

FORM APPROVED COUNTY COUNSEL
 BY: [Signature] 9/29/15
 DATE: _____
 GREGORY P. PRIAMOS

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

672



FROM: Economic Development Agency

SUBMITTAL DATE:
 October 22, 2015

SUBJECT: Second Amendment to Lease, Department of Environmental Health, Corona, 3 Year Lease Renewal, District 2, CEQA Exempt, [\$871,414], 50% District Environmental Services; 50% Environmental Protection Oversight 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 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 upon approval of the project.

BACKGROUND:

Summary

Commences on Page 2

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: [Signature] 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	\$ 230,202	\$ 281,692	\$ 871,414	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: 50% District Environmental Services; 50% Environmental Protection Oversight Funds
Budget Adjustment: No
 For Fiscal Year: 2015/16-2018/19

C.E.O. RECOMMENDATION:

APPROVE

BY: [Signature]
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
 Nays: None
 Absent: None
 Date: November 3, 2015
 xc: EDA, Recorder

Kecia Harper-Ihem
 Clerk of the Board
 BY: [Signature]
 Deputy

By: [Signature]
 Steve Van Stockum,
 Director, Environmental Health

- 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 Environmental Health, Corona, 3 Year Lease Renewal, District 2, CEQA Exempt, [\$871,414], 50% District Environmental Services; 50% Environmental Protection Oversight Funds

DATE: October 22, 2015

PAGE: 2 of 3

BACKGROUND:

Summary

On August 10, 2010, the Board of Supervisors approved Agenda item 3.28 authorizing the Economic Development Agency (EDA) Real Estate Division to amend the Lease and to extend the term of the lease and provide improvements to the premises. The office continues to meet the space requirements for the Department of Environmental Health.

In an effort to assist the Department of Environmental Health with their goals to retain a conservative rental rate and reduce the overall operating costs. The Real Estate Division has successfully negotiated a new three year Lease with a reduced rental rate and annual escalator to capture a favorable savings for the Department of Environmental Health. In addition, the Lessor has agreed to paint the interior premises of the office suite in its entirety at Lessor's sole cost and expense.

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) – 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 Second Amendment to Lease is summarized as follows:

Location: 2275 S. Main Street, Suite 204, Corona

Lessor: Pavez Family, LLC

Size: 10,164 Sq. Ft.

Improvements: Paint entire interior suite at Lessor's Sole Cost and expense

Term: Three years, commencing September 1, 2015 and terminating August 31, 2018

Rent:	Current	New
	\$ 2.08 PSF.	\$ 2.06 PSF.
	<u>\$ 21,163.41</u> Per Month	<u>\$ 20,937.84</u> Per Month
	\$253,960.92 Per Year	\$251,254.08 Per Year

Annual Increase: Reduced from 3% to 2.5%

RCIT: None

Custodial: Lessor

Maintenance: Lessor

Utilities: Lessor shall provide trash and sewer service, County shall pay for electricity and phone service

(Continued)

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

FORM 11: Second Amendment to Lease, Department of Environmental Health, Corona, 3 Year Lease Renewal, District 2, CEQA Exempt, [\$871,414], 50% District Environmental Services; 50% Environmental Protection Oversight Funds

DATE: October 22, 2015

PAGE: 3 of 3

Impact on Citizens and Businesses

By continuing to remain at this site, Department of Environmental Health 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 2005.

Attachments:

Exhibits A, B & C

Second Amendment to Lease

Notice of Exemption

Aerial Image

Exhibit A

FY 2015/16

Department of Environmental Health Lease Cost Analysis
2275 S. Main Street, #204, Corona, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	10,164	SQFT	
Approximate Cost per SQFT (July- August)	\$	2.08	
Approximate Cost per SQFT (Sept - June)	\$	2.06	
Lease Cost per Month (July- August)		\$	21,163.41
Lease Cost per Month (Sept - June)		\$	20,937.84
Total Lease Cost (July- August)		\$	42,326.82
Total Lease Cost (Sept - June)		\$	209,378.40
Total Estimated Lease Cost for FY 2015/16		\$	251,705.22

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>1,219.68</u>
Total Estimated Utility Cost		\$	14,636.16
RCIT		\$	-
Tenant Improvement		\$	-
EDA Lease Management Fee - 4.12%		\$	<u>10,370.26</u>
TOTAL ESTIMATED COST FOR FY 2015/16		\$	<u>276,711.64</u>
Amount Previously approved in 1st Amendment		\$	46,510.04
Amount of FY15/16 for 2nd Amendment		\$	230,201.59

Exhibit B

FY 2016/17

Department of Environmental Health Lease Cost Analysis
2275 S. Main Street, #204, Corona, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	10,164	SQFT	
Approximate Cost per SQFT (July- August)	\$	2.06	
Approximate Cost per SQFT (Sept - June)	\$	2.11	
Lease Cost per Month (July- August)	\$	20,937.84	
Lease Cost per Month (Sept - June)	\$	21,461.29	
Total Lease Cost (July- August)	\$	41,875.68	
Total Lease Cost (Sept - June)	\$	214,612.86	
Total Estimated Lease Cost for FY 2016/17	\$	256,488.54	

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		<u>\$</u>	<u>1,219.68</u>
Total Estimated Utility Cost	\$		14,636.16
RCIT	\$		-
Tenant Improvement	\$		-
EDA Lease Management Fee - 4.12%	\$		10,567.33
TOTAL ESTIMATED COST FOR FY 2016/17	\$		<u>281,692.03</u>

Exhibit C

FY 2017/18 to FY 2018/19

Department of Environmental Health Lease Cost Analysis
2275 S. Main Street, #204, Corona, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

10,164 SQFT

	FY 2017/18	FY 2018/19
Approximate Cost per SQFT (July- August)	\$ 2.06	\$ 2.16
Approximate Cost per SQFT (Sept - June)	\$ 2.12	\$ -
Lease Cost per Month (July- August)	\$ 21,461.29	\$ 21,997.82
Lease Cost per Month (Sept - June)	\$ 21,997.82	
Total Lease Cost (July- August)	\$ 42,922.57	\$ 43,995.64
Total Lease Cost (Sept - June)	\$ 241,976.00	
Total Estimated Lease Cost for FY 2017/18 to FY 2018/19	\$ 284,898.57	\$ 43,995.64

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month (July - June)	\$ 1,219.68	\$ 1,219.68
Total Estimated Utility Cost	\$ 14,636.16	\$ 2,439.36
RCIT	\$ -	\$ -
Tenant Improvement	\$ -	\$ -
EDA Lease Management Fee - 4.12%	\$ 11,737.82	\$ 1,812.62
	\$ 311,272.55	\$ 48,247.62

F11: Cost - Total Cost \$ 871,413.79



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on. 11/3/15 Date KB Initial

NOTICE OF EXEMPTION

September 2, 2015

Project Name: Department of Environmental Health, Corona Site, Lease Amendment

Project Number: FM042166001900

Project Location: 2275 S. Main Street, Suite 204, Corona, California 92882; Assessor Parcel Number 113-360-040 (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 Pavez Family, LLC (Lessor), to extend the term period and provide tenant improvements. The premises consists of an existing building located at 2275 S. Main Street, Suite 204, Corona, California, providing environmental programs to the community. The original lease, dated June 28, 2005, wherein County has leased a building from Lessor, has been amended by the First Amendment to Lease dated August 10, 2010, whereby the parties amended the lease to extend the term and provide tenant improvements. The original lease together with its amendment, 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 rental rate and annual escalator to capture a favorable savings for DEH. In addition, Lessor has agreed to paint the interior premises of the office suite in its entirety at Lessor's sole cost and expense. The existing structure consists of approximately 10,164 square feet and is located in a developed portion of the City of Corona. 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; Pavez Family, LLC

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.

NOV 03 2015 3-5

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Maintenance
Marketing

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

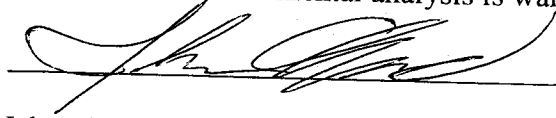
Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

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 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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Department of Environmental Health, Corona Site, Lease Amendment

Accounting String: 524830-47220-7200400000- FM042166001900

DATE: September 2, 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 FM2166001900**
Department of Environmental Health, Corona 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

Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

Housing
Housing Authority
Information Technology
Maintenance
Marketing

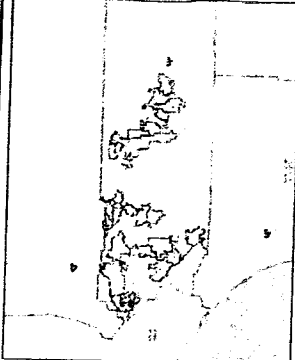
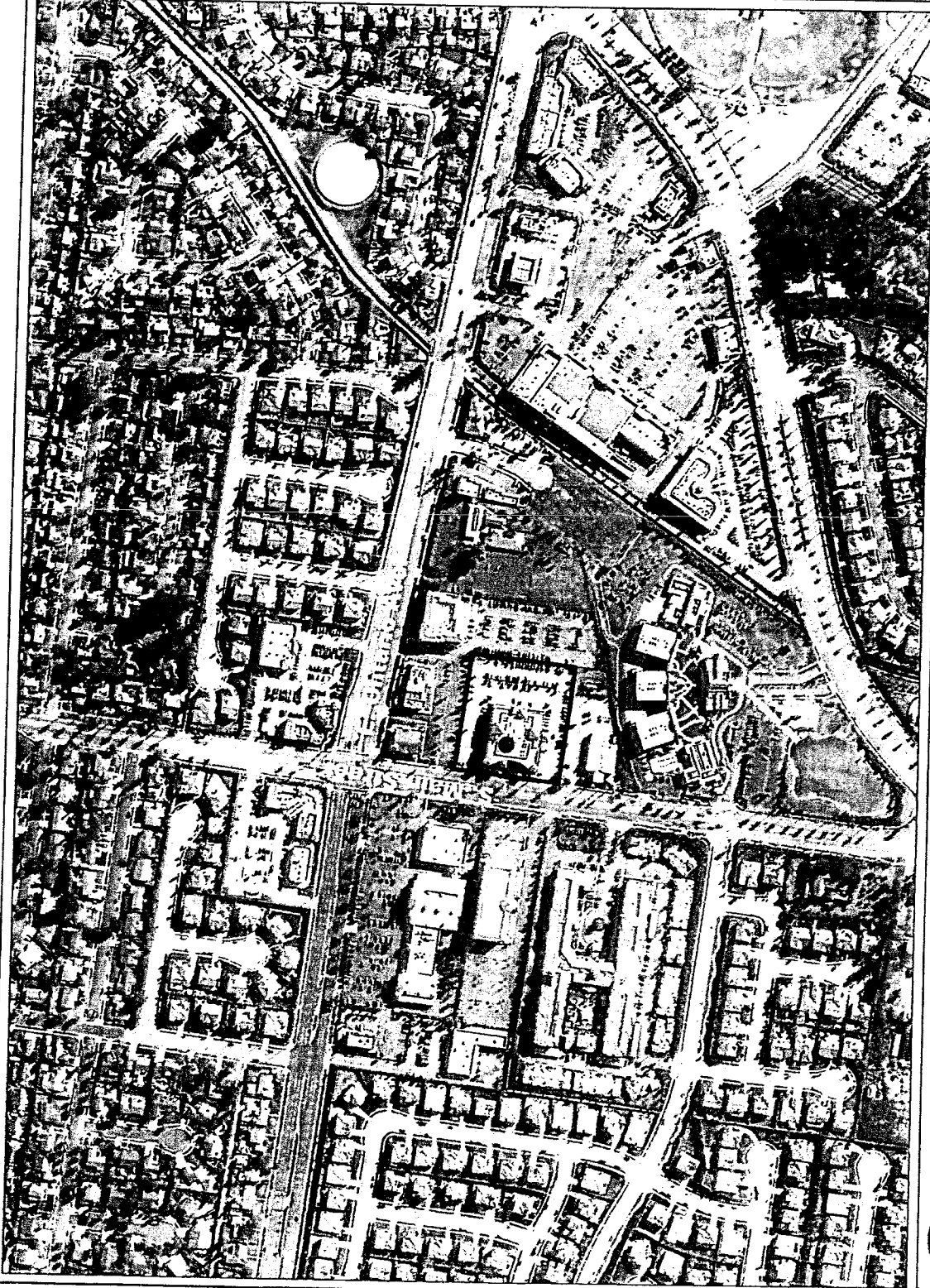
Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

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Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

Second Amendment to Lease, Department of Environmental Health

2275 S. Main Street, Suite 204, Corona



Legend

Notes
APN 113360040

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1 The term of this Lease shall be extended for three (3) years commencing on September
2 1, 2015 and terminating on August 31, 2018.

3 2. **Rent.** Subsection 5.1 of the Original Lease is hereby amended by the following:

4 County shall pay the sum of \$20,937.84 per month to Lessor as rent for the leased
5 Premises, payable, in advance, on the first day of the month or as soon thereafter as a warrant
6 can be issued in the normal course of County's business:

<u>Amount</u>	<u>Date:</u>
\$20,937.84	September 1, 2015 thru August 31, 2016
\$21,461.29	September 1, 2016 thru August 31, 2017
\$21,997.83	September 1, 2017 thru August 31, 2018

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11 3. **Annual Increase.** Subsection 5.2 of the Original Lease is hereby amended by
12 the following:

13 Notwithstanding the provisions of Section 5 (5.1) herein, the monthly rent shall increase
14 on each anniversary commencing on September 1, 2015 of this Amendment by an amount
15 equal to two and a half percent (2.5%) of such monthly rental.

16 4. **Improvements by Lessor.** Subsection 11.1.7 is hereby added to Section 11 of
17 the Original Lease.

18 11.1.7 Lessor, at its sole expense, shall paint the entire leased Premises. Lessor's
19 contractor shall provide paint samples and Department of Environmental Health Management
20 shall select the paint color. The painting shall be performed after business hours and on
21 weekends. Painting shall be coordinated with Environmental Health Staff. Lessor shall provide
22 a timeline for commencement and completion of improvements.

23 5. **Notice.** Subsection 19.18 of the Original Lease is hereby amended as follows:

24 **County's Notification Address:**

25 County of Riverside
26 Economic Development Agency
27 3403 Tenth Street, Suite 400
28 Riverside, CA 92501
Attention: Deputy Director of Real Estate

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

7. **MISCELLANEOUS.** Except as amended or modified herein, all terms of the Lease shall remain in full force and effect. If any provisions of this Second Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease. Neither this Second Amendment nor the Lease shall be recorded by the County.

(Remainder of Page Intentionally Left Blank)

1 **EFFECTIVE DATE.** This Second Amendment to Lease shall not be binding or
2 consummated until its approval by the Riverside County Board of Supervisors and fully
3 executed by the Parties.

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

6
7 **LESSEE:**
8 **COUNTY OF RIVERSIDE**

LESSOR:
PAVEZ FAMILY, LLC

9 By: *Marion Ashley*
10 **Marion Ashley, Chairman**
11 **Board of Supervisors**

By: *Joyce Pavez*
12 **Ms. Joyce Pavez**
13 **Owner**

14 **ATTEST:**
15 **Kecia Harper-Ihem**
16 **Clerk of the Board**

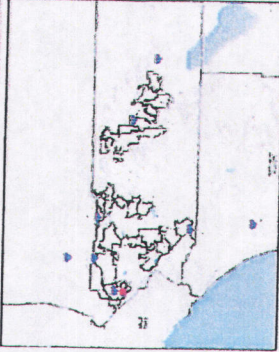
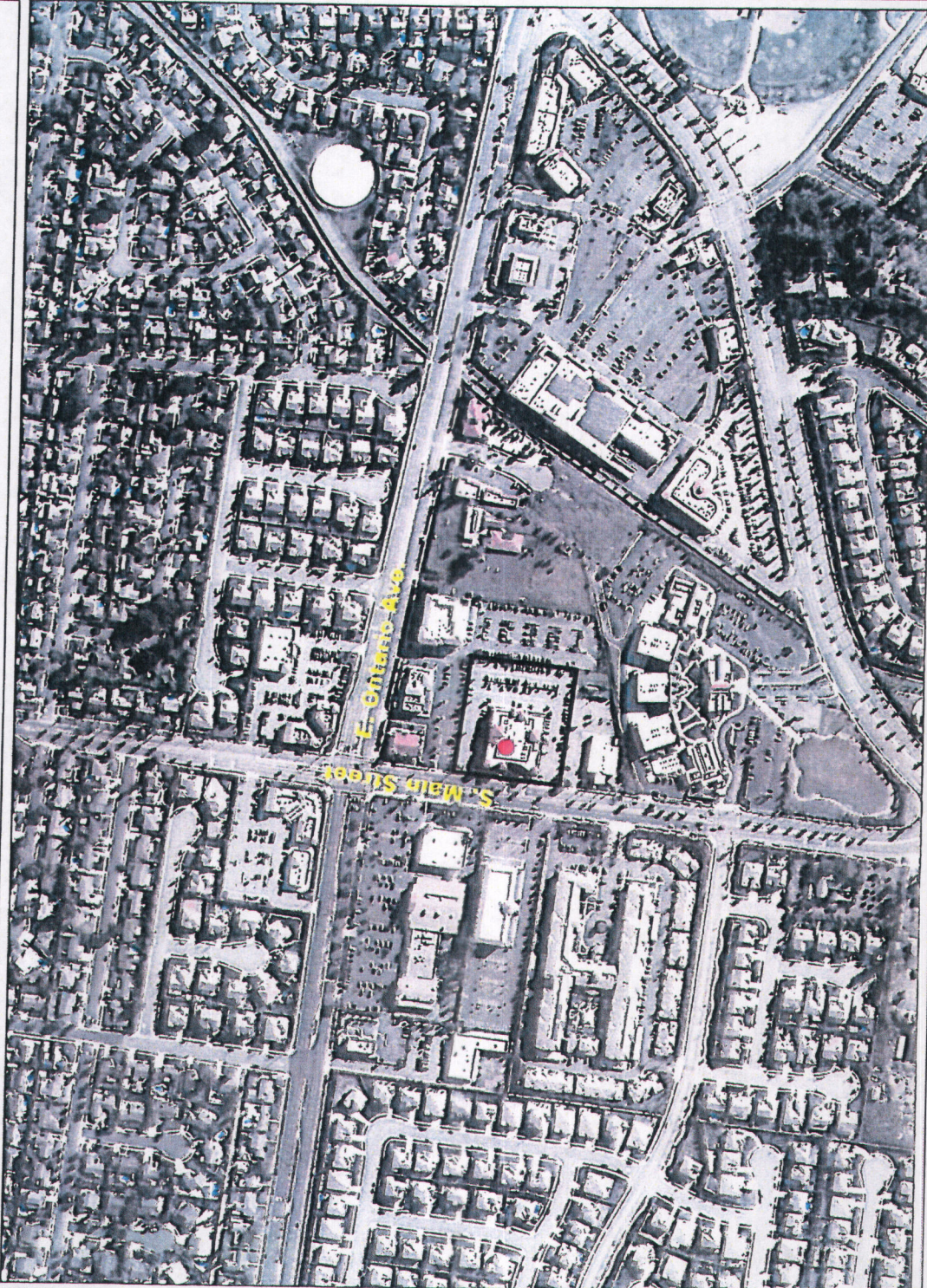
17 By: *Kellington*
18 **Deputy**

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

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

Second Amendment to Lease, Department of Environmental Health

2275 S. Main Street, Suite 204, Corona



Legend



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