the Lease and  
19 each and all of their respective provisions.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

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

3  
4 Dated:           MAY 19 2015          

5 COUNTY OF RIVERSIDE

DIBA REAL ESTATE INVESTMENTS, LLC

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

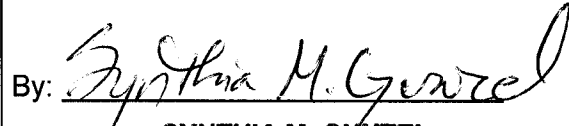
By:   
Mehrdad Daniel Safavieh (Partner)

9  
10 By:   
Mehran Michael Banayan (Partner)

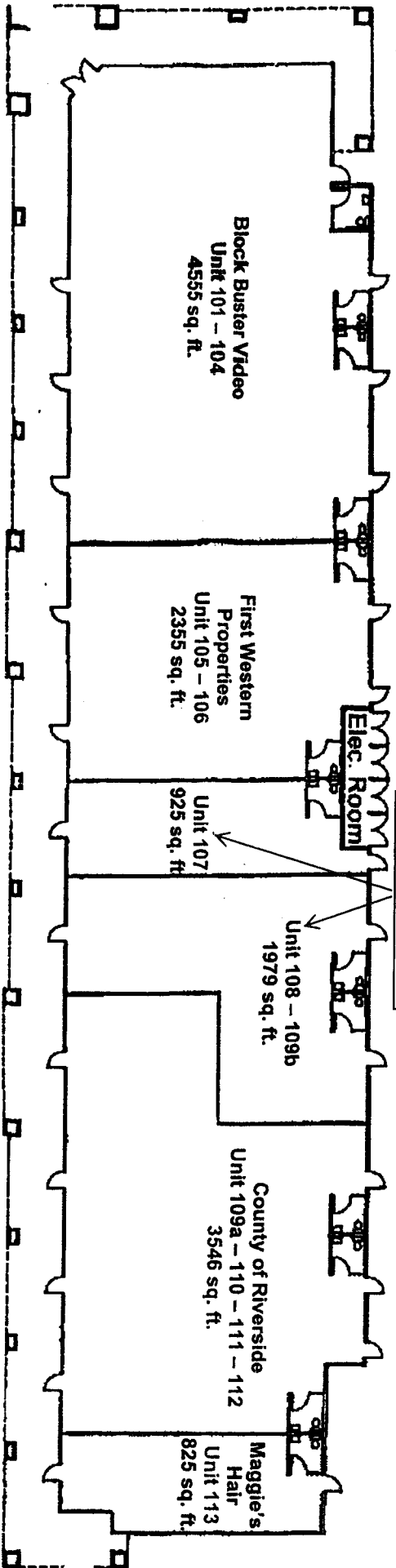
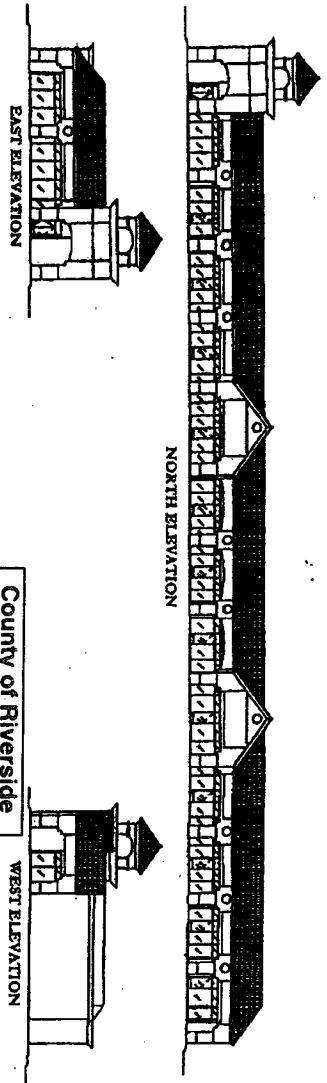
11 **ATTEST:**  
12 Kecia Harper-Ihem  
13 Clerk of the Board

14 By:   
15 Deputy

16  
17  
18  
19 **APPROVED AS TO FORM:**  
20 Gregory P. Priamos  
County Counsel

21  
22 By:   
23 **SYNTHIA M. GUNZEL**  
Deputy County Counsel

24  
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26  
27  
28



# Lease Plan

Building Size: 14,185 square feet

First Western Building at K-Mart Center  
 1401 Palm Drive, Desert Hot Springs, CA 92240

EXHIBIT 'A'