

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



ITEM  
3.3  
(ID # 4772)

MEETING DATE:

Tuesday, November 7, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and approval of  
Second Amendment to Lease - Department of Public Social Services, Riverside,  
Lease Extension, CEQA Exempt, District 1, [\$4,375,774] Federal 64.83%; State  
28.37%; County 6.71%; Realignment 0.09% (Clerk to file Notice of Exemption)

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 and 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 within five working days of approval by the Board.

ACTION: Policy, CIP

Robert Field, Assistant County Executive Officer/EDA

10/24/2017

Susan Von Zabern, Director of Public Social Services

10/26/2017

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MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Perez  
Nays: None  
Absent: Ashley  
Date: November 7, 2017  
xc: EDA, Recorder

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$1,063,506	\$1,448,144	\$4,375,774	\$ 0
<b>NET COUNTY COST</b>	\$ 71,361	\$ 97,170	\$ 293,614	\$ 0
<b>SOURCE OF FUNDS:</b> Federal 64.83%; State 28.37%; County 6.71%; Realignment 0.09%			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2017/18 –2020/21

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

**BACKGROUND:**

**Summary**

The County of Riverside has occupied this location for use by the Department of Public Social Services' Self Sufficiency Division since 1999. The facility continues to meet the needs of the Department and a lease extension for three years has been negotiated. County Counsel has approved the Lease Amendment as to form.

The Lease Amendment is summarized below.

**Lessor:** Grae La Sierra L.L.C.  
11911 San Vicente Blvd., Suite 350  
Los Angeles, CA 90049

**Premises Location:** 11060 Magnolia Avenue, Riverside, CA 92505

**Size:** 54,592 square feet

**Term:** Three years commencing October 1, 2017, and expiring September 30, 2020

<b>Rent:</b>	<u>Current:</u>	<u>New:</u>
	\$1.95 per sq. ft.	\$1.95 per sq. ft.
	\$106,382.26 per month	\$106,382.26 per month
	\$1,276,587.12 per year	\$1,276,587.12 per year

**Annual Increases:** Three percent annually

**Tenant Improvements:** None

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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 15601 (b)(3) Common Sense Exemption. The proposed project is the extension of letting of property involving existing facilities.

**Impact on Residents and Businesses**

DPSS will continue to provide program services that will benefit the residents of this community. Residents and businesses will also benefit from the jobs and economic impact that is generated through occupancy of a facility by the County.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

See attached Exhibits A, B & C

DPSS will budget these costs in FY2017/18 through FY2020/21 and will reimburse EDA for all associated lease costs.

**Contract History and Price Reasonableness**


The lease rate is aligned with the current real estate market.

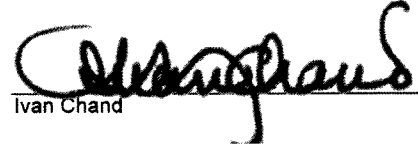
Attachments:

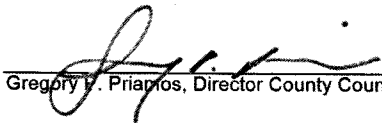
- Exhibits A, B & C
- Second Amendment to Lease
- Notice of Exemption
- Aerial Map

RF:HM:VC:VY:HR:ra RV243 19.278 13698  
MinuteTrak: 4772

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

  
Rohini Danka, Principal Management Analyst 10/30/2017

  
Ivan Chand 10/30/2017

  
Gregory V. Priapros, Director County Counsel 10/26/2017

1 **SECOND AMENDMENT TO LEASE**

2 **11060 Magnolia Avenue, Riverside, California**

3  
4 This **SECOND AMENDMENT TO LEASE** ("Second Amendment") dated as of  
5 NOV 07 2017, is entered by and between **GRAE LA SIERRA, LLC**, a California  
6 limited liability company ("Lessor"), and the **COUNTY OF RIVERSIDE**, a political  
7 subdivision of the State of California ("County"), sometimes collectively referred to as  
8 the "Parties".

9 **1. Recitals.**

10 a. Lessor and County have entered into that certain Lease, dated  
11 April 10, 2007, ("Original Lease") pursuant to which Lessor has agreed to lease to  
12 County and County has agreed to lease from Lessor that certain building located at  
13 11060 Magnolia Avenue, in the City of Riverside, State of California, as more  
14 particularly shown in the Original Lease (the "Original Premises").

15 b. The Original Lease has been amended by:

16 That certain First Amendment to Lease dated June 7, 2011, by and between  
17 Grae La Sierra, LLC, and the County ("First Amendment"), whereby the Parties  
18 amended the Original Lease to complete tenant improvements.

19 c. The Original Lease, as heretofore, currently, or hereafter  
20 amended, shall hereafter be referred to as the "Lease".

21 d. County and Lessor desire to further amend the Lease by extending  
22 the term of the Lease and setting forth the monthly rent during the Extension Term (as  
23 defined herein).

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

26 **2. Term.** Section 4 of the Lease is hereby amended by the following: The  
27 term of the Lease shall be extended three (3) years ("Extension Term") commencing  
28 October 1, 2017, and expiring September 30, 2020.

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1           **3. Rent.** Section 5 of the Lease is hereby amended by the following:

2           a. Rent during the Extension Term shall be \$106,382.26 per month  
3 commencing October 1, 2017.

4           b. Rent during the Extension Term shall be increased annually by  
5 three (3%) percent of the monthly rent for the preceding Lease year.

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

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

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

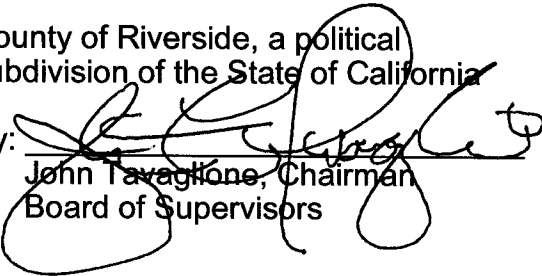
23  
24  
25                                   **[Signatures on following page]**  
26  
27  
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1           **In Witness Whereof**, the Parties have executed this Second Amendment as of  
2 the date written below.

3 Dated:           NOV 07 2017          

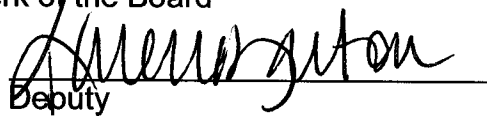
4 COUNTY:  
5  
6 County of Riverside, a political  
subdivision of the State of California

LESSOR:  
  
Grae La Sierra, LLC, a California  
limited liability company

7 By:   
8 John Favaglione, Chairman  
Board of Supervisors

By:   
Rick Edwards, Member

10 ATTEST:  
11 Kecia Harper-Ihem  
Clerk of the Board

12 By:   
13 Deputy

14  
15 APPROVED AS TO FORM:  
Gregory P. Priamos, County Counsel

16 By:   
17 Thomas Oh  
18 Deputy County Counsel

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26 HR:tg/101017/RV243/19.276  
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Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

11/8/17 Date [Signature] Initial

NOTICE OF EXEMPTION

October 26, 2017

Project Name: Second Amendment to Lease, Department of Public Social Services, La Sierra, Riverside

Project Number: FM042611024300

Project Location: 11060 Magnolia Avenue, east of La Sierra Avenue, Riverside, California 92505; Assessor's Parcel Number (APN) 138-470-029 (See attached exhibit)

Description of Project: The County of Riverside (County) proposes to amend and extend the term of the lease with the Grae La Sierra, LLC (Lessor), commencing on October 1, 2017 and ending September 30, 2020. The Department of Public Social Services (DPSS) has occupied the office space since April 2007. The Lease Agreement was first amended on June 7, 2011 for the incorporation of tenant improvements. The office and location continues to meet the needs of DPSS and this Second Amendment to the Lease Agreement extends the lease for an additional three years. The extension of the lease is identified as the proposed project under California Environmental Quality Act (CEQA). The leased facility consists of approximately 54,592 square feet and the project is the letting of property involving existing facilities; no expansion of an existing use will occur. The operation of the facility will continue to provide public services for the DPSS 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, Grae La Sierra 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.

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 involve unusual circumstances that could potentially 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.

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- 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

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- **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 an amendment to a lease, which entails a three year extension of term, will not increase or expand the use of the site, and is limited to the continued use of the site in a similar capacity; 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 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: 10/3/17

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: DPPS La Sierra 2<sup>nd</sup> Amendment to Lease, Riverside**

**Accounting String: 524830-47220-7200400000 - FM042611024300**

DATE: October 3, 2017

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: October 3, 2017  
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 # FM042611024300**  
DPPS La Sierra 2<sup>nd</sup> Amendment to Lease, 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 10<sup>th</sup> Street, Suite 400, Riverside, CA 92501**

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

Attachment

cc: file