

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



ITEM
3.9
(ID # 6546)

MEETING DATE:
Tuesday, April 10, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Second Amendment to Lease, Department of Public Social Services, Coachella, CEQA – CEQA Exempt, District 4, [FY 17/18 Cost: \$1045,700, FY 18/19 Cost \$1,878,800, FY 19/20 Cost \$1,830,800, Aggregate Cost \$4,755,300 - Previously Approved Federal 65.86%, State 29.63%, County DPSS 4.40%, Realign 0.11% (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 State CEQA Guideline Section 15301, Existing Facilities exemption and Section 15061 (b) (3); "Common Sense" exemption
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 Notice of Exemption with the County Clerk within 5 days of approval by the Board.

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA

3/26/2018

Susan Von Zabern, Director of Public Social Services

3/27/2018

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: April 10, 2018
xc: EDA, Recorder

Kedra Harper-Ihem
Clerk of the Board

By:
Deputy

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

FINANCIAL DATA	Current Fiscal Year	Next Fiscal Year	Total Cost	Ongoing Cost
COST	\$ 1,045,700	\$1,878,800	\$4,755,300	\$ 0
NET COUNTY COST	\$ 46,011	\$ 82,667	\$ 209,233	\$ 0
SOURCE OF FUNDS: Previously Approved Dept. Budget 65.86% Federal, 29.63% State, 4.4% County DPSS Budget, 0.11 Realignment; Previously approved on February 9, 2016 as item 3-7			Budget Adjustment No	
			For Fiscal Year: 18/19-30/31	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Department of Public Social Services (DPSS) has been under lease at this location since February 9, 2016. Upon approval of the lease, the construction project commenced with a targeted completion and occupancy date of July, 2017. The First Amendment to lease extended the completion date to November 30, 2018 due primarily to a change in the DPSS project facilities budgets. The First Amendment to Lease also made the Lessor responsible for the purchase and installation of furniture, fixtures, and equipment (FF&E).

During the intervening period, the decision was made to downsize the project in response to unexpected increases in project cost due to increased labor costs, material costs, and increased cost due to Title 24 code changes. At the same time, DPSS has experienced decreases in State funding. As a result the original two level 52,520 square foot building was downsized to a 30,000 square foot single level building, resulting in a savings of approximately 5.7 million dollars in rent, operating expenses and the associated costs of leasehold improvements and furnishings over the course of the lease for space that is not necessary.

Upon approval of the Second Amendment, the construction project will commence with a targeted completion date of March 31, 2019. Until that time, there are no lease cost expenditures.

After completion, DPSS will have an updated facility with improved processes, providing all temporary assistance programs, including CalWORKs, Food Stamps and Medi-Cal, as well as Welfare-to-Work (GAIN) services to facilitate individuals and families to become self-sufficient.

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

Lessor: CP Coachella DPSS, LLC
c/o Capital Partners Development Co.
2890 Kilgore Road, Suite 115
Rancho Cordova, CA 95670-6152

Premises Location: 1283 Sixth St. Coachella CA

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

Size:	<u>Current</u> 52,520 sq. ft. / 4.08 acre portion	<u>Revised</u> 30,000 sq. ft. / 3.00 acre portion
Rent:	\$2.14 per sq. ft. \$112,392.80 per mo. \$1,348,713.60 per year	\$2.73 per square feet \$81,900 per month \$982,800 per year
Option Rent:	Two 5 Year Options	Two 6 Year Options
Term:	Ten Years	Twelve Years

Rental Adjustment: Current:
No rental adjustments for the first five years. Thereafter, fifteen percent annual increases every years starting at year 6.

Revised
No rental adjustments for the first six years. Thereafter, eighteen percent annual increases every 6 years starting at year 7 (effectively three percent annually).

Improvements: Current:
Not to exceed \$3,668,968 includes a contingency amount not to exceed \$250,000. County will reimburse Lessor in three equal payments over three fiscal years. Second and third payment to include 6% interest.

Revised:
Not to exceed \$2,400,000 includes a contingency amount not to exceed \$250,000. County will reimburse Lessor in three equal payments over three fiscal years. Second and third payments to include 6% interest.

FF&E: Current
County to pay Lessor an amount not to exceed \$2,000,000 for reimbursement for the actual costs of the Furniture, Fixtures and Equipment.

Revised:
County to pay Lessor an amount not to exceed \$1,500,000.00 for reimbursement for the actual costs of the Furniture, Fixtures and Equipment.

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

Completion Date
Adjustment: March 31, 2019

The Notice of Exemption is included as Attachment A

Pursuant to the California Environmental Quality Act (CEQA), the Second 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 discretionary action to reduce the amount of space and extend the completion date is exempt from the requirements of CEQA as it would not result in direct impacts to the physical environment or reasonably foreseeable indirect effects.

The attached Second Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

Impact on Citizens and Businesses

The construction phase will provide construction jobs through the period of construction, and long-term tenancy in this region will benefit the community as a whole by providing an important and positive economic impact to local business through the creation of jobs and resources to the community.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C.

DPSS will budget these costs in FY2018/19 thru FY 2030/31 and will reimburse the Economic Development Agency for all lease costs on a monthly basis. No budget adjustment is necessary at this time.

Contract History and Price Reasonableness

The lease pricing is deemed competitive based upon comparable build to suit lease transactions.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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Attachments:

- Exhibits A, B & C
- Second Amendment
- Notice of Exemption

RF:HM:VY:YK:ra CO013 19.709 13794
Minute Traq ID 6546


Nehmi Dasika, Principal Management Analyst 4/2/2018



Gregory V. Priamos, Director County Counsel 3/29/2018

Exhibit A

FY 2017/18

DPSS Lease Cost Analysis 1283 Sixth St. Coachella

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Revised Office: - SQFT

Approximate Cost per SQFT (July-Jun) \$ -

Lease Cost per Month (July - June) \$ -

Total Lease Cost (July-Jun) \$ -

Total Estimated Lease Cost for FY 2017/18 \$ -

Estimated Additional Costs:

TOTAL ESTIMATED COST FOR FY 2017/18 \$ -

Amount Previously approved in Lease Agreement \$ 3,193,285.39

Amount of FY for 1st Amendment \$ (3,193,285.39)

Amount of FY17/18 \$ -

1 **SECOND AMENDMENT TO LEASE**

2 Department of Public Social Services
3 (1283 Sixth Street, Coachella)
4

5 This **SECOND AMENDMENT TO LEASE** ("Second Amendment") is made as of
6 April 10, 2018, by and between the **COUNTY OF RIVERSIDE**, a political
7 subdivision of the State of California ("County"), as Lessee, and **CP COACHELLA**
8 **DPSS, LLC**, a California limited partnership ("Lessor") and, sometimes collectively
9 referred to as the "Parties."

10 **RECITALS**

11 **A.** Lessor and County entered into that certain Lease dated February 9, 2016,
12 ("Original Lease") pursuant to which Lessor has agreed to lease to County and County
13 has agreed to lease from Lessor that certain building located at Harrison Street and Sixth
14 Street, Coachella, California, as more particularly described in the Original Lease.

15 **B.** The Lease was subsequently amended by the First Amendment dated July
16 25, 2017. The Original Lease, together with the First Amendment, is collectively referred
17 to hereinafter as the "Lease".

18 **C.** County and Lessor desire to further amend the Lease by revising the
19 Premises description, extending the delivery of the Premises period and adjusting the
20 Rent, Leasehold Improvement allowance amounts and some of the exhibits.

21 **D.** Capitalized terms established in the Original Lease and First Amendment
22 shall have the same meaning in this Second Amendment, unless otherwise amended.

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

25 **1. Premises.**

26 Section 2.2 of the Lease is hereby deleted and replaced with the following:
27 Section 2.2 Defined. The Premises shall consist of that certain real property, including
28 all improvements thereon or to be provided by Lessor under the terms of this Lease, and

1 identified as the easterly approximately 3.0 acre portion of Assessor's Parcel Number
2 778-080-006, located at 1283 Sixth Street in the City of Coachella, County of Riverside,
3 State of California, generally described as a free-standing, single-story building
4 consisting of approximately 30,000 square feet with approximately 143 parking spaces
5 allocated as unreserved and secured along with 36 public parking spaces unreserved
6 and unsecured, all as shown on the attached Exhibit "A". It is understood that the
7 Premises includes all appurtenances and easements thereto and the non-exclusive right
8 of ingress and egress at all times to and from the public streets and highways for County,
9 its employees and invitees.

10 At the option of County at any time during the term of this Lease, and only
11 upon written notice from County to Lessor, Lessor shall use its best efforts to secure up
12 to 23,500 SF of land to the east of the Property to provide up to approximately 45
13 additional secured parking spaces. The initial Rent for the additional spaces shall be
14 \$0.17 per SF per month which shall be adjusted by an amendment to the Lease reflecting
15 changes to Section 2.2, Section 5.1, Section 6.1.2 and Exhibit A. Such amendment shall
16 be fully executed and approved by the Board of Supervisors prior to the Lessor
17 undertaking any such work.

18 **2. Term.**

19 Section 4.1 of the Lease is hereby amended by the following: The Original
20 Term of the Lease in Section 4.1 shall be amended to twelve (12) years and the
21 Expiration Date shall be amended to midnight on the last day of the one hundred forty-
22 fourth month.

23 **3. Delay in Delivery of Premises.**

24 Section 4.3 of the Lease is hereby deleted and replaced by the following:
25 The Delay in Delivery of Premises shall be amended from 945 days (31 months) to 1146
26 days (38 months) from County's execution of the Lease.

27 a. If the Original Term of this Lease has not commenced by the Inside
28 Date (as defined in Section 3(c) below), County may, at its sole option, deduct from any

1 rents that may become due hereunder the sum of one day's rent (based on 1/30th of the
2 initial month's rent to be paid including expenses) for each day the Premises are not
3 substantially complete and available for occupancy as per Section 6.2 of Exhibit "B" of
4 the Lease as liquidated damages for failure of Lessor to provide occupancy in a timely
5 manner as prescribed hereunder; or

6 b. If the Original Term of this Lease has not commenced by the
7 Outside Date (as defined in section 3 (c) below), County may, at its sole option, cancel
8 this Lease and Lessor hereby waives any and all rights that it may have against County
9 for any costs, expenses, and/or charges that Lessor may have incurred as a result of
10 preparing the Premises for occupancy. Added to each of the above time periods shall
11 be any days the County delays the completion of the project counted from the Effective
12 Date of the Second Amendment.

13 c. For purposes of the Lease, the Inside Date shall be May 31, 2019
14 and the Outside Date shall be June 30, 2019.

15 **4. Rent.**

16 The rent schedule in Section 5.1 of the Lease shall be amended as follows:

17 Months 1 - 72	\$81,900.00 per month
18 Months 73 - 144	\$96,558.00 per month

19 The above-referenced rent does not include reimbursement of Leasehold
20 Improvement funds per Section 9 of Exhibit "B" of the Lease – Leasehold Improvement
21 Agreement.

22 **5. Taxes.**

23 Section 5 of the Lease is hereby amended by adding the following Section 5.4:

24 For purposes of this Lease, "Taxes" shall mean (a) all real property taxes
25 and other assessments on the building and/or property on which the Premises is located
26 (collectively, for purposes of this section, "Property"), if applicable, including, but not
27 limited to, gross receipts taxes, assessments for special improvement districts and
28 building improvement districts, governmental charges, fees and assessments for police,

1 fire, traffic mitigation or other governmental service of purported benefit to the Property,
2 taxes and assessments levied in substitution or supplementation in whole or in part of
3 any such taxes and assessments and the Property's share of any real estate taxes and
4 assessment under any reciprocal easement agreement, common area agreement or
5 similar agreement as to the Property; (b) all personal property taxes for property that is
6 owned by Lessor and used in connection with the operation, maintenance and repair of
7 the Property; and (c) all costs and fees incurred in connection with seeking reductions in
8 any tax liabilities described in (a) and (b), including without limitation, any costs incurred
9 by Lessor for compliance, review and appeal of tax liabilities. Taxes shall not include
10 any income, capital levy, transfer, capital stock, gift, estate or inheritance tax.

11 If a reduction in Taxes is obtained by the Lessor, for any full or partial year of the
12 Original Term or any Extended Term, the rent shall be adjusted by the amount of the
13 reduction in Taxes, which shall be documented by an official document from the taxing
14 authority (a supplemental tax assessment or equivalent document from the Riverside
15 County Tax Assessor or any other taxing authority) relieving the Lessor of the obligation
16 for such Taxes. Such a reduction shall take effect immediately. The Lessor shall make
17 the adjustment to the rent payable by County in the month immediately following the
18 reduction. The Lessor shall send out a statement to County reflecting the new adjusted
19 rent for the balance of the term of the Lease then in effect. Such reduction shall further
20 be documented by an amendment to the Lease with a modification to Section 5.1 and
21 Section 6.1.2.

22 **6. Leasehold Improvement Funds and Reimbursement.**

23 The second sentence in Section 5.3 of the Lease is hereby deleted in its
24 entirety and replaced with the following: As part of the Lease, an amount of \$80.00 per
25 square foot or \$2,400,000.00 including a County contingency amount of \$8.33 per
26 square foot or \$250,000, for County change orders shall be provided by Lessor to be
27 used to pay for design and construction of County Leasehold Improvements ("LI Funds").

28 **7. Option Rent.**

1 The schedule for rent during any Extended Term in Section 6.1.2 shall be
2 amended as follows:

3 Months 145 - 216 \$113,939.00 per month

4 Months 217 - 288 \$134,448.00 per month

5 The above-referenced rent does not include reimbursement of Leasehold
6 Improvement funds per Section 9 of Exhibit "B" – Leasehold Improvement Agreement.

7 **8. Custodial Services.**

8 Section 8.3 of the Lease is hereby deleted in its entirety and replaced with
9 the following: The Lessor shall provide, as part of the Rent, Day Porter Services for two
10 days per week. The days of the week for service shall be specified by County. Such Day
11 Porter Services shall be provided as set forth in the attached Exhibit "E" and by this
12 reference incorporated herein. At any time during the Original Term or any Extended
13 Term, the County may elect to have the Lessor provide partial or full Day Porter Services,
14 and Lessor shall submit invoice to County on a monthly basis for any additional Day
15 Porter Services. County shall pay Lessor within forty-five (45) days of receipt of invoice.

16 **9. Land Purchase.**

17 Lessor has fulfilled its obligations under Section 19 of the Lease by
18 purchasing the land included in the Premises on July 28, 2016.

19 **10. Notice.**

20 In Section 20.18 of the Lease, the Lessor's Suite number shall be changed
21 to Suite 175.

22 **11. Exhibit "B" – Leasehold Improvement Agreement.**

23 The following changes shall be made to Exhibit "B" of the Lease –
24 Leasehold Improvement Agreement:

25 Section 8.1 - Construction Costs. In section 8.1 of Exhibit "B" of the
26 Lease, the total not to exceed costs for Leasehold Improvements subject to
27 reimbursement shall be changed from \$3,668,968.00 to \$2,400,000.00 The construction
28

1 cost estimate attached to Exhibit "B" of the Lease shall be replaced by Exhibit "B" –
2 Revised Cost Estimate, attached hereto.

3 Section 9.1(a) – Reimbursement for Leasehold Improvements. The
4 amount in Section 9.1(a) of Exhibit "B" of the Lease shall be changed to \$2,400,000.00.

5 Section 11 – The not to exceed costs shall be changed to
6 \$1,500,000.00 in Section 11 of Exhibit "B" of the Lease.

7 **12. Exhibit "G" – Estoppel Certificate.**

8 Exhibit "G" – Estoppel Certificate shall be modified as follows:

9 Recital (RE:) Section – The square footage is changed from 52,520
10 square feet to approximately 30,000 SF in the "RE:" section of Exhibit "G" of the Lease.

11 Section 1 – The square footage in Section 1 of Exhibit "G" of the
12 Lease is changed from 52,520 square feet to approximately 30,000 SF.

13 Section 2 – Section 2 of Exhibit "G" of the Lease is hereby amended
14 to read as follows: The Lease has not been amended, modified, nor supplemented
15 except by First Amendment, dated July 25, 2017 and Second Amendment, dated April
16 10, 2018.

17 **13. Exhibit "H" – Subordination, Non-Disturbance, and Attornment**
18 **Agreement.**

19 A Subordination, Non-Disturbance, and Attornment Agreement was
20 entered into between the Parties dated July 25, 2017.

21 **14. Exhibit A.**

22 The site plan in exhibit "A" of the Lease is hereby replaced with the site
23 plan attached hereto as Exhibit "A".

24 **15. Second Amendment to Prevail.** The provisions of this Second
25 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease
26 and the First Amendment, and shall supplement the remaining provisions thereof.
27 Unless defined herein or the context requires otherwise, all capitalized terms herein shall
28 have the meaning defined in the Lease.

1 **16. Miscellaneous.** Except as amended or modified herein, all the terms of
2 the Lease shall remain in full force and effect and shall apply with the same force and
3 effect. If any provisions of this Second Amendment or the Lease and First Amendment
4 shall be determined to be illegal or unenforceable, such determination shall not affect
5 any other provision of the Lease and all such other provisions shall remain in full force
6 and effect. The language in all parts of the Lease shall be construed according to its
7 normal and usual meaning and not strictly for or against either Lessor or Lessee. Neither
8 this Second Amendment, nor the Lease or First Amendment, nor any notice nor
9 memorandum regarding the terms hereof, shall be recorded by Lessee.

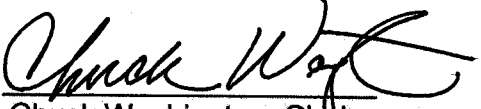
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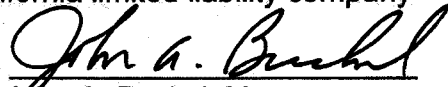
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17. **Effective Date.** This Second Amendment to Lease shall not be binding or effective until its approval by the County's Board of Supervisors and fully executed by the Parties, which date shall be deemed to be April 10, 2018.

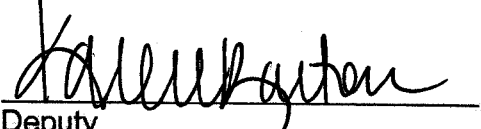
LESSEE:
COUNTY OF RIVERSIDE

LESSOR:
CP COACHELLA DPSS, LLC, a
California limited liability company

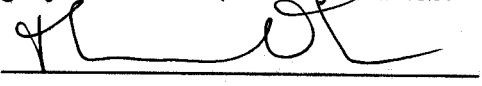
By: 
Chuck Washington, Chairman
Board of Supervisors

By: 
John A. Buckel, Manager

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

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

By: 
Thomas Oh, Deputy County Counsel

YK:jb/032718/CO013/19.735

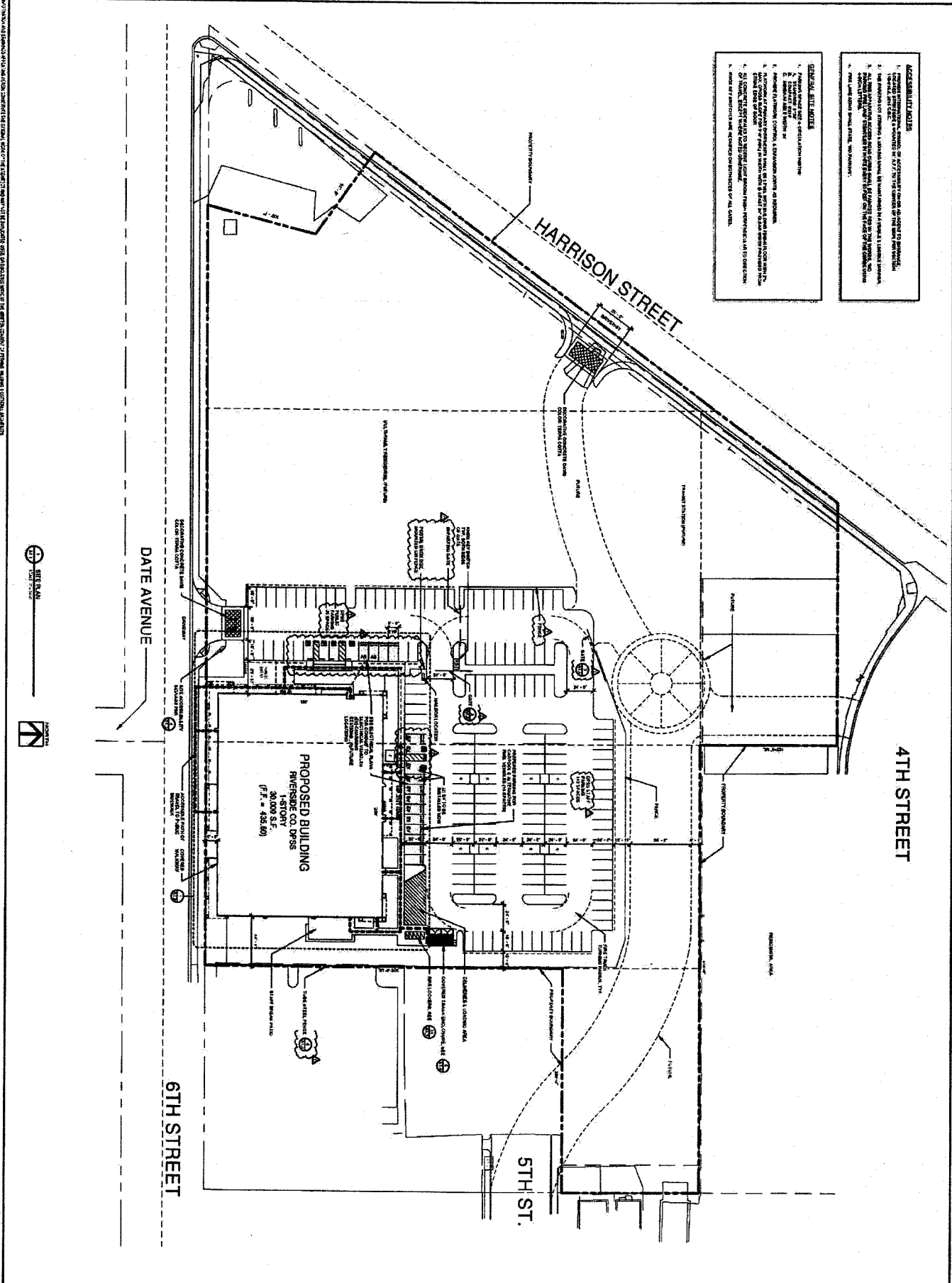
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Exhibit "A"
Revised Site Plan

[attached on following page]

- ACCESSIBILITY**
1. The building shall be accessible to persons with disabilities in accordance with the Americans with Disabilities Act (ADA) and the California Building Code (CBC).
 2. The building shall be accessible to persons with disabilities in accordance with the Americans with Disabilities Act (ADA) and the California Building Code (CBC).
 3. The building shall be accessible to persons with disabilities in accordance with the Americans with Disabilities Act (ADA) and the California Building Code (CBC).
 4. The building shall be accessible to persons with disabilities in accordance with the Americans with Disabilities Act (ADA) and the California Building Code (CBC).

- GENERAL NOTES**
1. Proposed building is a one-story structure.
 2. The building shall be accessible to persons with disabilities in accordance with the Americans with Disabilities Act (ADA) and the California Building Code (CBC).
 3. The building shall be accessible to persons with disabilities in accordance with the Americans with Disabilities Act (ADA) and the California Building Code (CBC).
 4. The building shall be accessible to persons with disabilities in accordance with the Americans with Disabilities Act (ADA) and the California Building Code (CBC).



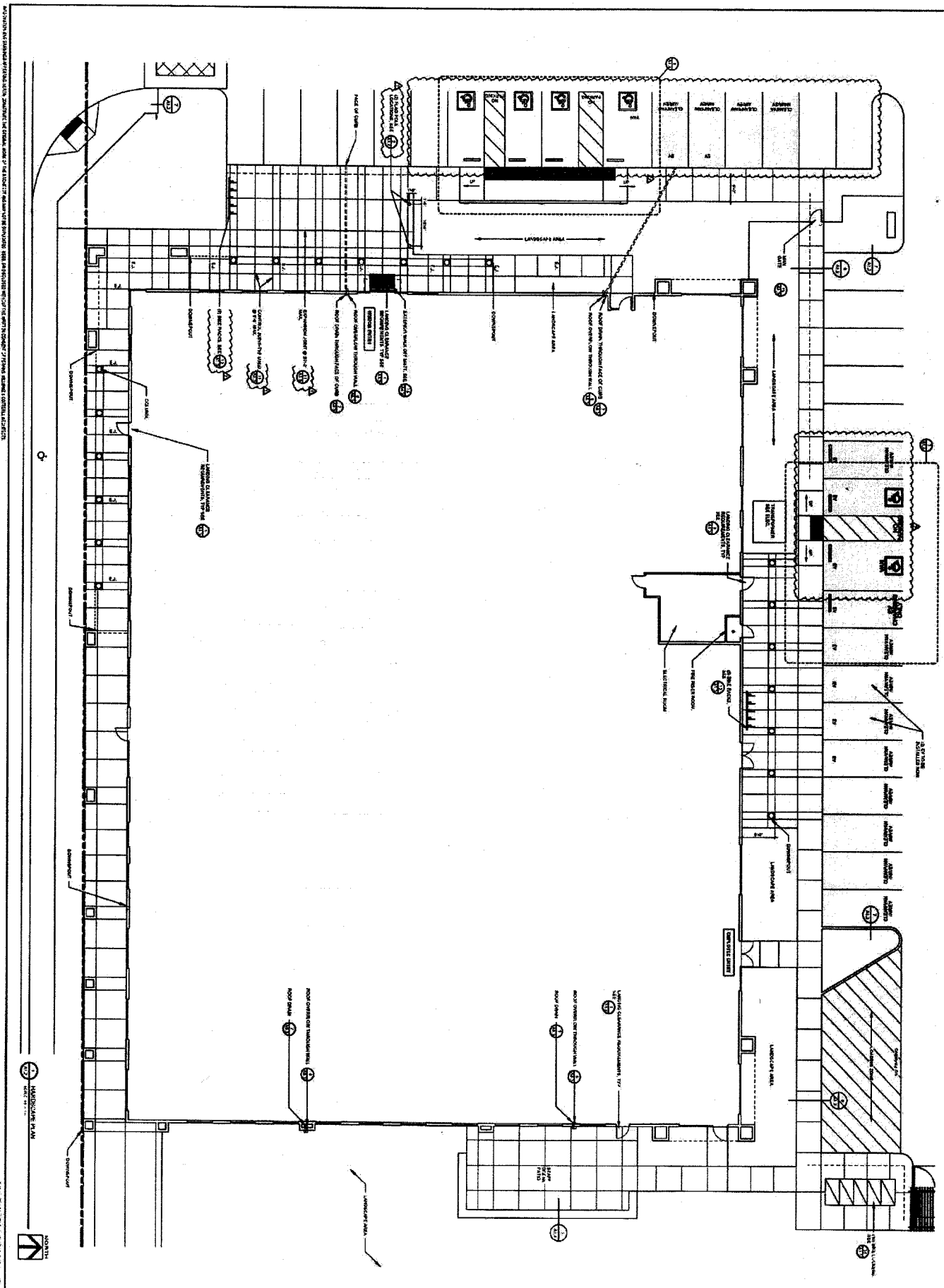
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7	REVISION	
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9	REVISION	
10	REVISION	

NEW CONSTRUCTION FOR:
**DEPARTMENT OF
 PUBLIC SOCIAL SERVICES**
 1281 6TH STREET,
 CONCHELLA, CA

PROGRESS PLOT
 NOT FOR CONSTRUCTION

**PERKINS, WILLIAMS & POTTERILL
 ARCHITECTS**
 1000 10TH AVENUE, SUITE 200
 CONCHELLA, CA 93436
 TEL: 805.485.1100 FAX: 805.485.1101
 WWW.PWPARCHITECTS.COM

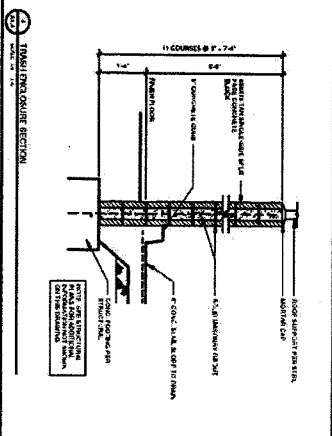
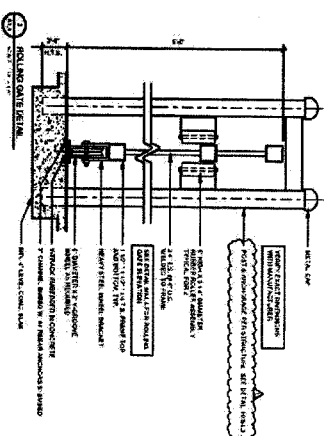
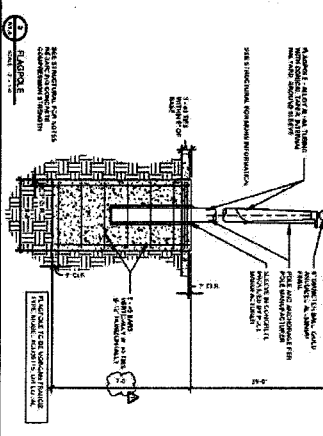
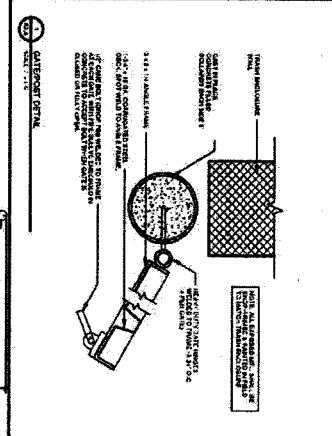
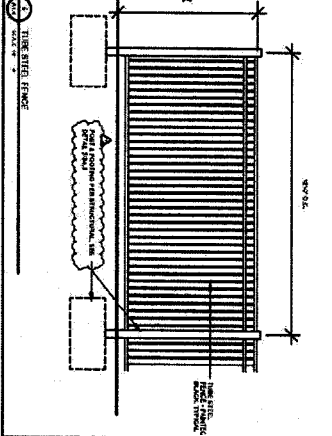
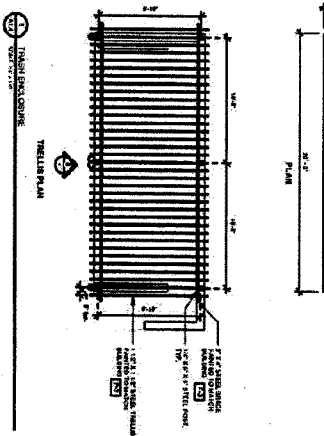
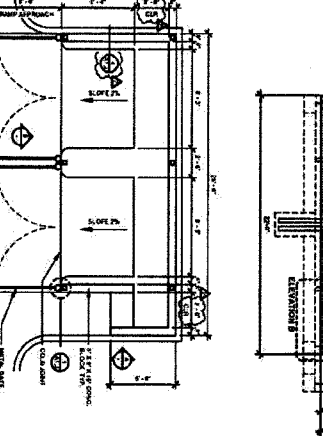
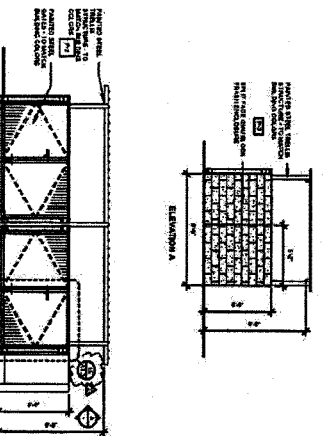
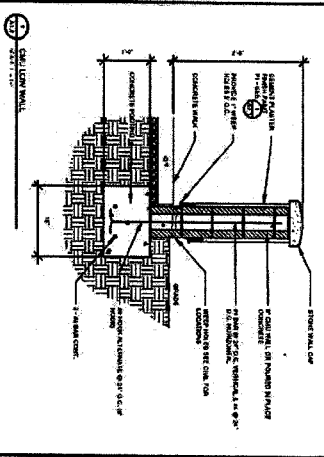
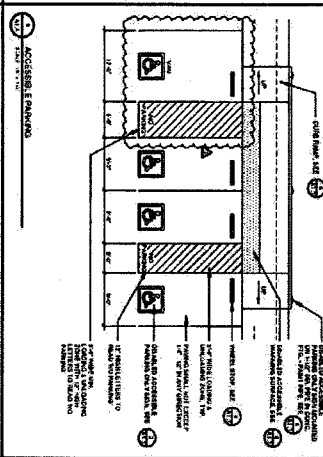
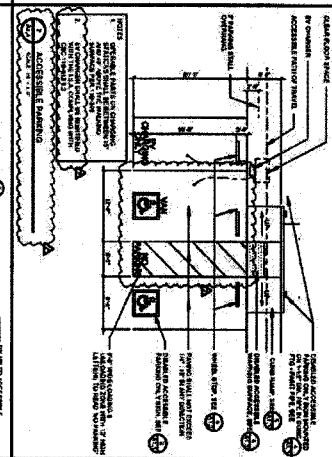
Sheet No. **A1.1**



<p>REVISIONS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table> <p style="margin-top: 10px;"> DATE PLOTTED: 11/14/2012 SCALE: 1/8" = 1'-0" PROJECT: NEW CONSTRUCTION FOR DEPARTMENT OF PUBLIC SOCIAL SERVICES LOCATION: 1263 6TH STREET, COACHELLA, CA </p>	NO.	DATE	DESCRIPTION																									<p>NEW CONSTRUCTION FOR: DEPARTMENT OF PUBLIC SOCIAL SERVICES 1263 6TH STREET, COACHELLA, CA.</p>	<p>PROGRESS PLOT NOT FOR CONSTRUCTION</p>
NO.	DATE	DESCRIPTION																											



A12



PERKINS, WILLIAMS & COTTEBELL
ARCHITECTS

PROGRESS PLOT
NOT FOR CONSTRUCTION

NEW CONSTRUCTION FOR:
**DEPARTMENT OF
PUBLIC SOCIAL SERVICES**
1285 6TH STREET,
CONCORDIA, GA.

NO. 1	DATE	DESCRIPTION
1	11/14/11	ISSUED FOR PERMITS
2	11/14/11	ISSUED FOR PERMITS
3	11/14/11	ISSUED FOR PERMITS
4	11/14/11	ISSUED FOR PERMITS
5	11/14/11	ISSUED FOR PERMITS
6	11/14/11	ISSUED FOR PERMITS
7	11/14/11	ISSUED FOR PERMITS
8	11/14/11	ISSUED FOR PERMITS
9	11/14/11	ISSUED FOR PERMITS
10	11/14/11	ISSUED FOR PERMITS

A14

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Exhibit "B"

Revised Cost Estimate

[attached on following page]

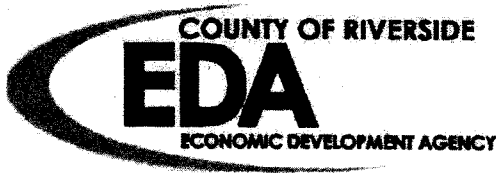
Project: DPSS COACHELLA ESTIMATED LEASEHOLD IMPROVEMENT BUDGET 3/26/2018
 Description: 30,000 SF single-story building on 3.0 acres 30,000 SF
 Totals: \$ 2,650,000 \$ 88.33

CSI	Description	TI	Per SF
00200	Job Site Security (TI portion)	\$ 30,700	\$ 1.02
01710	Final Cleaning	\$ 13,189	\$ 0.44
02830	Fencing and Gates (key card access x 2)	\$ 35,000	\$ 1.17
06100	Rough Carpentry	\$ 18,600	\$ 0.62
06200	Finish Carpentry/Millwork	\$ 62,054	\$ 2.07
07200	Insulation	\$ 23,400	\$ 0.78
08200	Wood and Plastic Doors, Hardware	\$ 75,725	\$ 2.52
08800	Glass, Glazing & Storefront	\$ 36,000	\$ 1.20
09250	Drywall	\$ 202,385	\$ 6.75
09300	Tile	\$ 92,832	\$ 3.09
09500	Acoustical Ceiling	\$ 15,400	\$ 0.51
09650	Resilient Flooring & Carpet	\$ 124,349	\$ 4.14
0990	Painting and Wall covering	\$ 54,933	\$ 1.83
09960	Marlite & F.R.P.	\$ 4,044	\$ 0.13
10260	Wall and Corner Guards	\$ 5,500	\$ 0.18
10350	Flagpole	\$ 9,343	\$ 0.31
10400	Signage (interior)	\$ 7,500	\$ 0.25
10550	Postal Specialties	\$ 1,800	\$ 0.06
10650	Operable Partitions	\$ 34,608	\$ 1.15
10800	Toilet Partitions	\$ 26,997	\$ 0.90
10900	Kitchen Equipment	\$ 10,000	\$ 0.33
11132	Projection Screens	\$ 7,400	\$ 0.25
12500	Window Treatments	\$ 45,386	\$ 1.51
12690	Floor Mats & Frames	\$ 3,250	\$ 0.11
15300	Fire Sprinklers, includes double-interlock for IT	\$ 50,659	\$ 1.69
15400	Plumbing, and Site Domestic Water	\$ 79,015	\$ 2.63
15500	HVAC	\$ 368,531	\$ 12.28
16050	Electrical & low voltage (data/voice cabling)	\$ 379,621	\$ 12.65
	General Conditions	\$ 198,825	\$ 6.63
	Subtotal	2,017,045	\$ 67.23
0.97%	Liability Insurance	19,565	\$ 0.65
	Subtotal	2,036,610	\$ 67.89
4.00%	Overhead & Profit	81,464	\$ 2.72
	Subtotal	2,118,075	\$ 70.60
2.41%	Contractor's Contingency	51,105	\$ 1.70
	TOTAL	2,169,179	\$ 72.31

Architecture & Engineering	\$ 65,000	\$ 2.17
Permits & Fees (pro-rata share)	\$ 165,821	\$ 5.53
TOTAL SOFT COSTS	\$ 230,821	\$ 7.69

Hard Costs	\$ 2,169,179	\$ 72.31
Soft Costs	\$ 230,821	\$ 7.69
	\$ 2,400,000	\$ 80.00
County Contingency	\$ 250,000	\$ 8.33
TOTAL PROJECT COSTS	\$ 2,650,000	\$ 88.33

EXHIBIT "B" - Revised Cost Estimate for Second Amendment



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

4/11/18

kb

NOTICE OF EXEMPTION Date

Initial

March 20, 2018

Project Name: County of Riverside Department of Social Services Second Amendment to Lease, Coachella

Project Number: FM042165001300

Project Location: 1283 Sixth Street, East of Harrison Street, Coachella, California; Assessor's Parcel Number (APN) 778-080-006 (See attached exhibit)

Description of Project: The County of Riverside (County) Board of Supervisors, on behalf of the Department of Public Social Services (DPSS), has been under a Board approved certain Lease Agreement with CP Coachella DPSS, LLC for the premises at 51-258 Harrison Street, Coachella since on February 9, 2016. The terms of the Lease provided that the Lessor would commence construction of a free-standing, two-story building with a targeted completion and occupancy date of October 2017. A First Amendment to Lease extended the completion date to November 30, 2018 due primarily to a change in the DPSS project facilities budgets. The First Amendment to Lease also required that the Developer be responsible for the purchase and installation of furniture, fixtures, and equipment. DPSS has identified a current need for 30,000 square feet instead of 52,500 square feet, which will result in a savings in operating expenses and rent. The targeted completion date will also be revised to March 31, 2019. The proposed discretionary action to amend the lease agreement is identified as the Second Amendment to the Lease Agreement and defined as the proposed project under the California Environmental Quality Act (CEQA). 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; CP Coachella DPSS, 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 California Code of Regulations Title 14, Article 5, Section 15061.

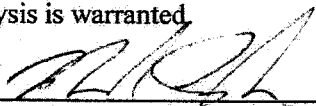
Reasons Why Project is Exempt: The discretionary action to reduce the amount of space and extend the completion date is exempt from the requirements of CEQA as it would not result in direct impacts to the physical environment or reasonably foreseeable indirect effects. The Second Amendment to the lease would have no direct physical effect on the environment as the agreement consists only of a reduction in space and extension of term and does not include any increases to the existing land use or a physical disruption of the property.

APR 10 2018 3.9

- **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 modification for an existing Lease Agreement. The continued planned use of the space would not change, would be consistent with the existing 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 direct effects of the proposed Second Amendment to the Lease Agreement is limited to a reduction in space to be used by DPSS and the extension of the completion date for the facility. The potential indirect effects from the action to develop a build to suit facility were previously addressed in a Notice of Exemption approved by the Board on February 9, 2016. The Lessor, as required by terms of that previous agreement, would be required to provide CEQA review and analyze the effects of all of the discretionary actions involved in the development of the future site for the Coachella DPSS facility. This proposed lease extension and assignment of contractual obligations will not result in any direct or indirect physical environmental impacts. 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: _____

3/20/18

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: DPSS Second Amendment to Lease Agreement, Coachella

Accounting String: 524830-47220-7200400000 - FM042165001300

DATE: March 20, 2018

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, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: March 20, 2018
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 # FM042165001300**
DPSS Second Amendment to Lease Agreement, Coachella

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