

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



ITEM
3.17
(ID # 6404)

MEETING DATE:

Tuesday, April 24, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approve the Fourth Amendment to Lease - Department of Public Social Services, Cathedral City, Lease Extension, CEQA Exempt, District 4, [\$1,558,219] Federal 59.86%; State 34.77%; County 5.37%; (Clerk to 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 Fourth Amendment to Lease and authorize the Chairman of the board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the 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

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**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:
COST	\$85,101	\$509,143	\$1,558,219	N/A
NET COUNTY COST	\$4,570	\$27,341	\$83,676	N/A
SOURCE OF FUNDS: Federal 59.86%; State 34.77%; County 5.37			Budget Adjustment: No	
			For Fiscal Year: 2017/18 – 2020/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside has been under lease at 68615 Perez Road, Suite 8A & 9A, Cathedral, since 1993. The facility, occupied by the Department of Public Social Services (DPSS), continues to meet the needs of the Self Sufficiency Division. With staff consolidation efforts by DPSS, however, Suite 8A is being vacated reducing the occupied square footage from 22,200 to 19,800 square feet. The attached Fourth Amendment to Lease extends the lease three years with improvements.

Pursuant to the California Environmental Quality Act (CEQA), the Fourth 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 Fourth 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: 68615 Perez Road, Suite 9A
Cathedral City, CA 92234

Size: Reduced from 22,200 to 19,800 square feet

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

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

Rent:	<u>Current</u>	<u>New</u>
	\$1.88 per sq. ft.	\$1.92 per sq. ft.
	\$41,657.90 per month	\$38,016.00 per month
	\$499,894.80 per year	\$456,192.00 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.

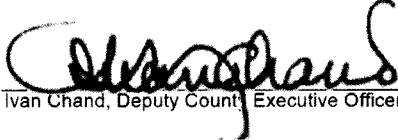
Attachments:

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

RF:HM:VY:HR:ra CC004 19.712 13797
MinuteTrak: 6404

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


Nehini Dasika, Principal Management Analyst 4/16/2018


Ivan Chand, Deputy County Executive Officer 4/16/2018


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

Exhibit A

FY 2017/18

DPSS Lease Cost Analysis

68615 Perez Road, Suite 9A, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	22,200	SQFT
Revised Office:	19,800	SQFT

Approximate Cost per SQFT (Jul - Apr)	\$	-
Approximate Cost per SQFT (May-June)	\$	1.92

Lease Cost per Month (Jul - Apr)		
Lease Cost per Month (May-June)	\$	38,016.00

Total Lease Cost (Jul - Apr)	\$	-
Total Lease Cost (May-June)	\$	76,032.00
Total Estimated Lease Cost for FY 2017/18	\$	76,032.00

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	2,664.00
Total Estimated Utility Cost		\$	5,328.00

EDA Lease Management Fee - 4.92%	\$	3,740.77
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TOTAL ESTIMATED COST FOR FY 2017/18	\$	85,100.77
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TOTAL COUNTY COST 5.37%	\$	4,569.91
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Exhibit B

FY 2018/19
DPSS Lease Cost Analysis
68615 Perez Road, Suite 9A, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	19,800	SQFT	
Approximate Cost per SQFT (July - Apr)	\$	1.92	
Approximate Cost per SQFT (May-June)	\$	1.97	
Lease Cost per Month (July - Apr)		\$	38,016.00
Lease Cost per Month (May - June)		\$	38,966.40
Total Lease Cost (July - Apr)			\$ 380,160.00
Total Lease Cost (May-June)			\$ 77,932.80
Total Estimated Lease Cost for FY 2018/19			\$ 458,092.80

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	2,376.00
Total Estimated Utility Cost			\$ 28,512.00
EDA Lease Management Fee - 4.92%			\$ 22,538.17
TOTAL ESTIMATED COST FOR FY 2018/19			\$ 509,142.97
TOTAL COUNTY COST 5.37%			\$ 27,340.98

Exhibit C

FY 2019/20 to FY 2020/21
DPSS Lease Cost Analysis
68615 Perez Road, Suite 9A, Cathedral City, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 19,800 SQFT

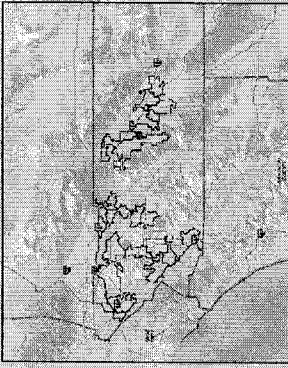
	FY2019/20	FY 2020/21
Approximate Cost per SQFT (July-Apr)	\$ 1.97	\$ 2.02
Approximate Cost per SQFT (May-June)	\$ 2.02	
Lease Cost per Month (July-Apr)	\$ 38,966.40	\$ 39,940.56
Lease Cost per Month (May-June)	\$ 39,940.56	
Total Lease Cost (July-Apr)	\$ 389,664.00	\$ 399,405.60
Total Lease Cost (May-June)	\$ 79,881.12	\$ -
Total Estimated Lease Cost for FY 2019/20 to FY 2020/21	\$ 469,545.12	\$ 399,405.60

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 2,376.00	\$ 2,376.00
Total Estimated Utility Cost	\$ 28,512.00	\$ 23,760.00
EDA Lease Management Fee - 4.92%	\$ 23,101.62	\$ 19,650.76
TOTAL ESTIMATED COST FOR FY 2019/20 to FY 2020/21	\$ 521,158.74	\$ 442,816.36
TOTAL COUNTY COST 5.37%	\$ 27,986.22	\$ 23,779.24

F11: Cost - Total Cost \$ 1,558,218.84
F11: Net County Cost - Total Cost \$ 83,676.35

Department of Public Social Services
68615 Perez Rd., Ste 9A, Cathedral City



Legend



0 562 1,123 Feet



REPORT PRINTED ON... 2/7/2018 4:19:07 PM

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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.

Notes
APN #687-330-024
District 4

1 **FOURTH AMENDMENT TO LEASE**

2 68615 Perez Road, Suite 9A, Cathedral City, California

3
4 This **FOURTH AMENDMENT TO LEASE** ("Fourth 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. 6505 Paramount Associates, a general partnership, predecessor-in-
11 interest to Terry William Ireland dba T W Investments, as lessor, and County, entered
12 into that certain Lease dated August 24, 1993, ("Original Lease") whereby Lessor has
13 agreed to lease to County and County has agreed to lease from Lessor that certain
14 building located at 68615 Perez Road, Suites 8A & 9A, Cathedral City, California, ("the
15 Building"), as more particularly described in the Lease ("the Original Premises").

16 b. The Original Lease has been amended by:

17 That certain First Amendment to Lease dated, April 11, 2000, by and between
18 County of Riverside and 6505 Paramount Associates, LLC, predecessor-in-interest to
19 Terry William Ireland dba T W Investments, ("First Amendment") whereby the Parties
20 amended the Original Lease to modify the rent, complete tenant improvements and
21 extend the term of the Original Lease.

22 That certain Second Amendment to Lease dated March 17, 2009, by and
23 between County of Riverside and Terry William Ireland dba T W Investments, ("Second
24 Amendment") whereby the Parties amended the Original Lease to revise the square
25 footage to combine Suite 8A under lease, modify the rent, complete tenant
26 improvements and extend the term of the Original Lease,.

27 That certain Third Amendment to Lease dated June 18, 2013, by and between
28 County of Riverside and Terry William Ireland dba T W Investments, ("Third

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1 Amendment”) whereby the Parties amended the Lease to modify the rent, complete
2 minor improvements and extend the term of the Original Lease.

3 c. The Original Lease, together with the First, Second, and Third
4 Amendments, shall thereafter be referred to as the “Lease”.

5 d. County and Lessor desire to further amend the Lease by vacating
6 and returning to Lessor Suite 8A, extending the term of the Lease, setting forth the
7 monthly rent during the Extension Term (as defined herein), and completing
8 improvements.

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

11 1. **Description.** Section 2 of the Second Amendment to Lease, “Premises”,
12 shall be deleted in its entirety and Paragraph 1 of the Original Lease reinstated with
13 the following:

14 Description. The premises leased hereby consist of approximately
15 19,800 square feet located within that certain building located at 68-615 Perez Road,
16 Suite 9A, Cathedral City, California, plus 66 vehicular parking spaces and 20 secured
17 vehicular parking spaces, as more particularly shown on Exhibit “A” attached hereto
18 and by this reference made a part of this Lease.

19 2. **Term.** Section 3(a) of the Lease is amended by the following: The term
20 of the Lease shall be extended for a period of three (3) years commencing May 1,
21 2018, and expiring April 30, 2021 (the “Extension Term”).

22 3. **Rent.** Section 4(a) of the Lease shall be deleted in its entirety during the
23 Extension Term and replaced with the following:

24 (a) Commencing May 1, 2018, County shall pay the sum of \$38,016.00
25 per month to Lessor as rent for the Leased Premises, payable, in advance, on the first
26 day of the month or soon thereafter as a warrant can be issued in the normal course of
27 County's business; provided, however, in the event rent for any period during the term
28

1 hereof which is for less than one (1) full calendar month, said rent shall be prorated
2 based upon the actual number of days of said month.

3 (b) Notwithstanding the provisions of Section 5.1 herein, commencing
4 May 1, 2019, the monthly rent shall be increased on each anniversary of this Fourth
5 Amendment to Lease by an amount equal to two and one half percent (2.5%) of such
6 monthly rental for the preceding Lease year.

7 **4. Improvements by Lessor.** Section 8 shall be amended to add
8 subsection 8 (e) as follows:

9 (e) Lessor shall, at Lessor's sole expense not subject to
10 reimbursement, paint the interior premises ("Additional Improvements"). Work to
11 commence within 90 days of Board of Supervisors approval of this Fourth Amendment
12 to Lease or a mutually agreeable later date by County and Lessor. The Additional
13 Improvements shall be constructed generally in accordance with the provisions of
14 Exhibit "C" of the Lease (to the extent applicable) and in accordance with selections by
15 County as stated in the attached Exhibit "F". Work to be completed in phases after
16 hours.

17 **5. Notices.** Section 13 of the Lease is replaced with the following: Any
18 notices required or desired to be served by either party upon the other shall be
19 addressed to the respective parties as set forth below:

20 <u>County:</u>	20 <u>Lessor:</u>
21 County of Riverside	21 T W Investments
22 Economic Development Agency	22 76322 Via Chianti
23 3403 Tenth Street, Suite 400	23 Indian Wells, CA 92210
24 Riverside, CA 92501	24 Attn: Terry William Ireland
25 Attn: Deputy Director of Real Estate	

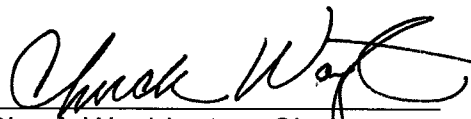
26 **6. Capitalized Terms. Fourth Amendment to Prevail.** Unless defined
27 herein or the context requires otherwise, all capitalized terms herein shall have the
28 meaning defined in the Lease, as heretofore amended. The provisions of this Fourth

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

3 Dated: APR 24 2018

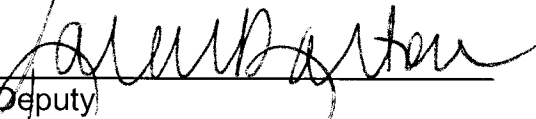
4 **LESSEE:**
5 County of Riverside

LESSOR:
Terry William Ireland dba T W Investments

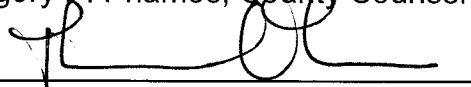
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7 By: 
8 Chuck Washington, Chairman
9 Board of Supervisors

By: 
Terry William Ireland

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

13 By: 
14 Deputy

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

17 By: 
18 Thomas Oh
19 Deputy County Counsel

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21
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23 HR:ra/032618/CC004/19.677
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DPSS STANDARD INTERIOR FINISHES LIST

August_2014

OPTIONS 3_ Dill Grass

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

Exhibit F



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on
4/26/18 Date kb Initial

NOTICE OF EXEMPTION

February 15, 2018

Project Name: Fourth Amendment to Lease, Department of Public Social Services Self Sufficiency Division, Perez Road, Suite 9A, Cathedral City

Project Number: FM04216300400

Project Location: 68615 Perez Road, Suite 9A, 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) Self Sufficiency Division (SSD) has occupied Suites 8A and 9A, comprising 22,000 square feet of office space since August 24, 1993. With staff consolidation efforts by DPSS, Suite 8A is no longer necessary and only Suite 9A comprising 19,800 square feet of office space is being sought for a lease extension. The office space in Suite 9A and location continues to meet the needs of DPSS and this Fourth 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 19,800 square feet and the project is the letting of property involving existing facilities, which will result in a reduction of leased space and no expansion of an existing use will occur. The operation of the facility will continue to provide public services for the DPSS SSD 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 Fourth Amendment to the Lease.

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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 Fourth Amendment to Lease, Perez Road, Suite 9A, Cathedral City

Accounting String: 524830-47220-7200400000 - FM04216300400


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 #FM04216300400**
DPPS Fourth Amendment to Lease, Perez Road, Suite 9A, 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 10th Street, Suite 400, Riverside, CA 92501

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

Attachment

cc: file