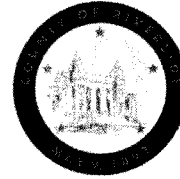


SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM  
3.15  
(ID # 6379)

MEETING DATE:

Tuesday, April 24, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approve the Second Amendment to Lease - Department of Public Social Services, Cathedral City, Lease Extension, CEQA Exempt, District 4, [\$361,335] Federal 46.93%; State 24.70%; County 7.09%; Realign 4.63%, Realign 2011 16.65% (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 Guidelines 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 attached Notice of Exemption with the County Clerk within five working days of approval by the Board.

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA

4/9/2018

Susan Von Zabern, Director of Public Social Services

4/9/2018

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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 24, 2018  
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>	\$23,554	\$116,753	\$361,335	N/A
<b>NET COUNTY COST</b>	\$1,670	\$8,278	\$25,619	N/A
<b>SOURCE OF FUNDS:</b> Federal 46.93%; State 24.70%; County 7.09%; Realign 4.63%; Realign 2011 16.65%			<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 been under lease at 68-625 Perez Road, Suite 2 & 3, Cathedral, since 2010. The facility, occupied by the Department of Public Social Services (DPSS), continues to meet the needs of the Adult Services Division. The attached Second Amendment to Lease extends the lease three years with improvements.

Pursuant to the California Environmental Quality Act (CEQA), the Second Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301, class 1-existing facilities exemption and Section 15601 (b)(3) "Common Sense" exemption. The proposed project is the extension of letting of the property involving existing facilities.

County Counsel has approved the Second Amendment as to form.

The Lease Amendment is summarized below:

**Lessor:** Terry William Ireland  
dba T W Ireland  
76322 Via Chianti  
Indian Wells, CA 92210

**Location:** 68-625 Perez Road, Suite 2 & 3  
Cathedral City, CA 92234

**Size:** 4,800 square feet

**Term:** Three years commencing May 1, 2018, and terminating April 30, 2021

**Rent:** Current New

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

\$1.77 per sq. ft.	\$1.81 per sq. ft.
\$8,477.28 per month	\$8,688.00 per month
\$101,727.36 per year	\$104,256.00 per year

Increases: 2.5% Annually

Interior/Exterior  
Maintenance: Provided by Lessor

Utilities: County pays electric. Lessor pays all others.

Custodial: Provided by Lessor

Improvements: Lessor, at Lessor's sole cost, will paint the interior of the premises.

**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 monthly 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:VY:HR:ra 19.713 13798 MinuteTrak: 6379

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

  
Nehini Dasika, Principal Management Analyst 4/16/2018

  
Gregory V. Priamos, Director County Counsel 4/9/2018

# Exhibit A

FY 2017/18

## DPSS Lease Cost Analysis

68625 Perez Road, Suite 2 & 3, Cathedral City, California

### **ESTIMATED AMOUNTS**

#### **Total Square Footage to be Leased:**

Current Office:	4,800	SQFT		
Approximate Cost per SQFT (Jul - Apr)	\$	1.77		
Approximate Cost per SQFT (May-June)	\$	1.81		
Lease Cost per Month (Jul - Apr)			\$	8,477.28
Lease Cost per Month (May-June)			\$	8,688.00
Total Lease Cost (Jul - Apr)			\$	84,772.80
Total Lease Cost (May-June)			\$	17,376.00
<b>Total Estimated Lease Cost for FY 2017/18</b>			<b>\$</b>	<b>102,148.80</b>

#### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	576.00
Total Estimated Utility Cost			\$	6,912.00
EDA Lease Management Fee - 3.89%			\$	3,297.66
EDA Lease Management Fee - 4.92%			\$	5,025.72
<b>TOTAL ESTIMATED COST FOR FY 2017/18</b>			<b>\$</b>	<b>117,384.18</b>
Amount Approved in Previous Agreement			\$	93,830.46
<b>Amount of FY17/18</b>			<b>\$</b>	<b>23,553.72</b>
<b>TOTAL COUNTY COST 7.09%</b>			<b>\$</b>	<b>1,669.96</b>

# Exhibit B

FY 2018/19

## DPSS Lease Cost Analysis

68625 Perez Road, Suite 2 & 3, Cathedral City, California

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

Current Office:	4,800	SQFT	
Approximate Cost per SQFT (July - Apr)	\$	1.81	
Approximate Cost per SQFT (May-June)	\$	1.86	
Lease Cost per Month (July - Apr)	\$	8,688.00	
Lease Cost per Month (May - June)	\$	8,905.20	
Total Lease Cost (July - Apr)			\$ 86,880.00
Total Lease Cost (May-June)			\$ 17,810.40
<b>Total Estimated Lease Cost for FY 2018/19</b>			<b>\$ 104,690.40</b>

#### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month			\$ 576.00
Total Estimated Utility Cost			\$ 6,912.00
EDA Lease Management Fee - 4.92%			\$ 5,150.77
<b>TOTAL ESTIMATED COST FOR FY 2018/19</b>			<b>\$ 116,753.17</b>
<b>TOTAL COUNTY COST 7.09%</b>			<b>\$ 8,277.80</b>

# Exhibit C

**FY 2019/20 to FY 2020/21  
DPSS Lease Cost Analysis  
68625 Perez Road, Suite 2 & 3, Cathedral City, California**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 4,800 SQFT

	FY2019/20	FY 2020/21
Approximate Cost per SQFT (July-Apr)	\$ 1.86	\$ 1.90
Approximate Cost per SQFT (May-June)	\$ 1.90	
Lease Cost per Month (July-Apr)	\$ 8,905.20	\$ 9,127.83
Lease Cost per Month (May-June)	\$ 9,127.83	
Total Lease Cost (July-Apr)	\$ 89,052.00	\$ 91,278.30
Total Lease Cost (May-June)	\$ 18,255.66	-
<b>Total Estimated Lease Cost for FY 2019/20 to FY 2020/21</b>	<b>\$ 107,307.66</b>	<b>\$ 91,278.30</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 576.00	\$ 576.00
Total Estimated Utility Cost	\$ 6,912.00	\$ 5,760.00

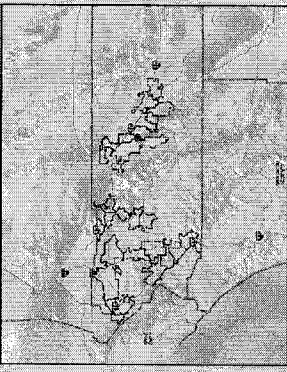
EDA Lease Management Fee - 4.92%	\$ 5,279.54	\$ 4,490.89
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<b>TOTAL ESTIMATED COST FOR FY 2019/20 to FY 2020/21</b>	<b>\$ 119,499.20</b>	<b>\$ 101,529.19</b>
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<b>TOTAL COUNTY COST 7.09%</b>	<b>\$ 8,472.49</b>	<b>\$ 7,198.42</b>
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F11: Cost - Total Cost	\$ 361,335.28
F11: Net County Cost - Total Cost	\$ 25,618.67

**Department of Public Social Services**  
68625 Perez Road, Suite 2&3      Cathedral City



**Legend**

**Notes**  
APN# 687-330-023  
District 4

**\*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      359      717 Feet

**RCIT**           REPORT PRINTED ON...2/7/2018 4:27:53 PM      © Riverside County RCIT GIS





1           **1. Term.** Section 4.1 of the Lease is amended by the following: The term of  
2 the Lease shall be extended for a period of three (3) years commencing May 1, 2018,  
3 and expiring April 30, 2021 (the "Extension Term").

4           **2. Rent.** Section 5.1 of the Lease shall be deleted in its entirety and  
5 replaced with the following:

6                   5.1 Commencing May 1, 2018, County shall pay the sum of \$8,688.00 per  
7 month to Lessor as rent for the Leased Premises, payable, in advance, on the first day  
8 of the month or soon thereafter as a warrant can be issued in the normal course of  
9 County's business; provided, however, in the event rent for any period during the term  
10 hereof which is for less than (1) full calendar month said rent shall be prorated based  
11 upon the actual number of days of said month.

12                   5.2 Notwithstanding the provisions of Section 5.1 herein, commencing  
13 May 1, 2019, the monthly rent shall be increased on each anniversary of the Rent  
14 Commencement Date by an amount equal to two and one half percent (2.5%) of such  
15 monthly rental for the preceding Lease year.

16           **3. Alterations and Additions.** Section 11 shall be amended to add  
17 subsection 11.1.9 as follows:

18                   11.1.9 Lessor shall, at Lessor's sole expense not subject to  
19 reimbursement, paint the office interiors as stated herein ("Additional Improvements").  
20 Work to commence within 90 days of Board of Supervisors approval of this Second  
21 Amendment to Lease or a mutually agreeable later date by County and Lessor. The  
22 Additional Improvements shall be constructed generally in accordance with the  
23 provisions of Exhibit "F" of the Lease (to the extent applicable) and in accordance with  
24 selections by County as stated in the attached Exhibit "I". Work to be completed in  
25 phases after hours.

26           **4. Notices.** Section 19.18 of the Lease is replaced with the following: Any  
27 notices required or desired to be served by either party upon the other shall be  
28 addressed to the respective parties as set forth below:

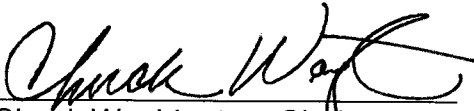


1           **IN WITNESS WHEREOF**, the Parties have executed this Second Amendment  
2 as of the date first written above.

3 Dated: APR 24 2018

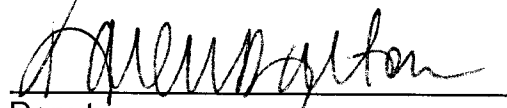
4  
5 **LESSEE:**  
6 **COUNTY OF RIVERSIDE**

**LESSOR:**  
Terry William Ireland dba T W Investments

7  
8 By   
9 Chuck Washington, Chairman  
Board of Supervisors

By   
Terry William Ireland

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

13  
14 By   
Deputy

15  
16 **APPROVED AS TO FORM:**  
17 Gregory P. Priamos, County Counsel

18  
19 By   
20 Thomas Oh  
Deputy County Counsel

21  
22  
23 HR:ra/032618/CC018/19.673

# DPSS STANDARD INTERIOR FINISHES LIST

August\_2014

## OPTIONS 3\_ Dill Grass

ITEM	SPECIFICATION	LOCATION	CONTACT
<b>PAINT</b>			
P/1	<b>Manf:</b> Dunn Edwards <b>Color:</b> DE5536 Dill Grass <b>Finish:</b> Eggshell	Accent Walls	
P/2	<b>Manf:</b> Dunn Edwards <b>Color:</b> DE5300 Burmese Gold <b>Finish:</b> Eggshell	Accent Walls	
P/3	<b>Manf:</b> Dunn Edwards <b>Color:</b> DEC764 Inside Passage <b>Finish:</b> Eggshell, Semi-gloss @ Restrooms	General Area,	
P/4	<b>Manf:</b> Dunn Edwards <b>Color:</b> DE6207 Egyptian Sand <b>Finish:</b> Eggshell	General Area, Accent Walls	
P/5	<b>Manf:</b> Dunn Edwards <b>Color:</b> DE6198 Cream Wave <b>Finish:</b> Eggshell	Color to be used with accent color <i>Egyptian Sand'</i> Offices, Storage Rm, Comm Rm <i>Not Displayed on Board</i>	
<b>CORNER GUARD</b>			
	<b>Manf:</b> In Pro Corp. <b>Style:</b> 160 Series High Impact <b>Color:</b> Antique White <b>Size:</b> 2" Thick	General	<a href="http://www.inprocorp.com">www.inprocorp.com</a> 800.222.5556

**Exhibit I**





**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: DPPS Second Amendment to Lease, Perez Road, Suites 2 & 3, Cathedral City**

**Accounting String: 524830-47220-7200400000 - FM042163001800**

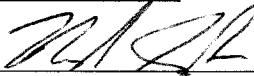
DATE: February 15, 2018

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: Heidi Rigler, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -





Date: February 15, 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 #FM042163001800**  
DPPS Second Amendment to Lease, Perez Road, Suites 2 & 3, Cathedral City

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