

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

823



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
August 6, 2015

**SUBJECT:** Second Amendment to Lease, Department of Public Social Services, Desert Hot Springs, 10 Year Lease, CEQA Finding of Nothing Further is Required, District 5, [\$11,444,939] Federal 58.3%, State 39.2%, County 2.5%

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

1. Find that nothing further is required pursuant to CEQA because all potentially significant effects have been adequately analyzed in an earlier adopted Negative Declaration; and
2. Approve the attached Second Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County.

**BACKGROUND**

**Summary:**  
(Commences on Page 2)

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>	\$ 1,455,463	\$ 1,997,925	\$ 11,444,939	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
<b>NET COUNTY COST</b>	\$ 36,387	\$ 49,948	\$ 286,123	\$ 0	
<b>SOURCE OF FUNDS:</b> Federal 58.3%, State 39.2%, County 2.5%				<b>Budget Adjustment:</b> No	
				For Fiscal Year: 2015/16-2022/23	

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

APPROVE

BY:   
Imelda Delos Santos

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Washington and Benoit  
Nays: None  
Absent: Ashley  
Date: August 18, 2015  
xc: EDA, DPSS

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

Prev. Agn. Ref.: 3-17 of 5/14/13; 3-33 of 9/9/14 District: 5

Agenda Number:

**3-25**

FISCAL PROCEDURES APPROVED  
 SUSAN VON ZABERN, DIRECTOR  
 Department of Public Social Services  
 SUSAN VON ZABERN, CPA, AUDITOR-CONTROLLER  
 SUSANA GARCIA-BOCANEGRA  
 Departmental Compliance  
 GREGORY P. PRIAMOS  
 DATE 7/22/15  
 COUNTY OF RIVERSIDE

- 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:** Second Amendment to Lease, Department of Public Social Services, Desert Hot Springs, 10 Year Lease, CEQA Finding of Nothing Further is Required, District 5, [\$11,444,939] Federal 58.3%, State 39.2%, County 2.5%

**DATE:** August 6, 2015

**PAGE:** 2 of 3

**BACKGROUND:**

**Summary**

On May 14, 2013, the County entered into a lease with Pierson Professional Plaza, LP, for a 10 year lease for a 38,000 square foot build to suit office which has now been corrected to reflect a 38,084 square foot build to suit office for use by the Department of Public Social Services. The required development approvals have taken longer than anticipated affecting the construction completion timeline. To facilitate the requirements of pending construction financing, the Lessor has requested a revision to the Delay in Delivery language within the lease, and the County has agreed to the request. The attached Second Amendment to Lease modifies Delay in Delivery penalty date by extending it from January 31, 2016, to May 31, 2016. Day Porter service will be provided on site at the Premises reimbursed by County along with Improvements paid by the County in County in three equal payments with first payment being paid in fiscal year 2015/16.

In accordance with the California Environmental Quality Act (CEQA) Guidelines and Riverside County CEQA implementing procedures, an Initial Study was prepared to analyze the Lease to determine if any potential significant impacts upon the environment would result from the Lease. The Lease was found to not have a significant effect on the environment and Board adopted a Negative Declaration on May 14, 2013, item #3-17. This Second Amendment to the Lease was reviewed and determined that nothing further is required pursuant to CEQA because the terms remain consistent with what has been previously analyzed nor does it substantially change or increase the intensity of use, it merely makes a few minor changes including to the delivery date.

The Second Amendment modifies the Lease as follows:

Lessor:	Pierson Professional Plaza, LP 5305 E. Second Street, Suite 204 Long Beach, CA 90803	
Premises Location:	65753 Pierson Boulevard Desert Hot Springs, CA	
Size:	38,084 square feet.	
Rent:	Current (38,000 sq. ft) \$2.17 per sq.ft. modified gross \$82,460.00 per month \$989,520.00 per year	New (38,084 sq. ft) \$2.17 per sq.ft. modified gross \$82,642.28 per month \$991,707.36 per year
Rental Adjustments:	Commencing year four; 2% annually	
Term:	Remainder of ten years.	
RCIT:	\$383,890	
Options to Extend:	Two, five-year options.	
Option to Terminate:	After the fifth year for reduced funding with 150 days' notice.	

(Continued)

# Exhibit A

FY 2015/16

## DPSS Lease Cost Analysis

65753 Pierson Blvd., Desert Hot Springs, California

### **ESTIMATED AMOUNTS**

#### **Total Square Footage to be Leased:**

Current Office:	38,084	SQFT		
Approximate Cost per SQFT (May-June)	\$	2.17		
Lease Cost per Month (July - April)	\$		-	
Lease Cost per Month (May - June)	\$		82,642.28	
Total Lease Cost (July-April)				\$ -
Total Lease Cost (May-June)				\$ 165,284.56
<b>Total Estimated Lease Cost for FY 2015/16</b>				<b>\$ 165,284.56</b>

#### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month (July-April)	\$		-	
Estimated Utility Costs per Month (May-June)	\$		4,570.08	
Total Estimated Utility Cost				\$ 9,140.16
Day Porter (May-June)				\$ 6,855.12
Tenant Improvements \$2,500,000.00/3 yrs.				\$ 833,333.33
RCIT				\$ 383,890.00
EDA Lease Management Fee - 4.12%				\$ 56,959.33
<b>TOTAL ESTIMATED COST FOR FY 2015/16</b>				<b>\$ 1,455,462.50</b>
<b>TOTAL COUNTY COST 2.50%</b>				<b>\$ 36,386.56</b>

1 **SECOND AMENDMENT TO LEASE**

2 **65753 Pierson Boulevard**

3 **Desert Hot Springs, California**

4  
5 This **SECOND AMENDMENT TO LEASE** ("Second Amendment"), dated as of  
6 August 18 2015, is entered by and between the **COUNTY OF**  
7 **RIVERSIDE**, a political subdivision of the State of California ("County"), as Lessee, and  
8 **PIERSON PROFESSIONAL PLAZA, LP** ("Lessor") and, sometimes collectively  
9 referred to as the "Parties".

10 **RECITALS.**

11 **A.** Lessor and County entered into that certain Lease dated May 14, 2013,  
12 ("Original Lease") pursuant to which Lessor has agreed to lease to County and County  
13 has agreed to lease from Lessor that certain building located at 65753 Pierson  
14 Boulevard, Desert Hot Springs, California, as more particularly described in the  
15 Original Lease.

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

17 1. That certain First Amendment to Lease dated September 9, 2014, by and  
18 between Pierson Professional Plaza, LP, and County of Riverside, a political  
19 subdivision of the State of California (the "First Amendment") whereby the Parties  
20 amended the Lease to extend the term period.

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 the  
24 leased premises description, to extend the term, amend the rent and terms for  
25 custodial services.

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

28 **1. Premises Defined- Square footage correction**

1 Section 2.2 of the Original Lease is hereby amended by the following:

2 The Premises shall consist of that certain real property, including all improvements  
3 therein or to be provided by Lessor under the terms of this Lease, and commonly  
4 known as 65753 Pierson Boulevard located in the City of Desert Hot Springs, County  
5 of Riverside, State of California, also identified as Assessor Parcel Number 663-290-  
6 003-5 and generally described as a free standing building increased from 38,000  
7 square feet to 38,084 square feet with approximately 237 parking spaces allocated as  
8 114 unreserved and 123 secured. It is understood that the Premises include all  
9 appurtenances and easements thereto and the non-exclusive right of ingress and  
10 egress at all times to and from the public streets and highways for County, its  
11 employees and invitees

12 **2. Term.**

13 Section 4.1 of the Original Lease is hereby amended by the following:

14 Deleting the second sentence and replacing it as follows: The Term of  
15 this Lease shall be for a period of ten (10) years ("Original Term") commencing no  
16 earlier than July 1, 2014, and no later than May 31, 2016, on the earlier of (a) the date  
17 County staff occupies the Premises, or (b) the date on which County accepts the  
18 Premises for occupancy, which shall occur only after Lessor delivers to County a copy  
19 of the Certificate of Occupancy executed by the appropriate governing authority, if  
20 applicable, and provided that County, in its sole discretion, is satisfied that all leasehold  
21 improvements have been completed, excepting minor punch list items  
22 ("Commencement Date").

23 Section 4.3 of the Lease shall be deleted in its entirety and replaced as  
24 follows: If the Original Term of this Lease has not commenced no earlier than July 1,  
25 2014, and no later than May 31, 2016, County may, at its sole option, either: (a)  
26 deduct from any rents that may become due hereunder the sum of \$2,508.00 for each  
27 day the Premises are not substantially complete and available for occupancy as per  
28 paragraph 2.4, after said date, as liquidated damages for failure to provide occupancy

1 in a timely manner as prescribed hereunder. Lessor and County agree that such  
2 damages are to be one of the mutually exclusive remedies, as prescribed in this  
3 Section 4, for such failure, in that at the time of entering into this Lease it would be  
4 impractical and extremely difficult to fix the actual damages that would flow from  
5 Lessor's failure to provide occupancy in a timely manner, including, but not limited  
6 to, the difference in money between the total sum to be paid by County to another  
7 party for rent to Lease such party's real property, if the rental hereunder is less than  
8 the rental to be paid such other party; or if the Original Term of this Lease has not  
9 commenced by May 31, 2016, or (b) cancel this Lease, and Lessor hereby waives any  
10 and all rights that it may have against County for any costs, expenses and/or charges  
11 that Lessor may have incurred as a result of preparing the Premises for occupancy.

12 **3. Rent.** Section 5.1 of the Original Lease is hereby amended by the  
13 following:

14 County shall pay the sum of \$82,642.28 per month to Lessor as rent for  
15 the Leased Premises, payable, in advance, on the first day of the month or as soon  
16 thereafter as a warrant can be issued in the normal course of County's business;  
17 provided, however, in the event rent for any period during the term hereof which is for  
18 less than one (1) full calendar month said rent shall be pro-rated based upon the  
19 actual number of days of said month

20 **4. Custodial Services.** Section 8 of the Original Lease shall be amended to  
21 add subsection 8.3 as follows:

22 **8.3 Day Porter Services.** Lessor shall provide a Day Porter on site at the  
23 Premises Monday through Friday during the hours of 9 a.m. to 5 p.m. Such services  
24 shall be provided as set forth in the attached Exhibit "E" and by this reference  
25 incorporated herein. The cost for this service is \$3,427.56 per month and shall be  
26 reimbursed by County in addition to the monthly rent as stated herein making the  
27 monthly payment in the amount of \$86,069.84. If the cost for the Day Porter increases  
28 due to wage or operational increases, County will be responsible for the increase once

1 Lessor provides at least thirty (30) days advance notice. Such increase shall not  
2 exceed ten (10%) percent per lease year. The Day Porter service contract may be  
3 modified or terminated by County upon not less than thirty (30) days advance notice to  
4 Lessor. The aforementioned monthly cost will not be included in the annual rent  
5 increase calculation.

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

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

20 **7. Effective Date.** This Second Amendment to Lease shall not be binding  
21 or consummated until its approval by the Riverside County Board of Supervisors and  
22 fully executed by the Parties.

23 ///  
24 ///  
25 ///  
26 ///  
27 ///

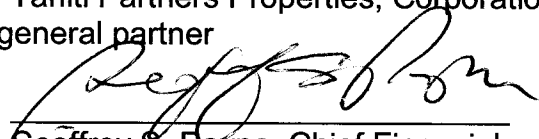
1           **IN WITNESS WHEREOF**, the Parties have executed this Amendment as of the  
2 date first written above.

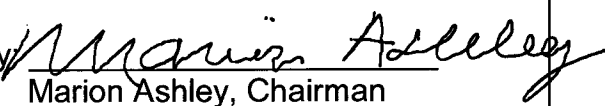
3 LESSOR:

LESSEE:

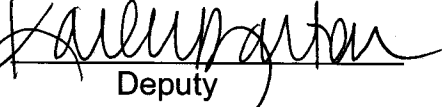
4 Pierson Professional Plaza, LP  
5 By: Tahiti Partners Properties, Corporation,  
6 its general partner

County of Riverside

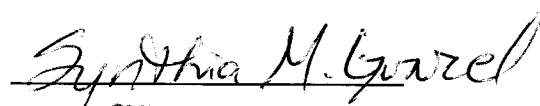
7 By:   
8 Geoffrey S. Payne, Chief Financial  
9 Officer of general partner

By:   
10 Marion Ashley, Chairman  
11 Board of Supervisors

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

15 By:   
16 Deputy

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

19 By:   
20 SYNTHIA M. GUNZEL  
21 Deputy County Counsel



**COUNTY OF RIVERSIDE**  
**Economic Development Agency**  
**Real Estate Division**

**CUSTODIAL SERVICES REQUIREMENTS**  
**FOR LEASED FACILITIES**

1. Background checks shall be performed, in a manner specified by County, of all qualified permanent and temporary employees.
2. Provide all required services and supplies.
3. Perform Custodial services five days a week during the hours of 5:00 pm to 1:00 am only.
4. Provide Day Porter services five days a week during the hours of 9:00 am to 5:00 pm.
5. Provide and replace all fluorescent light tubes and incandescent light bulbs using only those types of tubes and bulbs that are energy efficient as indicated by manufacturer. Fixture reflectors shall be wiped clean with each relamping.
6. Lessor and custodial staff shall be responsible for key control. Issuing keys to workers, collecting said keys at shift end and retrieving keys at the end of custodian's employment. If keys are lost, stolen or misplaced, rekeying costs are landlord's responsibility.
7. **SPECIFIC SERVICES** – Frequency and coverage:

A. **Daily:**

1. Rest Rooms:

Empty all trash containers, refill dispensers, damp mop floors, clean, sanitize and polish all plumbing fixtures, chrome fittings, flush rings, drain and overflow outlets, clean and polish mirrors, clean wall adjacent to hand basins/urinals, dust metal partitions, remove finger prints from walls, switches, etc.

2. Lobby Area – Main Corridors – Stairways:

Remove trash, vacuum, vacuum/damp mop tile, clean lobby and entrance doors, clean and sanitize drinking fountains.

3. Employee Break Rooms/Kitchen:

Remove trash from building and deposit in dumpster, vacuum rugs and carpet, wipe spills, mop tile floor, remove fingerprints from doors, light switches, etc., and refill dispensers.

4. General and Private Areas:

Remove trash, vacuum carpets, mop tile floors, spot clean interior partition glass, clean counter tops and blackboards, dust desks, conference tables, credenza/file cabinets and bookcases.

5. Day Porter:

- a. Empty all trash in restrooms as needed.
- b. Clean, sanitize and stock restrooms as needed.
- c. Check lobby areas for debris and remove.
- d. Touch up door glass as needed.
- e. Keep entrances free from debris.
- f. Be available by phone for emergency spills or cleanups.
- g. Sanitize customer counters and walk up areas as needed.
- h. Empty outside trash cans and in lobby areas as needed.
- i. Inspect lunchrooms and stock as needed.

6. Building Security:

- a. Turn off all lights (except security and night lights).
- b. Close windows.
- c. Reset alarms and lock all doors.

**B. Weekly – All Areas:**

Polish buff hard resilient floors in traffic areas, spot clean carpeted areas.

Dust all high and low horizontal surfaces, including sills, ledges, moldings, shelves, locker tops, frames and file cabinets, damp wipe plastic and leather furniture.

Remove fingerprints from doors, elevator walls and controls, frames and light switches in office areas, clean and polish bright metal to 70" height, clean and sanitize waste containers in rest rooms and break rooms.

**C. Monthly – All Areas:**

Clean interior glass partitions/doors, dry dust wood paneling, remove dust/cobwebs from ceiling areas.

Spray buff resilient/hard floor areas, detail vacuum carpet edges, under desk/office furniture.

**D. Quarterly – All Areas:**

Spray buff resilient and hard surface floors and apply floor finish.

Clean interior/exterior windows, clean/polish office furniture, damp clean diffuser outlets in ceiling/wall, wash waste containers, clean/dust blinds, wash sanitize.

**E. Semi-Annually – All Areas:**

1. All Areas:
  - a. Clean and polish all baseboards.
  - b. Damp clean lobby and reception chairs.
  - c. Clean carpeted surfaces-use a water extraction method.

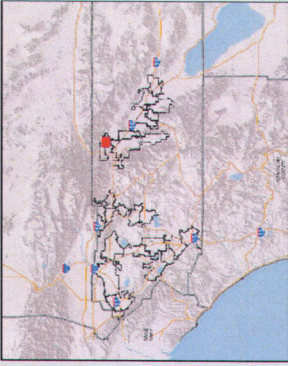
**F. Annually – All Areas:**

1. All resilient and hard surface floors: Move furniture, strip, seal and apply floor finish to all resilient and hard surface floors.



# Second Amendment to Lease-Desert Hot Springs DPSS

Location: 65753 Pierson Blvd. Desert Hot Springs, CA 92240



## Legend

- roadsanno
- highways
- HWY
- INTERCHANGE
- INTERSTATE
- OFFRAMP
- ONRAMP
- USHWY
- counties
- cities
- hydrography/lines
- waterbodies
- Lakes
- Rivers

**Notes**  
APN: 663-290-003

\*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.



2,916 Feet

1,458

0



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