

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



ITEM  
3.6  
(ID # 6620)

MEETING DATE:

Tuesday, June 5, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of Exercise of Option to Extend the Lease with AP Palm Desert Cerrito, LLC - Assessor-County Clerk-Recorder, Palm Desert, Lease Extension, 5 years, CEQA Exempt, District 4, [\$2,016,174] Department Revenue 100% (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 Exercise of Option to Extend the Lease notice and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk within five working days of approval by the Board.

ACTION: Policy, CIP

Robert Field, Assistant County Executive Officer/ECD

4/26/2018

Peter Aldana, Assessor-County-Clerk Recorder

5/2/2018

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, 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: June 5, 2018  
xc: EDA, Recorder

Kecia Harper-Ihem  
Clerk of the Board

  
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>	\$255,150	\$388,140	\$2,016,174	N/A
<b>NET COUNTY COST</b>	\$0	\$0	\$0	N/A
<b>SOURCE OF FUNDS:</b> Department Revenue 100%			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2018/19- 2023/24

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

**BACKGROUND:**

**Summary**

The County of Riverside has been under lease at 38-686 El Cerrito Road, Palm Desert, ("Lease") since 2013, as a co-location of the Assessor-County Clerk-Recorder (ACR) and Treasurer Tax Collector (TTC). The Lease expires October 31, 2018. The 21,372 square foot office continues to meet the needs for servicing the desert community and the ACR and TTC have requested the lease be extended. The Lease includes one option to extend the term for five years under the same terms and conditions, including a favorable lease rate. Therefore, the attached letter gives formal notice the County it is exercising its option to extend the Lease term five years.

The ACR occupies 83% of the rentable square footage and the costs defined in this Form 11 represent, separately, its associated proportionate share.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301 class 1-Existing Facilities exemption and Section 15061(b)(3) "Common Sense" exemption. The proposed project is the letting of property involving existing facilities.

A summary is as follows:

**Premises Location:** 38-686 El Cerrito Road  
Palm Desert, CA 92211

**Lessor:** AP Palm Desert Cerrito, LLC  
c/o Armed Air Forces Mutual Aid Association  
1856 Old Reston Ave.  
Reston, VA 20190

**Size:** 17,739 square feet, which is the proportionate share (83%) of the 21,372 square foot building total

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

Term: Five years commencing November 1, 2018, and terminating October 31, 2023

Rent:	<u>Current</u>	<u>New</u>
	\$1.55 per sq. ft.	\$1.59 per sq. ft.
	\$27,412.35 per mo.	\$28,234.72 per mo.
	\$328,948.20 per yr.	\$338,816.64 per yr.

Rent Adjustments: 3% annually

Option to Terminate: For reduced funding with 120 days' written notice

Utilities: County pays all utilities. Lessor pays for trash removal

Custodial: Included in rent and provided by Lessor

Interior/Exterior

Maintenance: Included in rent and provided by Lessor

County Counsel has approved the Exercise of Option to Extend notice as to form.

**Impact on Residents and Businesses**

The ACR will continue to provide services to accommodate the needs of the desert community

**Additional Fiscal Information**

See attached Exhibits A, B and C

The ACR and TTC will budget these costs in FY2018/19 and will reimburse EDA for all associated lease costs

**Contract History and Price Reasonableness**

The lease rate is very favorable given the increase in market rates.

Attachments:

- Exhibit A, B & C
- Exercise of Option to Extend notice
- Notice of Exemption
- Aerial Map

RF:HM:VY:HR:ra 19.781 13818  
MinuteTrak: 6620

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

  
Rohini Dasika, Principal Management Analyst 5/29/2018

  
Ivan Chand, Deputy County Executive Officer 5/29/2018

  
Gregory V. Priamos, Director County Counsel 5/23/2018

# Exhibit A

FY 2018/19

## ACR Lease Cost Analysis

38686 El Cerrito Road, Palm Desert, California

### **ESTIMATED AMOUNTS**

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

Current Office: 17,739 SQFT

Approximate Cost per SQFT (Jul - Oct)	\$	1.55	
Approximate Cost per SQFT (Nov-June)	\$	1.59	
Lease Cost per Month (Jul - Oct)		\$	27,412.35
Lease Cost per Month (Nov-June)		\$	28,234.72
Total Lease Cost (Jul - Oct)		\$	109,649.41
Total Lease Cost (Nov-June)		\$	225,877.78
<b>Total Estimated Lease Cost for FY 2018/19</b>		<b>\$</b>	<b>335,527.19</b>

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

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	2,128.65
Total Estimated Utility Cost			\$ 25,543.81
EDA Lease Management Fee - 4.92%			\$ 16,507.94
<b>TOTAL ESTIMATED COST FOR FY 2018/19</b>		<b>\$</b>	<b>377,578.94</b>
Amount Previously approved in Lease Agreement		<b>\$</b>	<b>122,429.37</b>
<b>Amount of FY for 1st Amendment</b>		<b>\$</b>	<b>255,149.56</b>

# Exhibit B

**FY 2019/20**  
**ACR Lease Cost Analysis**  
**38686 El Cerrito Road, Palm Desert, California**

***ESTIMATED AMOUNTS***

**Total Square Footage to be Leased:**

Current Office:		17,739	SQFT	
Approximate Cost per SQFT (July - Oct)	\$	1.59		
Approximate Cost per SQFT (Nov-June)	\$	1.64		
Lease Cost per Month (July - Oct)		\$	28,234.72	
Lease Cost per Month (Nov - June)		\$	29,081.76	
Total Lease Cost (July - Oct)			\$	112,938.89
Total Lease Cost (Nov-June)			\$	232,654.11
<b>Total Estimated Lease Cost for FY 2019/20</b>			<b>\$</b>	<b>345,593.00</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month		\$	2,128.65	
Total Estimated Utility Cost			\$	25,543.81
EDA Lease Management Fee - 4.92%			\$	17,003.18
<b>TOTAL ESTIMATED COST FOR FY 2019/20</b>			<b>\$</b>	<b>388,139.99</b>

# Exhibit C

**FY 2020/21 to FY 2023/24  
ACR Lease Cost Analysis  
38686 El Cerrito Road, Palm Desert, California**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 17,739 SQFT

	FY2020/21	FY 2021/22	FY2022/23- FY2023/24
Approximate Cost per SQFT (July-Oct)	\$ 1.64	\$ 1.69	
Approximate Cost per SQFT (Nov-June)	\$ 1.69	\$ 1.74	
Lease Cost per Month (July-Oct)	\$ 29,081.76	\$ 29,954.22	
Lease Cost per Month (Nov-June)	\$ 29,954.22	\$ 30,852.84	
Total Lease Cost (July-Oct)	\$ 116,327.06	\$ 119,816.87	\$ 250,525.09
Total Lease Cost (Nov-June)	\$ 239,633.74	\$ 246,822.75	\$ 254,227.43
<b>Total Estimated Lease Cost for FY 2020/21 to FY 2023/24</b>	<b>\$ 355,960.79</b>	<b>\$ 366,639.62</b>	<b>\$ 504,752.52</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	
Estimated Utility Costs per Month	\$ 2,128.65	\$ 2,128.65	
Total Estimated Utility Cost	\$ 25,543.81	\$ 25,543.81	\$ 34,058.42
EDA Lease Management Fee - 4.92%	\$ 17,513.27	\$ 18,038.67	\$ 24,833.82
<b>TOTAL ESTIMATED COST FOR FY 2020/21 to FY 2023/24</b>	<b>\$ 399,017.88</b>	<b>\$ 410,222.10</b>	<b>\$ 563,644.76</b>
<b>TOTAL COUNTY COST 0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

F11: Cost - Total Cost \$ 2,016,174.30



June 5, 2018

Mr. Charlie Betancourt  
AP Palm Desert Cerrito LLC  
1856 Old Reston Avenue  
Reston, Virginia 20190


RE: Exercise of Option to Extend – Lease agreement between County of Riverside and AP Palm Desert Cerrito, LLC, dated October 22, 2013, 38-686 El Cerrito Road, Palm Desert, Assessor-County Clerk-Recorder and Treasurer Tax Collector


Dear Mr. Betancourt:

Please consider this letter formal written notice pursuant to Section 6 of the above-referenced lease agreement by and between the County of Riverside ("County") and AP Palm Desert Cerrito, LLC ("Lessor"), that the County of Riverside formally exercises its option to extend the term of said lease five (5) years, commencing November 1, 2018, through October 31, 2023.

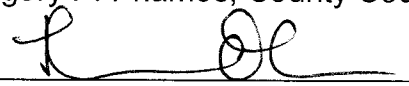
We look forward to our continued tenancy with AP Palm Desert Cerrito, LLC.

County of Riverside, a political subdivision  
of the State of California

By:   
Chuck Washington, Chairman  
Board of Supervisors

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

HR:ra/PD021/19.780

JUN 05 2018 3.16

- |                       |                        |                               |                       |
|-----------------------|------------------------|-------------------------------|-----------------------|
| Administration        | Housing                | Economic Development          | Parking               |
| Aviation              | Housing Authority      | Edward-Dean Museum            | Project Management    |
| Business Intelligence | Information Technology | Environmental Planning        | Purchasing Group      |
| Cultural Services     | Maintenance            | Fair & National Date Festival | Real Property         |
| Community Services    | Marketing              | Foreign Trade                 | Redevelopment Agency  |
| Custodial             |                        | Graffiti Abatement            | Workforce Development |





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

6/6/18  
Date

DB  
Initial

NOTICE OF EXEMPTION

March 30, 2018

**Project Name:** Assessor-County Clerk-Recorder Lease Extension, El Cerrito Road, Palm Desert

**Project Number:** FM042550002100

**Project Location:** 38-686 El Cerrito Road, south of Las Montanas Road, Palm Desert, California 92211; Assessor's Parcel Number (APN) 626-420-002 (See attached exhibits)

**Description of Project:** The County of Riverside (County) has been under lease at 38-686 El Cerrito Road, Palm Desert, California (APN 626-420-002) with AP Palm Desert Cerrito, LLC (Lessor) since 2013 as a co-location of the Assessor-County Clerk-Recorder (ACR) and Treasurer Tax Collector (TTC). The Lease Agreement expires October 31, 2018 and includes one option to extend the term of the lease for five years under the same terms and conditions. The 21,372-square-foot office and location continues to meet the needs of the desert community and the ACR and TTC are seeking to exercise the option to extend the lease. The extension of Lease Agreement is identified as the proposed Project under California Environmental Quality Act (CEQA). The lease extension will commence November 1, 2018 and terminate on October 31, 2023. The operation of the facility will continue to provide public services for the ACR and TTC and will increase the intensity of the use or expand 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, AP Palm Desert Cerrito, LLC

**Exempt Status:** State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

**Reasons Why Project is Exempt:** The proposed Project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project will not cause an impact to an environmental resource of hazardous or critical concern nor would the Project include a reasonable possibility of having a significant effect on the environment due to unusual circumstances. 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 extension of the Lease Agreement.

JUN 05 2018 3.6

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

Administration  
Aviation  
Business Intelligence  
Cultural Services  
Community Services  
Custodial

Housing  
Housing Authority  
Information Technology  
Maintenance  
Marketing

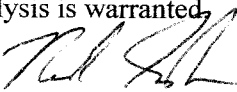
Economic Development  
Edward-Dean Museum  
Environmental Planning  
Fair & National Date Festival  
Foreign Trade  
Graffiti Abatement

Parking  
Project Management  
Purchasing Group  
Real Property  
Redevelopment Agency  
Workforce Development

- **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 the extension of an existing Lease Agreement. The Project will not increase or expand the use of the site, and is limited to the continued use of the site in a similar capacity; therefore, the Project is exempt as the Project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed extension of the Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will be substantially similar to the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the ongoing, existing use of the site would occur. Therefore, in no way, would the Project as proposed have the potential to cause a significant environmental impact and the Project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the Project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed: \_\_\_\_\_



Date: \_\_\_\_\_

3/30/18

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





Date: March 30, 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 # FM042550002100**  
Assessor-County Clerk-Recorder Lease Extension, El Cerrito Road, Palm Desert

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