

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



**ITEM**  
3.16  
(ID # 6395)

**MEETING DATE:**

Tuesday, April 24, 2018

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Approve the Third Amendment to Lease - Department of Public Social Services, Cathedral City, Lease Extension, CEQA Exempt, District 4, [\$360,221] Federal 45.52%; State 53.83%; County 0.65%

**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 Third 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

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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>	\$19,549	\$117,756	\$360,221	N/A
<b>NET COUNTY COST</b>	\$127	\$ 765	\$2,341	N/A
<b>SOURCE OF FUNDS:</b> Federal 45.52%; State 53.83%; County 0.65%			<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 68625 Perez Road, Suite 4 & 5, Cathedral, since 2007. The facility, occupied by the Department of Public Social Services (DPSS), continues to meet the needs of the Self Sufficiency Division. The attached Third Amendment to Lease extends the lease three years with improvements.

Pursuant to the California Environmental Quality Act (CEQA), the Third 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 property involving existing facilities.

County Counsel has approved the Third 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:** 68625 Perez Road, Suite 4 & 5  
Cathedral City, CA 92234

**Size:** 4,944 square feet

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

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STATE OF CALIFORNIA**

Rent:	<u>Current</u>	<u>New</u>
	\$1.72 per sq. ft.	\$1.77 per sq. ft.
	\$8,518.63 per month	\$8,750.88 per month
	\$102,223.56 per year	\$105,010.56 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

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

RF:HM:VY:HR:ra CC015 19.711 13796  
MinuteTrak #6395

  
Nehini Basika, 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 4 & 5, Cathedral City, California

### **ESTIMATED AMOUNTS**

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

Current Office:	4,944	SQFT		
Approximate Cost per SQFT (Jul - Apr)	\$	1.72		
Approximate Cost per SQFT (May-June)	\$	1.77		
Lease Cost per Month (Jul - Apr)	\$		8,518.63	
Lease Cost per Month (May-June)	\$		8,750.88	
Total Lease Cost (Jul - Apr)	\$			85,186.30
Total Lease Cost (May-June)	\$			17,501.76
<b>Total Estimated Lease Cost for FY 2017/18</b>	<b>\$</b>			<b>102,688.06</b>

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

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	593.28
Total Estimated Utility Cost			\$	7,119.36
EDA Lease Management Fee - 3.89%	\$			3,313.75
EDA Lease Management Fee - 4.92%	\$			861.09
<b>TOTAL ESTIMATED COST FOR FY 2017/18</b>	<b>\$</b>			<b>113,982.25</b>

# Exhibit B

FY 2018/19

## DPSS Lease Cost Analysis

68625 Perez Road, Suite 4 & 5, Cathedral City, California

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

Current Office:	4,944	SQFT	
Approximate Cost per SQFT (July - Apr)	\$	1.77	
Approximate Cost per SQFT (May-June)	\$	1.81	
Lease Cost per Month (July - Apr)	\$	8,750.88	
Lease Cost per Month (May - June)	\$	8,969.65	
Total Lease Cost (July - Apr)			\$ 87,508.80
Total Lease Cost (May-June)			\$ 17,939.30
<b>Total Estimated Lease Cost for FY 2018/19</b>			<b>\$ 105,448.10</b>

#### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month			\$ 593.28
Total Estimated Utility Cost			\$ 7,119.36
EDA Lease Management Fee - 4.92%			\$ 5,188.05
<b>TOTAL ESTIMATED COST FOR FY 2018/19</b>			<b>\$ 117,755.51</b>
<b>TOTAL COUNTY COST 0.65%</b>			<b>\$ 765.41</b>

# Exhibit C

**FY 2019/20 to FY 2020/21  
DPSS Lease Cost Analysis  
68625 Perez Road, Suite 4 & 5, Cathedral City, California**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 4,944 SQFT

	FY2019/20	FY 2020/21
Approximate Cost per SQFT (July-Apr)	\$ 1.81	\$ 1.86
Approximate Cost per SQFT (May-June)	\$ 1.86	
Lease Cost per Month (July-Apr)	\$ 8,969.65	\$ 9,193.89
Lease Cost per Month (May-June)	\$ 9,193.89	
Total Lease Cost (July-Apr)	\$ 89,696.52	\$ 91,938.93
Total Lease Cost (May-June)	\$ 18,387.79	\$ -
<b>Total Estimated Lease Cost for FY 2019/20 to FY 2020/21</b>	<b>\$ 108,084.31</b>	<b>\$ 91,938.93</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	
Estimated Utility Costs per Month	\$ 593.28	\$ 593.28	
Total Estimated Utility Cost	\$ 7,119.36	\$ 5,932.80	
 EDA Lease Management Fee - 4.92%	 \$ 5,317.75	 \$ 4,523.40	 \$ -
<b>TOTAL ESTIMATED COST FOR FY 2019/20 to FY 2020/21</b>	<b>\$ 120,521.41</b>	<b>\$ 102,395.13</b>	<b>\$ -</b>
 <b>TOTAL COUNTY COST 0.65%</b>	 <b>\$ 783.39</b>	 <b>\$ 665.57</b>	 <b>\$ -</b>

F11: Cost - Total Cost \$ 360,221.40  
F11: Net County Cost - Total Cost \$ 2,341.44

**Department of Public Social Services**  
68625 Perez Road, Suite 4&5      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 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.



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717 Feet



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1 **THIRD AMENDMENT TO LEASE**

2 68625 Perez Road, Suites 4 & 5, Cathedral City, California

3  
4 This **THIRD AMENDMENT TO LEASE** ("Third Amendment") dated as of  
5 April 24, 2018, is entered into by and between the **COUNTY OF**  
6 **RIVERSIDE**, a political subdivision of the State of California ("County"), as lessee, and  
7 **TERRY WILLIAM IRELAND, dba T W Investments**, ("Lessor") and sometimes  
8 collectively referred to as the "Parties".

9 **RECITALS**

10 a. Terry William Ireland dba T W Investments, as lessor, and County,  
11 entered into that certain Lease dated July 31, 2007, ("Original Lease") whereby Lessor  
12 has agreed to lease to County and County has agreed to lease from Lessor that certain  
13 building located at 68625 Perez Road, Suites 4 & 5, Cathedral City, California, ("the  
14 Building"), as more particularly described in the Lease ("the Original Premises").

15 b. The Original Lease has been amended by:

16 That certain First Amendment to Lease dated, June 18, 2013, by and between  
17 County of Riverside and Terry William Ireland dba T W Investments, ("First  
18 Amendment") whereby the Parties amended the Original Lease to modify the rent and  
19 extend the term of the Original Lease.

20 That certain Second Amendment to Lease dated, April 14, 2015, by and  
21 between County of Riverside and Terry William Ireland dba T W Investments, ("Second  
22 Amendment") whereby the Parties amended the Original Lease to modify the rent and  
23 extend the term of the Original Lease.

24 c. The Original Lease, together with the First and Second  
25 Amendments, shall thereafter be referred to as the "Lease".

26 d. County and Lessor desire to further amend the Lease by extending  
27 the term of the Lease, setting forth the monthly rent during the Extension Term (as  
28 defined herein), and completing improvements.

APR 24 2018 3.16

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

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

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

8 5.1 Commencing May 1, 2018, County shall pay the sum of \$8,750.88 per  
9 month to Lessor as rent for the Premises, payable, in advance, on the first day of the  
10 month or soon thereafter as a warrant can be issued in the normal course of County's  
11 business; provided, however, in the event rent for any period during the term hereof  
12 which is for less than one (1) full calendar month said rent shall be prorated based  
13 upon the actual number of days of said month.

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

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

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

28

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

<u>County:</u>	<u>Lessor:</u>
County of Riverside	T W Investments
Economic Development Agency	76322 Via Chianti
3403 Tenth Street, Suite 400	Indian Wells, CA 92210
Riverside, CA 92501	Attn: Terry William Ireland
Attn: Deputy Director of Real Estate	

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10           **5. Capitalized Terms. Third Amendment to Prevail.** 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. The provisions of this Third  
13 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,  
14 as heretofore amended, and shall supplement the remaining provisions thereof.

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

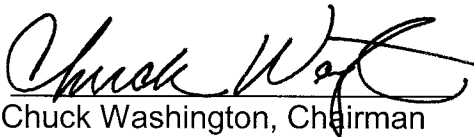
24           **7. Effective Date.** This Third Amendment to Lease shall not be binding or  
25 consummated until its approval by the Riverside County Board of Supervisors and fully  
26 executed by the Parties.

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

3 Dated: APR 24 2018

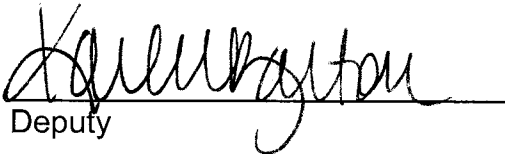
4 LESSEE:  
5 COUNTY OF RIVERSIDE

LESSOR:  
Terry William Ireland dba T W Investments

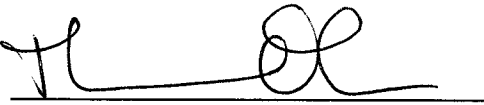
6  
7 By:   
8 Chuck Washington, Chairman  
9 Board of Supervisors

By:   
Terry William Ireland

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

13 By:   
14 Deputy

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

18 By:   
19 Thomas Oh  
20 Deputy County Counsel

21  
22 HR:ra/032618/CC015/19.672  
23  
24  
25  
26  
27  
28

# 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



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

4/20/18  
Date

kb  
Initial

## NOTICE OF EXEMPTION

February 15, 2018

**Project Name:** Third Amendment to Lease, Department of Public Social Services Adult Services Division, Perez Road, Suites 4 & 5, Cathedral City

**Project Number:** FM042163001500

**Project Location:** 68625 Perez Road, Suites 4 & 5, east of Cathedral Canyon Road, Cathedral City, California 92234; Assessor's Parcel Number (APN) 687-330-023 (See attached exhibits)

**Description of Project:** The County of Riverside (County) proposes to amend and extend the term of the lease with Terry William Ireland (Lessor), commencing on May 1, 2018 and ending April 30, 2021. The Department of Public Social Services (DPSS) Adult Services Division (ASD) has occupied the office space since 2007. The office and location continues to meet the needs of DPSS and this Third Amendment to the Lease Agreement extends the lease for an additional three years, with minor tenant improvements, which will include interior painting and new carpeting. The extension of the lease is identified as the proposed project under California Environmental Quality Act (CEQA). The leased facility consists of approximately 4,944 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 ASD 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, Terry William Ireland

**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 Third Amendment to the Lease.

APR 24 2018

3.16

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686

org

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



**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: DPPS Third Amendment to Lease, Perez Road, Suites 4 & 5, Cathedral City**

**Accounting String: 524830-47220-7200400000 - FM042163001500**

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 #FM042163001500**  
DPPS Third Amendment to Lease, Perez Road, Suites 4 & 5, 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