

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

214



FROM: Economic Development Agency

SUBMITTAL DATE:
March 31, 2016

SUBJECT: Second Amendment to Lease, Probation Department, 5 year Lease Extension, District 1, CEQA Exempt, [\$1,573,830], General Fund 43.3%, Juvenile Justice Crime Prevention Act 14%, State Funds 42.7%

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 and Section 15061(b)(3);
2. Approve 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 attached Notice of Exemption with the County Clerk for posting within five days of approval by the Board.

BACKGROUND:

Summary (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Susaria Garcia-Bocanegra 3/31/16
Susaria 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)
COST	\$ 70,533	\$ 107,257	\$ 1,573,830	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 30,541	\$ 46,442	\$ 681,468	\$ 0	
SOURCE OF FUNDS General Fund 43.3%; Juvenile Justice Crime Prevention Act 14%; State Funds 42.7%				Budget Adjustment: No	
				For Fiscal Year: 2015/16-20/21	

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 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: April 12, 2016
xc: EDA, Recorder

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

Prev. Agn. Ref.: 3.15 of 5/1/12; 3.6 of 4/30/13 | District: 1 | Agenda Number:

3-11

FORM APPROVED COUNTY COUNSEL 3/24/16
DATE
BY: GREGORY P. PRIAMOS
REVIEWED BY CIP Ivan M. Chand 4/5/2016
Mark A. Hake
Chief Probation Officer

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

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

Economic Development Agency

FORM 11: Second Amendment to Lease, Probation Department, 5 year Lease Extension, District 1, CEQA Exempt [\$1,573,830] General Fund 43.3%, JJCPA 14%, State Funds 42.7%

DATE: March 31, 2016

PAGE: 2 of 3

BACKGROUND:

Summary

On May 1, 2012, the County of Riverside (County) and J.D. Guthrie, LLC entered into a lease for the Probation Department in the City of Riverside, also referred to as Minute Order 3.15 approved by the Board of Supervisors on May 5, 2012. The 12,397 square foot facility located at 1201 Research Park Drive, Riverside, met the departmental requirements and provides efficient use of the space to support Probation staff and daily functions. Thereafter, the department developed a need for additional space for training purposes, and the adjacent Suite 100 became available providing an additional 4,850 square feet. The County entered into a First Amendment to Lease on April 30, 2013, as minute order 3.6, to lease the additional space which is used as a training facility, and includes a mat room and locker room.

The current space continues to meet the needs of the Department, and they desire to extend their lease for an additional five years. The lease rate negotiated in the original lease was below market and market lease rates have increased to some extent resulting in an increased rental rate. The Department has an immediate need to replace the existing carpet and repaint the suite. These improvements will be completed after Board approval to this Second Amendment to Lease.

Pursuant to the California Environmental Quality Act (CEQA), the lease agreement was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities and 15061(b)(3). The proposed project, the lease amendment, is the letting of property where no or negligible expansion of an existing use will occur.

Location: 1201 Research Park Drive, Suite 100
Riverside, California 92507

Lessor: J.D. Guthrie, LLC

Size: 17,247 square feet

Rent:	Current rate	New Rate
	\$ 1.24 per sq. ft.	\$ 1.50 per sq. ft.
	\$ 21,316.57 per month	\$ 25,870.50 per month
	\$255,798.84 per year	\$ 310,446.00 per year

Increases: 2.5% percent annually, effective April 1, 2017

Term: 5 years, commencing upon approval of Second Amendment, April 12, 2016, and expiring March 31, 2021.

Utilities: County pays for phone and electric, Lessor pays for all other utility services

Custodial: Lessor shall provide and pay for custodial services

Maintenance: Lessor shall provide and pay for maintenance services

Improvements: Replacement of carpet and paint, not to include the mat room

- County to reimburse Lessor \$50,767 for installation and new carpet
- Lessor to incur all costs associated with painting the suite

(Continued)

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

Economic Development Agency

FORM 11: Second Amendment to Lease, Probation Department, 5 year Lease Extension, District 1, CEQA Exempt [\$1,573,830] General Fund 43.3%, JJCPA 14%, State Funds 42.7%

DATE: March 31, 2016

PAGE: 3 of 3

Impact on Citizens and Businesses

The Probation Departments' occupancy at this location continues to meet the departmental requirements and provides efficient use of the space to support Probation staffs' daily functions and training needs.

SUPPLEMENTAL:

Additional Fiscal Information

The Probation Department has budgeted these costs in FY2015/16 through FY2020/21 and will reimburse the Economic Development Agency for all lease costs on a monthly basis.

See attached Exhibits A, B, & C

Contract History and Price Reasonableness

This is a five year lease extension. The lease rate is deemed competitive based upon the current market.

Attachment:

Aerial Image

Second Amendment

Notice of Exemption

Exhibit A

FY 2015/16

Probation Lease Cost Analysis 1201 Research Park Drive, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	17,247	SQFT	
Approximate Cost per SQFT (July - Mar) Second Amendment	\$	1.24	
Approximate Cost per SQFT (Apr - June) Second Amendment	\$	1.50	
Lease Cost per Month (July - Mar) Second Amendment			\$ 21,316.57
Lease Cost per Month (Apr - June) Second Amendment			\$ 25,870.50
Total Lease Cost (July - Mar)			\$ 191,849.13
Total Lease Cost (Apr - June)			\$ 77,611.50
Total Estimated Lease Cost for FY 2015/16			\$ 269,460.63

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month			\$ 2,069.64 ✓
Total Estimated Utility Cost - Second Amendment			\$ 24,835.68
Tenant Improvement			\$ 50,767.00
EDA Lease Management Fee (Based at 4.12%) - Second Amendment			\$ 13,193.38
TOTAL ESTIMATED COST FOR FY 2015/16			\$ 358,256.69
Amount Previously Approved in First Amendment			\$ 287,723.59
Amount of FY15/16 for Second Amendment			\$ 70,533.10
TOTAL COUNTY COST 43.3% - Second Amendment			\$ 30,540.83

Exhibit B

FY 2016/17

Probation Lease Cost Analysis 1201 Research Park Drive, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	17,247	SQFT	
Approximate Cost per SQFT (July - Mar) Second Amendment	\$	1.50	
Approximate Cost per SQFT (Apr - June) Second Amendment	\$	1.54	
Lease Cost per Month (July - Mar) Second Amendment			\$ 25,870.50
Lease Cost per Month (Apr - June) Second Amendment			\$ 26,517.26
Total Lease Cost (July - Mar)			\$ 232,834.50
Total Lease Cost (Apr - June)			\$ 79,551.79
Total Estimated Lease Cost for FY 2016/17			\$ 312,386.29

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month			\$ 2,069.64
Total Estimated Utility Cost - Second Amendment			\$ 24,835.68
EDA Lease Management Fee (Based at 4.92%) - Second Amendment			\$ 15,369.41
TOTAL ESTIMATED COST FOR FY 2016/17			\$ 352,591.37
Amount Previously Approved in First Amendment			\$ 245,334.01
Amount of FY16/17 for Second Amendment			\$ 107,257.36
TOTAL COUNTY COST 43.3% - Second Amendment			\$ 46,442.44

Exhibit C

**FY 2017/18 to FY 2020/21
Probation Lease Cost Analysis
1201 Research Park Drive, Riverside**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 17,247 SQFT

	FY 2017/18	FY 2018/19	FY 2019/20 - FY 2020/21
Approximate Cost per SQFT (July - Mar)	\$ 1.54	\$ 1.58	
Approximate Cost per SQFT (Apr - June)	\$ 1.58	\$ 1.62	
Lease Cost per Month (July - Mar)	\$ 26,517.26	\$ 27,180.19	\$ 56,415.89
Lease Cost per Month (Apr - June)	\$ 27,180.19	\$ 27,859.70	\$ 57,826.29
Total Lease Cost (July - Mar)	\$ 238,655.36	\$ 244,621.75	\$ 507,743.01
Total Lease Cost (April - June)	\$ 81,540.58	\$ 83,579.10	\$ 85,668.57
Total Estimated Lease Cost for FY 2017/18 to FY 2020/21	\$ 320,195.94	\$ 328,200.84	\$ 593,411.59

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 2,069.64	\$ 2,069.64	\$ 2,069.64
Total Estimated Utility Cost	\$ 24,835.68	\$ 24,835.68	\$ 43,462.44
EDA Lease Management Fee (Based at 4.92%)	\$ 15,753.64	\$ 16,147.48	\$ 29,195.85
TOTAL ESTIMATED COST FOR FY 2017/18 to FY 2020/21	\$ 360,785.27	\$ 369,184.00	\$ 666,069.88
TOTAL COUNTY COST 43.3%	\$ 156,220.02	\$ 159,856.67	\$ 288,408.26

F11: Cost - Total Cost \$ 1,573,829.61
F11: Net County Cost - Total Cost \$ 681,468.22

1 **SECOND AMENDMENT TO LEASE**

2 **1201 Research Park Drive, Suite 400**

3 **Riverside, California**

4
5 **THIS SECOND AMENDMENT TO LEASE** ("Second Amendment"), dated
6 as of April 12, 2016, is entered into by and between the **COUNTY OF**
7 **RIVERSIDE**, a political subdivision of the State of California, ("County"), and **J.D.**
8 **GUTHRIE, LLC**, a Limited Liability Company, ("Lessor"). County and Lessor are
9 hereinafter collectively referred to as the "Parties" or individually as a "Party."

10 **RECITALS**

11 a. County and Lessor entered into a lease, dated May 1, 2012, ("Lease")
12 pursuant to which County has agreed to lease from Lessor and Lessor has agreed to
13 lease to County that certain building located at 1201 Research Park Drive, Suite 400,
14 Riverside, California 92507, as more particularly described in Exhibit A of the Lease.

15 b. The Lease has been amended by:

16 1. That certain First Amendment to Lease dated April 30,
17 2013, by and between the County of Riverside and J.D. Guthrie, LLC. The Parties
18 agreed to extend the term and expand the premises.

19 c. The Parties now desire to amend the Lease to extend the term, adjust the
20 rent, and have the interior of the premises painted and the carpet replaced.

21 **NOW THEREFORE**, for good and valuable consideration the receipt and
22 adequacy of which is hereby acknowledged, the Parties agree as follows:

23 1. **Term.** Section 4.1 of the Lease is amended by adding the
24 following: The term of this Lease shall be extended an additional five (5) years
25 commencing upon Board approval of this Second Amendment and terminating on
26 March 31, 2021.

27
28
APR 12 2016 311

1 2. **Rent.** Section 5.1 of the Lease is amended by adding the
2 following: Effective upon commencement of the term, monthly rent shall be \$25,870.50
3 per month.

4 3. **Percentage Increase.** Section 5.2 of the Lease is amended by
5 adding the following: the monthly rent shall be increased on each anniversary of this
6 lease by two and a half percent (2.5%), effective upon the first anniversary date of the
7 term.

8 4. **Utilities.** Section 9.2 of the Lease is hereby amended and the
9 following provision added: The County agrees to pay for the additional electrical utility
10 costs for the light standards that were installed by Lessor to provide added security.

11 5. **Tenant Improvements.** Lessor to complete the tenant
12 improvements as follows: Lessor to paint the walls and replace all carpet with carpet
13 tiles within the interior of the premises not including the mat room. Lessor agrees to
14 have all the furniture temporarily relocated to accommodate the painting and carpet tile
15 installation.

16 6. **Tenant Improvements, Payment:** Upon completion and
17 acceptance of the premises, County shall reimburse Lessor for the cost of the tenant
18 improvements for the carpet and all cost incurred to accommodate the installation, in
19 the amount not to exceed fifty thousand seven hundred and sixty-seven dollars
20 (\$50,767) within sixty (60) days of invoice including supporting documentation by
21 County Warrant. The Lessor shall pay for all costs associated with the painting of the
22 facility.

23 7. **Second Amendment To Prevail.** The provisions of this Second
24 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease.
25 Any capitalized terms shall have the meaning defined in the Lease, unless defined
26 herein or context requires otherwise.

27 8. **Miscellaneous.** Except as amended or modified herein, all terms
28 of the Lease shall remain in full force and effect. If any provisions of this Amendment

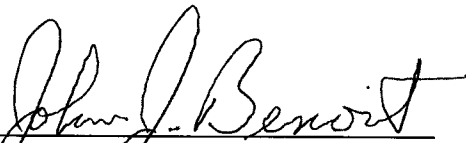
1 shall be determined to be illegal or unenforceable, such determination shall not affect
2 any other provision of the Lease. Neither this Amendment nor the Lease shall be
3 recorded by the County.

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

7 IN WITNESS WHEREOF, the parties have executed this Second Amendment to
8 Lease as of the date first written above.

9 LESSEE:
10 COUNTY OF RIVERSIDE

LESSOR:

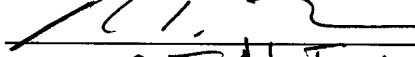
11
12
13 By: 
14 John J. Benoit, Chairman
Board of Supervisors

15
16 By: 
J.D. Guthrie

17 ATTEST:
18 Kecia Harper-Ihem
19 Clerk of the Board

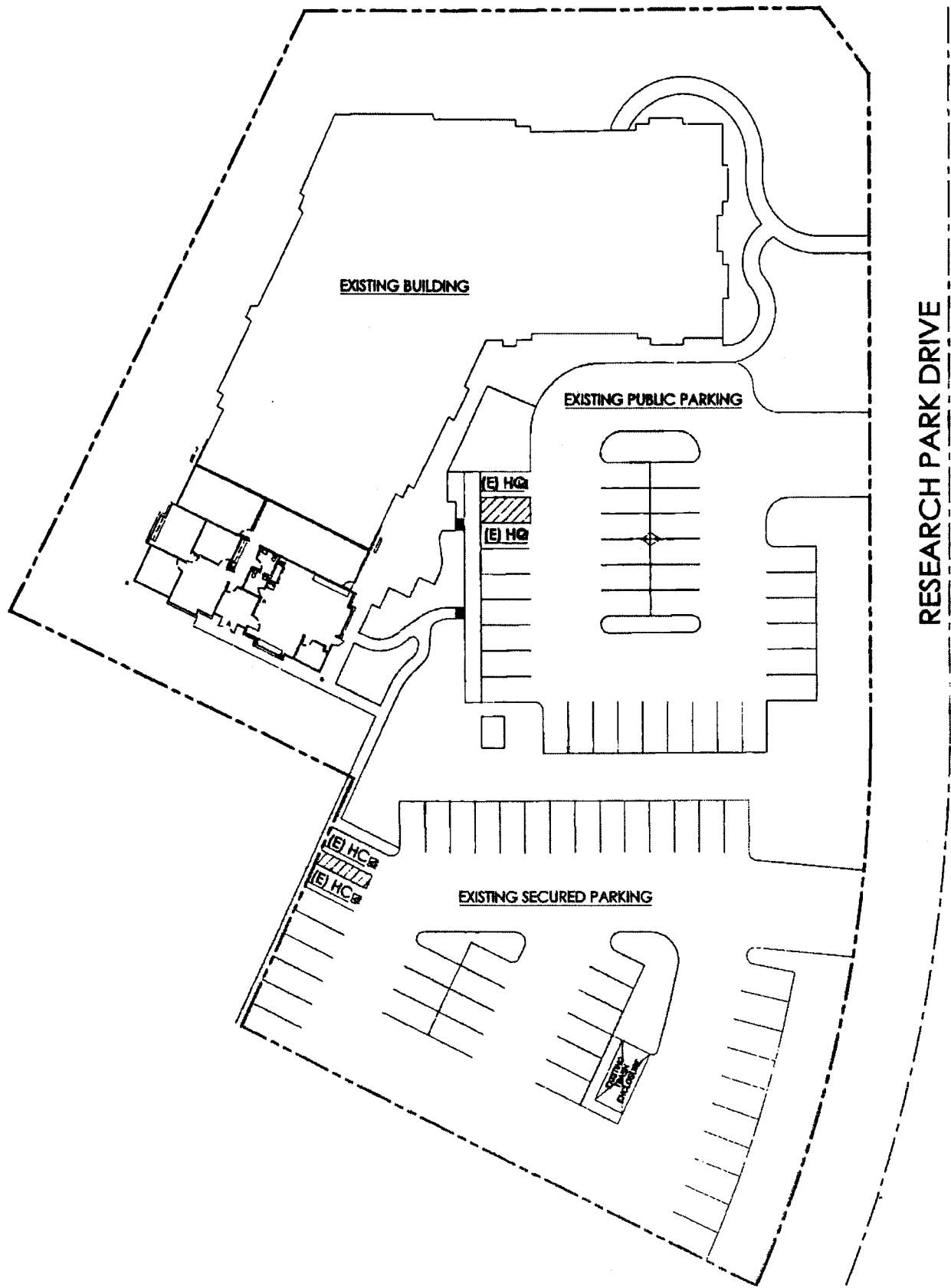
20
21 By: 
22 Deputy

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

25
26 By: 
27 R.T. Priamos
28 Deputy County Counsel

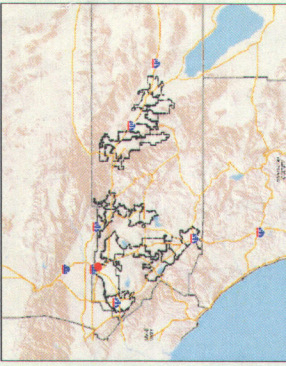
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EXHIBIT "A"



Probation Department

1201 Research Park Drive, Riverside



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



0 528 1,056 Feet



REPORT PRINTED ON... 2/23/2016 8:25:49 AM

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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
 Second Amendment to Lease
 District 1

1984



Northgate St

Columbia Ave

Michigan Ave

1201 Research Park Dr

Research Park Dr

© 2016 Google

Imagery Date: 4/27/2014 lat 34.000061° lon -117.325299° elev 1042

GOOGLE



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

4/13/16
Date

kb
Initial

NOTICE OF EXEMPTION

February 11, 2016

Project Name: County of Riverside, Economic Development Agency (EDA) Probation Department, Second Amendment to Lease - Research Park Drive, Riverside

Project Number: FM042611050400

Project Location: 1201 Research Park Drive, Suite 100, south of Columbia Avenue, Riverside, California 92507; APN 257-030-020; (See Attached Exhibit)

Description of Project: On May 1, 2012, the County of Riverside (County) entered a lease agreement with J.D. Guthrie, LLC for the Probation Department to occupy a 12,397 square foot facility, located at 1201 Research Park Drive, Riverside, California. The Probation Department developed a need for additional space for training purposes, and the adjacent Suite 100 became available, providing an additional 4,850 square feet, for a leased total of 17,247 square feet. The County entered into a First Amendment to Lease on April 30, 2013, to lease the additional space which is used for a training facility, and includes a mat room and locker room. The current space continues to meet departmental needs and the Department seeks to extend their lease for an additional five years. The Department has an immediate need to replace the existing carpet and repaint the suite. Although the lease agreement expires in 2017, these improvements will be completed upon approval and prior to the commencement of the Second Amendment to the Lease Agreement.

The Second Amendment to the Lease Agreement and minor interior alterations which include replacement of the existing carpet and repainting is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Second Amendment to the Lease Agreement consists of a five-year extension term, starting at a rate of \$310,446.00, with a 2.5 percent annual increase. The Second Amendment to the Lease Agreement will commence on April 1, 2017. The use of the facility by the Probation Department would continue, consistent with the existing land use. The operation of the facility will continue to provide services and will not result in an expansion of existing use. 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, and J.D. Guthrie, LLC

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.

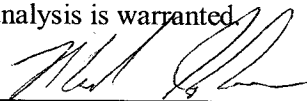
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Reasons Why Project is Exempt: The proposed Project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project will not cause an impact to an environmental resource of hazardous or critical concern nor does the Project have unusual circumstances that could possibly have a significant effect on the environment. The Project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the Second Amendment to the Lease Agreement.

- **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 a Lease Agreement to an existing facility, in which changes are limited to interior alterations. The use of the facility by the Probation Department would be consistent with the current land use, and would not require any expansion of public services and 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 Agreement is limited a contractual transaction and indirect effects would be limited to existing use of an office building. The Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will not differ from the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the minor interior alterations and continued use of the facility 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: _____

2/11/16

Mike Sullivan, Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Probation Department, Second Amendment to Lease - Research Park Drive, Riverside

Accounting String: 524830-47220-7200400000- FM042611050400

DATE: February 11, 2016

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: Candice Etter, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____



Date: February 11, 2016

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 # FM042611050400**
Probation Department, Second Amendment to Lease - Research Park Drive, Riverside

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