

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

**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 3/2/16

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)
COST	\$ (39,585)	\$ (40,960)	\$ (453,774)	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ (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

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

Ayes: Jeffries, Tavaglione, Benoit and Ashley
 Nays: None
 Absent: Washington
 Date: March 29, 2016
 xc: EDA, Recorder, DPSS

Kecia Harper-Ihem
 Clerk of the Board
 By: Kecia Harper-Ihem
 Deputy

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: 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)

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

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
Total Estimated Lease Cost for FY 2015/16	\$	1,260,270.00

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
TOTAL ESTIMATED COST FOR FY 2015/16	\$	2,664,732.58
Amount approved in previous Agreement	\$	2,704,317.96
Amount of FY15/16	\$	<u>(39,585.38)</u>
TOTAL COUNTY COST 3.6%	\$	(1,425.07)

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 \$ (40,960.36)

TOTAL COUNTY COST 3.6% \$ (1,474.57)

Exhibit C

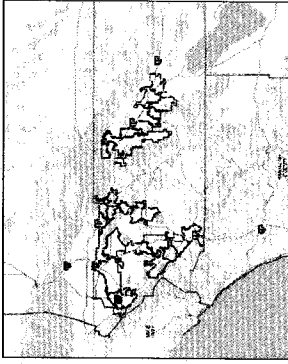
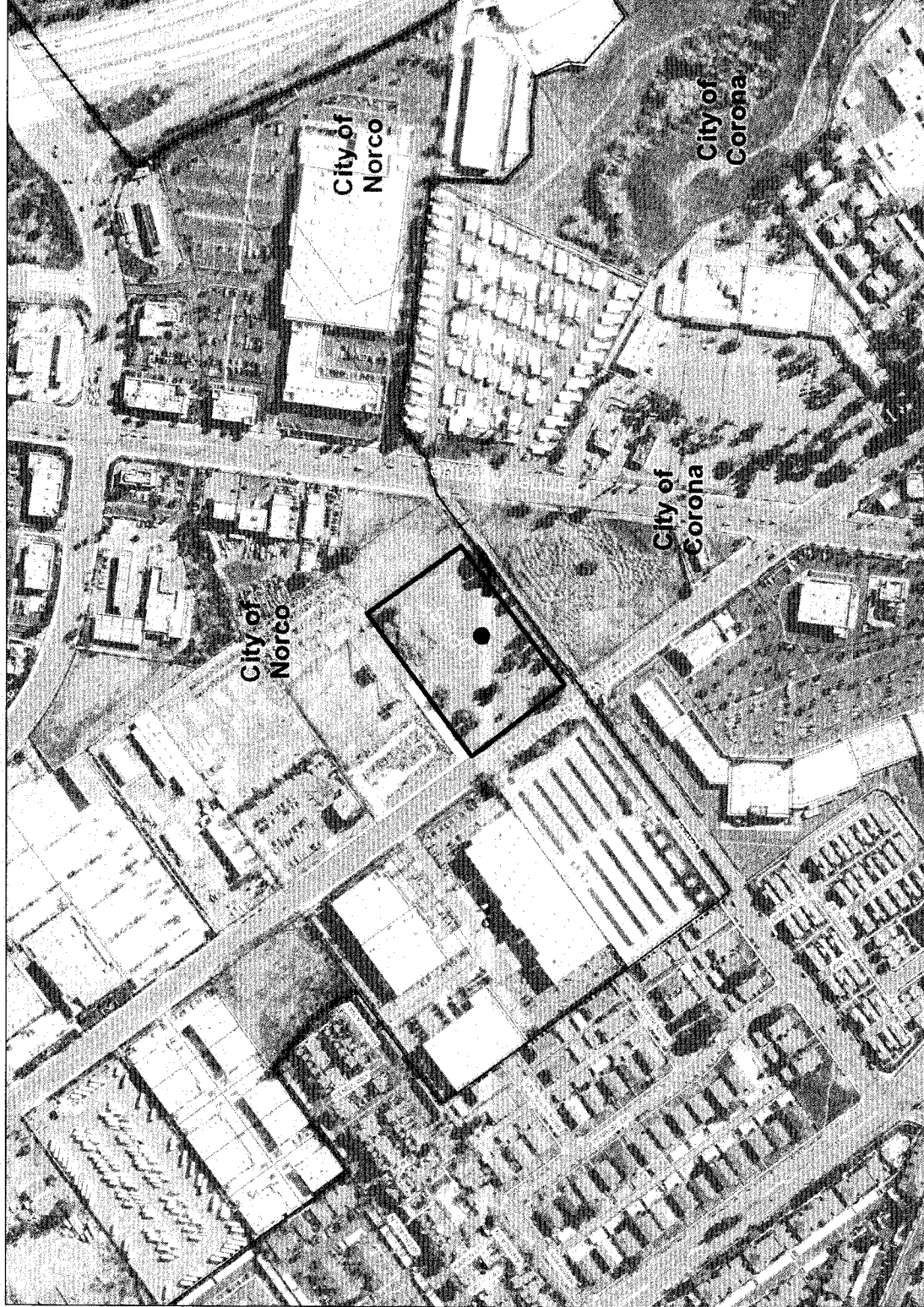
FY 2017/18 to FY 2024/25 DPSS Lease Cost Analysis 517 Parkridge Avenue

ESTIMATED AMOUNTS

	FY 2017/18	FY 2018/19	FY2019/20- FY2024/25
<u>Total Square Footage to be Leased:</u>			
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	\$ 1,337,020.44	\$ 1,377,131.06	\$ 8,894,205.06
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
TOTAL ESTIMATED COST FOR FY 2017/18 to FY 2024/25	\$ 1,501,245.69	\$ 1,543,008.86	\$ 9,897,296.31
Amount of FY17/18-24/25	<u>\$ (42,376.58)</u>	<u>\$ (43,835.30)</u>	<u>\$ (287,015.98)</u>
TOTAL COUNTY COST 3.6%	\$ (1,525.56)	\$ (1,578.07)	\$ (10,332.58)
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

Notes
 District 2
 APN: 122-061-002

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.



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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 March 29 201~~5~~⁶, 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:

MAR 29 2016 3-18

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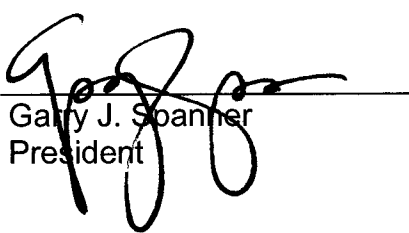
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IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

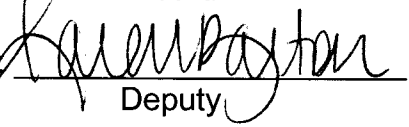
LESEE:
County of Riverside

LESSOR:
Parkridge Avenue 517 Corporation

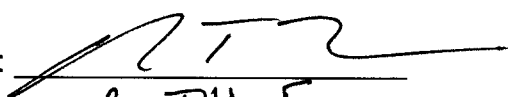
By: 
John J. Benoit, Chairman
Board of Supervisors

By: 
Garry J. Spanner
President

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

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

By: 
R. Todd Fraun
Deputy County Counsel



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

3/30/16
Date

kb

Initial

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/Hamner 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.

MAR 29 2016

3/18

- **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

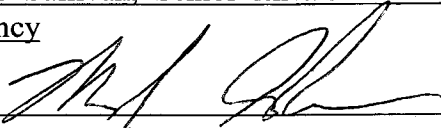
DATE: December 14, 2015

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) -



Date: December 14, 2015

To: Mary Ann Meyer, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM042490000600**
Second Amendment to Lease, Department of Public Social Services, Norco

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: Mike Sullivan, Senior Environmental Planner,

Economic Development Agency,

3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009.

Attachment

cc: file