

FORM APPROVED COUNTY COUNSEL 4/27/16
 BY: GREGORY P. PRIAMOS DATE

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

713



FROM: Economic Development Agency

SUBMITTAL DATE:
 May 12, 2016

SUBJECT: Fourth Amendment to Lease, Department of Public Social Services, Indio, 5-Year Lease Extension, CEQA Exempt, District 4, [\$3,802,756]; 50.33% Federal; 25.22% State; 2.02% County DPSS Budget; 7.36% 1991 Realign Social Services; 15.07% 2011 Realign Protective Services

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. Approve the attached Fourth 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 ANGLIO, CPA, AUDITOR-CONTROLLER
 BY: Esteban Hernandez

Robert Field
 Assistant County Executive Officer/EDA
 By: Jeff Van Wagenen, Managing Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 122,082	\$ 734,783	\$ 3,802,756	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 2,466	\$ 14,843	\$ 76,816	\$ 0	

SOURCE OF FUNDS: 50.33% Federal; 25.22% State; 2.02% County DPSS Budget; 7.36% 1991 Realign Social Services; 15.07% 2011 Realign Protective Services

Budget Adjustment: No

For Fiscal Year: 2020/21-2025/26

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 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: May 24, 2016
 xc: EDA, Recorder

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

Prev. Agn. Ref.: 3.20 of 6/25/02; 3.27 of 7/28/05 | District: 4 | Agenda Number:

3-5

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

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

Departmental Concurrence

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

Economic Development Agency

FORM 11: Fourth Amendment to Lease, Department of Public Social Services, Indio, 5-Year Lease Extension, CEQA Exempt, District 4, [\$3,802,756]; 50.33% Federal; 25.22% State; 2.02% County DPSS Budget; 7.36% 1991 Realign Social Services; 15.07% 2011 Realign Protective Services

May 12, 2016

PAGE: 2 of 3

BACKGROUND:

Summary

The County of Riverside has been under lease at this location since May 1, 2006. The Department of Public Social Services (DPSS) will continue to utilize this location for MediCal staff of their Child and Adult Protective Services. The office space continues to meet the needs of the department and a five year lease renewal is being presented for approval. The negotiated rent reflects the current market conditions.

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. The proposed project is the extension of letting of property involving existing facilities with minor tenant improvement alterations and negligible expansion of an existing use will occur.

Lessor: Indio Office Property Inc.
c/o Vanir Development Company, Inc.
4540 Duckhorn Drive
Sacramento, CA 95834

Premises Location: 48-113 Jackson St.
Indio, CA

Size: 31,171 square feet.

Rent:	<u>Current</u>	<u>New</u>
	\$1.72 per sq.ft. modified gross	\$1.75 per sq.ft. modified gross
	\$53,542.60 per month	\$54,613.45 per month
	\$642,511.20 per year	\$655,361.40 per year

Term: Extended 5 years commencing May 1, 2021, and ending April 30, 2026

Rent Adjustment: 2.0% annually.

Utilities: County pays electric, Lessor to pay all other utilities.

Custodial: Included in rent.

Interior/Exterior Maintenance: Included in rent.

Improvements: Lessor shall replace carpet with carpet tiles per DPSS spec and repaint the interior premises.

Impact on Citizens and Businesses

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

(Continued)

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

Economic Development Agency

FORM 11: Fourth Amendment to Lease, Department of Public Social Services, Indio, 5-Year Lease Extension, CEQA Exempt, District 4, [\$3,802,756]; 50.33% Federal; 25.22% State; 2.02% County DPSS Budget; 7.36% 1991 Realign Social Services; 15.07% 2011 Realign Protective Services

May 12, 2016

PAGE: 3 of 3

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C

DPSS will budget these costs in FY 2020/21 thru FY 2025/26 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a 5-year lease extension. The lease rate is competitive based on the current real estate market.

Attachments:

Exhibits A, B & C

Aerial Image

Fourth Amendment to Lease

Notice of Exemption

Exhibit A

FY 2020/21

DPSS Lease Cost Analysis

48113 Jackson Street, Indio, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		31,171 SQFT	
Approximate Cost per SQFT (Jul - Apr)	\$	-	
Approximate Cost per SQFT (May - Jun)	\$	1.75	
Lease Cost per Month (Jul - Apr)	\$	-	
Lease Cost per Month (May - Jun)	\$	54,613.45	
Total Lease Cost (Jul - Apr)	\$	-	\$ -
Total Lease Cost (May - Jun)	\$		\$ 109,226.90
Total Estimated Lease Cost for FY 2020/21	\$		\$ 109,226.90

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	3,740.52	
Estimated Utility Costs per Month (Jul - Apr)	\$	-	
Estimated Utility Costs per Month (May - Jun)	\$	7,481.04	
Total Estimated Utility Cost	\$		\$ 7,481.04
EDA Lease Management Fee - 4.92%	\$		\$ 5,373.96
TOTAL ESTIMATED COST FOR FY 2020/21	\$		\$ 122,081.90
TOTAL COUNTY COST 2.02%	\$		\$ 2,466.05

Exhibit B

FY 2021/22

DPSS Lease Cost Analysis

48113 Jackson Street, Indio, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		31,171 SQFT	
Approximate Cost per SQFT (Jul - Apr)	\$	1.75	
Approximate Cost per SQFT (May - Jun)	\$	1.79	
Lease Cost per Month (Jul - Apr)		\$	54,613.45
Lease Cost per Month (May - Jun)		\$	55,705.72
Total Lease Cost (Jul - Apr)			\$ 546,134.50
Total Lease Cost (May - Jun)			\$ 111,411.44
Total Estimated Lease Cost for FY 2021/22			\$ 657,545.94

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	3,740.52	
Estimated Utility Costs per Month (Jul - Apr)		\$	37,405.20
Estimated Utility Costs per Month (May - Jun)		\$	7,481.04
Total Estimated Utility Cost			\$ 44,886.24
EDA Lease Management Fee - 4.92%			\$ 32,351.26
TOTAL ESTIMATED COST FOR FY 2021/22			\$ 734,783.44
TOTAL COUNTY COST 2.02%			\$ 14,842.63

Exhibit C

**FY 2022/23 to 2025/26
DPSS Lease Cost Analysis
48113 Jackson Street, Indio, CA**

ESTIMATED AMOUNTS

	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<u>Total Square Footage to be Leased:</u>				
Current Office:	31,171	31,171	31,171	31,171
Approximate Cost per SQFT (Jul - Apr)	\$ 1.79	\$ 1.82	\$ 1.86	\$ 1.90
Approximate Cost per SQFT (May - Jun)	\$ 1.82	\$ 1.86	\$ 1.90	-
Lease Cost per Month (Jul - Apr)	\$ 55,705.72	\$ 56,819.83	\$ 57,956.23	\$ 59,115.35
Lease Cost per Month (May - Jun)	\$ 56,819.83	\$ 57,956.23	\$ 59,115.35	
Total Lease Cost (Jul - Apr)	\$ 557,057.19	\$ 568,198.33	\$ 579,562.30	\$ 591,153.55
Total Lease Cost (May - Jun)	\$ 113,639.67	\$ 115,912.46	\$ 118,230.71	
Total Estimated Lease Cost for FY 2022/23 to 2025/26	\$ 670,696.86	\$ 684,110.79	\$ 697,793.01	\$ 591,153.55
<u>Estimated Additional Costs:</u>				
Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 3,740.52	\$ 3,740.52	\$ 3,740.52	\$ 3,740.52
Total Estimated Utility Cost	\$ 44,886.24	\$ 44,886.24	\$ 44,886.24	\$ 37,405.20
EDA Lease Management Fee - 4.92%	\$ 32,998.29	\$ 33,658.25	\$ 34,331.42	\$ 29,084.75
TOTAL ESTIMATED COST FOR FY 2022/23 to 2025/26	\$ 748,581.38	\$ 762,655.28	\$ 777,010.67	\$ 657,643.50
TOTAL COUNTY COST 2.02%	\$ 15,121.34	\$ 15,405.64	\$ 15,695.62	\$ 13,284.40

F11: Cost - Total Cost \$ 3,802,756.18
F11: Net County Cost - Total Cost \$ 76,815.67

1 **FOURTH AMENDMENT TO LEASE**

2 **48-113 Jackson Street**

3 **Indio, California**

4
5 This **FOURTH AMENDMENT TO LEASE** ("Fourth Amendment"), dated as of
6 May 24 2016, is entered by and between the **COUNTY OF**
7 **RIVERSIDE**, a political subdivision of the State of California ("County"), as Lessee, and
8 **INDIO OFFICE PROPERTY, INC.**, a California Corporation, successor in interest to
9 Riverside County Office Inc., a California Corporation as Lessor, ("Lessor") and,
10 sometimes collectively referred to as the "Parties".

11 **RECITALS.**

12 **A.** Riverside County Office, Inc., ("Riverside Office") predecessor is interest
13 to Lessor and County entered into that certain Lease dated June 25, 2002, ("Original
14 Lease") pursuant to which Riverside Office has agreed to lease to County and County
15 has agreed to lease from Riverside Office that certain building located at 48-113
16 Jackson Street, Indio, California, as more particularly described in the Original Lease.

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

18 1. That certain First Amendment to Lease dated November 4, 2003, by and
19 between Riverside Office and County of Riverside, a political subdivision of the State of
20 California (the "First Amendment") whereby the Parties amended the Lease to reflect
21 new rent options and to amend the total cost of leasehold improvements.

22 2. That certain Second Amendment to Lease dated September 14, 2004,
23 by and between Riverside Office and County of Riverside, a political subdivision of the
24 State of California (the "Second Amendment") whereby the Parties amended the Lease
25 to add a Tenant Improvement Contingency and Rent Credit.

26 3. That certain Third Amendment to Lease dated July 26, 2005, by and
27 between Riverside Office and County of Riverside, a political subdivision of the State of
28

1 California (the "Third Amendment") whereby the Parties amended the Lease to
2 restructure rent, construction commencement, delay in delivery and construction costs.

3 4. That certain Assignment, Assumption and Indemnification Agreement
4 consented to by the Board of Supervisors on June 6, 2006, whereby the rights and
5 liabilities of Riverside Office were transferred to the Lessor.

6 C. The Original Lease, together with this Fourth Amendment, is collectively
7 referred to hereinafter as the "Lease."

8 D. County and Lessor desire to further amend the Lease by extending the
9 term and completing tenant improvements.

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

12 1. **Term.** Section 4.1 of the Original Lease is hereby amended by the
13 following:

14 The term of this Lease shall be extended for a period of five (5) years
15 commencing May 1, 2021, and expiring April 30, 2026. ("Extension Term").

16 2. **Rent.** Section 5.1 of the Original Lease is hereby amended by the
17 following:

18 County shall pay Lessor the following rent effective May 1, 2021:

19	2021/22	54,613.45
20	2022/23	55,705.72
21	2023/24	56,819.83
22	2024/25	57,956.23
23	2025/26	59,115.35

24 3. **Improvements by Lessor.** Section 11 of the Lease shall be amended to
25 add subsection 11.1.7 as follows:

26 **11.1.7 Additional improvements by Lessor during current term.**

27 Lessor shall, at Lessor sole expense not subject to reimbursement, replace carpet with
28 carpet tiles per DPSS specifications. Lessor's responsibility shall include lifting of

1 workstations utilizing approved furniture jacks, removal of existing carpet, installation of
2 carpet tiles as specified and selected by County and new top set base. In addition,
3 Lessor shall repaint the interior premises, paint and color selected by County. County's
4 responsibility shall include packing of files, moving of files and stand-alone office
5 furniture and removal of art, etc. on walls. Work to commence within sixty (60) days
6 after approval of Fourth Amendment to Lease, or a mutually agreeable date by County
7 and Lessor. Work to be completed in phases after hours and/or weekends.

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

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

22 **6. Effective Date.** This Fourth Amendment to Lease shall not be binding or
23 consummated until its approval by the Riverside County Board of Supervisors and fully
24 executed by the Parties.

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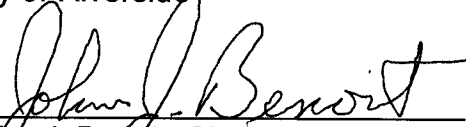
IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

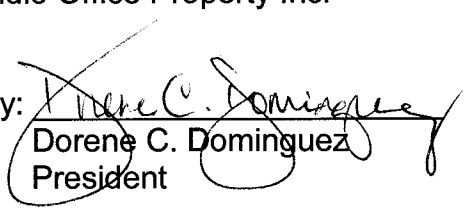
LESSEE:

LESSOR:

County of Riverside

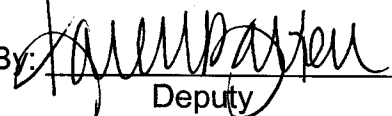
Indio Office Property Inc.

By: 
John J. Benoit, Chairman
Board of Supervisors

By: 
Dorene C. Dominguez
President

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

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

By: 
Todd Fraum
Deputy County Counsel



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

5/25/16
Date

KB
Initial

NOTICE OF EXEMPTION

April 26, 2016

Project Name: Department of Public Social Services 4th Amendment to Lease, Indio, County of Riverside, California.

Project Number: FM042341005900

Project Location: 48-113 Jackson Street, south of Avenue 48, Indio, California; Assessor's Parcel Number: 614-340-015 (See attached exhibit).

Description of Project: The County of Riverside (County) has been under lease at a Department of Public Social Services (DPSS) facility located at 48-113 Jackson Street (Assessor's Parcel Number 614-340-015) in the City of Indio since May 1, 2006 with Indio Office Property, Inc. and its predecessor, Riverside County Office, Inc. The County seeks to extend the term of the lease so that the DPSS can continue to utilize the location for MediCal staff of their Child and Adult Protective Services. The office space continues to meet the needs of the DPSS and a five-year lease renewal is being presented for approval. The five-year extension to the existing Lease would commence on May 1, 2021 and expire on April 30, 2026. The extension of the Lease would also include the replacement of carpet with carpet tiles, and repainting of the interior premises at the expense of the Lessor. The 4th Amendment to the Lease, which includes the extension of the Lease and the minor tenant improvements, is identified as the proposed Project under the California Environmental Quality Act (CEQA). The operation of the DPSS facility will continue to provide County services and no expansion of the existing use would occur. Improvements made as part of the proposed Project would be implemented to maintain County standards for working conditions. 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; Indio Office Property, Inc.

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 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 would the Project include a reasonable possibility of having a significant effect on the environment due to unusual circumstances. 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 4th Amendment to the Lease Agreement.

MAY 24 2016 3-5

- **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 extension of an existing Lease Agreement with minor interior improvements. The 4th Amendment to the Lease Agreement would not result in a change of use or 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 4th Amendment to the Lease Agreement, which includes a five-year extension and minor interior improvements will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will be consistent with 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 exemption 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: 5/30/16

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: DPPS 4th Amendment to Lease, Indio

Accounting String: 524830-47220-7200400000 - FM042341005900


DATE: March 30, 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: Yolanda King II, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: March 30, 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 # FM042341005900**
DPPS 4th Amendment to Lease, Indio

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

Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

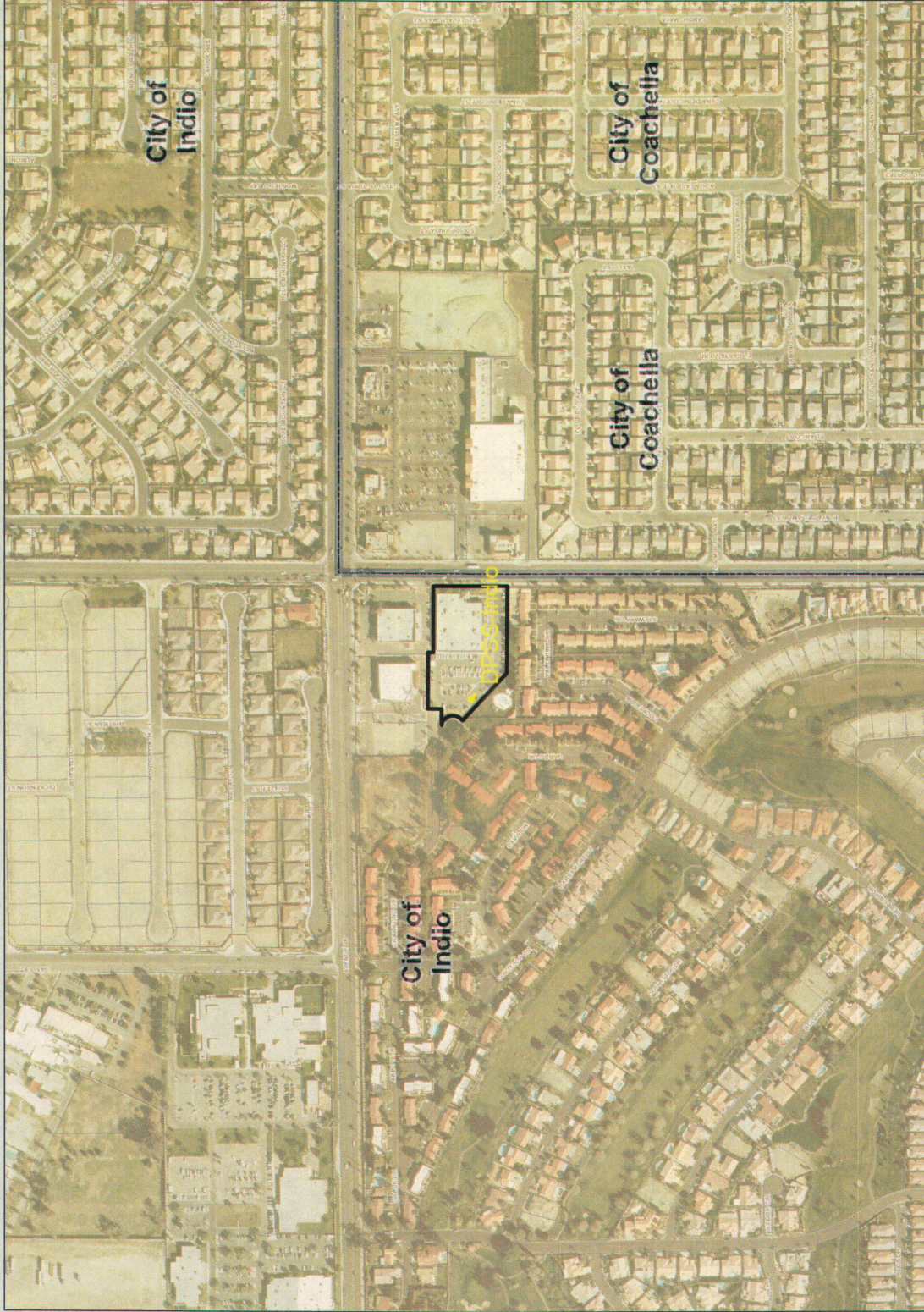
Housing
Housing Authority
Information Technology
Maintenance
Marketing

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

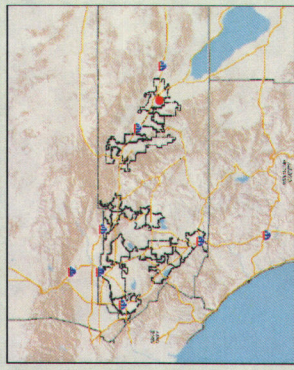
Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

Fourth Amendment to Lease-Indio DPSS

48113 Jackson St. Indio, CA



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



Notes
APN 614-340-015

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.

0 649 1,297 Feet

REPORT PRINTED ON... 3/29/2016 10:52:26 AM

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