

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



ITEM
3.14
(ID # 7328)

MEETING DATE:

Tuesday, July 31, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA) AND ENVIRONMENTAL HEALTH :

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA) AND THE DEPARTMENT OF ENVIRONMENTAL HEALTH: Approval of Third Amendment to Lease with 554 Paseo Dorotea, LLC, Environmental Health, Palm Springs, 5 Year Lease Extension, CEQA Exempt, District 4, [\$1,107,311]; Permit Fees 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 Third Amendment to Lease between the County of Riverside and 554 Paseo Dorotea, LLC, 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 of Supervisors.

ACTION: Policy, CIP

Robert Field, Assistant County Executive Officer/ECD

6/29/2018

Steve Van Stockum, Director Environmental Health

7/9/2018

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Perez
Nays: None
Absent: Ashley
Date: July 31, 2018
xc: EDA, Environmental Health, Recorder

Kecia Harper-Ihem
Clerk of the Board

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	\$198,162	\$215,342	\$1,107,311	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: Permit Fees 100%			Budget Adjustment: No	
			For Fiscal Year: 2018/19 - 2023/24	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside, as lessee, entered into that certain Lease dated April 22, 2008 on behalf of the Department of Environmental Health with Garmont Enterprises, LLC for approximately 7,038 square feet of space in the facility located at 554 Paseo Dorotea in Palm Springs. This Third Amendment to Lease represents a five year extension effective August 1, 2018. This facility continues to meet the needs and requirements of the department.

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 15301, Class 1 – Existing Facilities exemption, and Section 15061(b)(3) “Common Sense” exemption. The proposed project, the Third Amendment, is the letting of property involving existing facilities and no expansion of an existing use will occur.

A summary of the Lease is as follows:

Lessor: 554 Paseo Dorotea, LLC
5347 Godbey Drive
La Canada Flintridge, California 91011

Premises: 554 Paseo Dorotea
Palm Springs, California 92264

Size: 7,038 square feet

Term: Five years commencing August 1, 2018, expiring July 31, 2023

Rent:

Current	New
\$2.21 per sq. ft.	\$2.32 per sq. ft.
\$15,537.28 per month	\$16,298.73 per month
\$186,447.36 per year	\$195,584.76 per year

Rent Increase/

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

Schedule: 8/1/2018-7/31/2019: \$16,298.73
 8/1/2019-7/31/2020: \$16,298.73
 8/1/2020-7/31/2021: \$16,687.16
 8/1/2021-7/31/2022: \$17,085.30
 8/1/2022-7/31/2023: \$17,493.40

Utilities: County pays for electrical and telephone, Lessor provides all others.

Improvements: Install new carpet at landlord's sole cost and expense within 90 days of written notice from County. Add or replace directional signage in the parking lot.

This Third Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

Impact on Residents and Businesses

The Department of Environmental Health will continue to provide programs that protect the health and safety of the people and the environment in the community.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, and C. All associated costs for this Lease will be budgeted in FY18/19-FY23/24 by the Department of Environmental Health. The Department of Environmental Health will reimburse the Economic Development Agency for all associated Lease costs on a monthly basis.

Contract History and Price Reasonableness

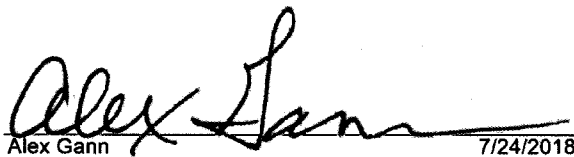
This is a five year renewal. The lease rate is deemed competitive based upon the current market. The Lease has been amended twice previously for rent adjustments, extensions to the term, and tenant improvements. The First Amendment to Lease was approved by the Board on September 29, 2009 (MO# 3-32). The Second Amendment to Lease was approved by the Board on July 2, 2013 (MO# 3-10). 554 Paseo Dorotea, LLC is the successor-in-interest to Garmont Enterprises, LLC, and is now the lessor under the Lease.

Attachments:

- Exhibits A, B & C
- Third Amendment to Lease
- Notice of Exemption

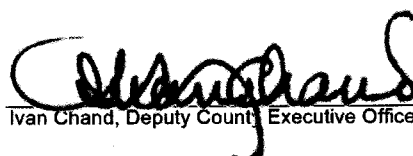
SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA

RF:HM:VY:CD:ra PG011 19.879 13862
MinuteTrak: 7328



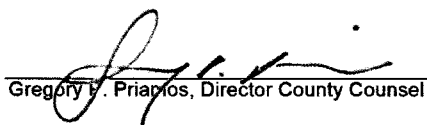
Alex Gann

7/24/2018



Ivan Chand, Deputy County Executive Officer

7/24/2018



Gregory J. Priamos, Director County Counsel

7/12/2018

Exhibit A

FY 2018/19
Environmental Health
554 Paseo Dorotea, Palm Desert, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	7,038	SQFT		
Approximate Cost per SQFT (July)	\$	2.21		
Approximate Cost per SQFT (Aug-June)	\$	2.32		
Lease Cost per Month (July)	\$		15,537.28	
Lease Cost per Month (Aug-June)	\$		16,298.73	
Total Lease Cost (July)			\$	15,537.28
Total Lease Cost (Aug-June)			\$	179,286.03
Total Estimated Lease Cost for FY 2018/19			\$	194,823.31

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	844.56
Total Estimated Utility Cost			\$	10,134.72
EDA Lease Management Fee - 3.89%			\$	604.40
EDA Lease Management Fee - 4.92%			\$	9,585.31
TOTAL ESTIMATED COST FOR FY 2018/19			\$	215,147.74
Previously approved			\$	16,986.24
AMOUNT FOR 2018/19			\$	198,161.50

Exhibit B

FY 2019/20
Environmental Health
554 Paseo Dorotea, Palm Desert, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		7,038	SQFT	
Approximate Cost per SQFT (July)	\$	2.32		
Approximate Cost per SQFT (Aug-June)	\$	2.32		
Lease Cost per Month (July)		\$	16,298.73	
Lease Cost per Month (Aug - June)		\$	16,298.73	
Total Lease Cost (July)			\$	16,298.73
Total Lease Cost (Aug-June)			\$	179,286.03
Total Estimated Lease Cost for FY 2019/20			\$	195,584.76

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	844.56
Total Estimated Utility Cost			\$	10,134.72
EDA Lease Management Fee - 4.92%			\$	9,622.77
TOTAL ESTIMATED COST FOR FY 2019/20			\$	215,342.25

Exhibit C

FY 2020/21 to FY 2022/23
Environmental Health
554 Paseo Dorotea, Palm Desert, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 7,038 SQFT

	FY2020/21	FY 2021/22	FY2022/23	FY2023/24
Approximate Cost per SQFT (July)	\$ 2.32	\$ 2.37	\$ 2.43	\$ 2.49
Approximate Cost per SQFT (Aug-June)	\$ 2.37	\$ 2.43	\$ 2.49	-
Lease Cost per Month (July)	\$ 16,298.73	\$ 16,687.16	\$ 17,085.30	\$ 17,493.40
Lease Cost per Month (Aug-June)	\$ 16,687.16	\$ 17,085.30	\$ 17,493.40	
Total Lease Cost (July)	\$ 16,298.73	\$ 16,687.16	\$ 17,085.30	\$ 17,493.40
Total Lease Cost (Aug-June)	\$ 183,558.76	\$ 187,938.30	\$ 192,427.40	-
Total Estimated Lease Cost for FY 2020/21 to FY	\$ 199,857.49	\$ 204,625.46	\$ 209,512.70	\$ 17,493.40
<u>Estimated Additional Costs:</u>				
Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 844.56	\$ 844.56	\$ 844.56	\$ 844.56
Total Estimated Utility Cost	\$ 10,134.72	\$ 10,134.72	\$ 10,134.72	\$ 844.56
EDA Lease Management Fee - 4.92%	\$ 9,832.99	\$ 10,067.57	\$ 10,308.02	\$ 860.68
TOTAL ESTIMATED COST FOR FY 2020/21 to				
FY 2022/23	\$ 219,825.20	\$ 224,827.75	\$ 229,955.44	\$ 19,198.64

F11: Cost - Total Cost \$ 1,107,310.78



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

07/11/18 Date kb Initial

NOTICE OF EXEMPTION

June 5, 2018

Project Name: County of Riverside, Economic Development Agency (EDA) Department of Environmental Health, Third Amendment to Lease – Paseo Dorotea, Palm Springs

Project Number: FM042551001100

Project Location: 554 Paseo Dorotea, south of Ramon Road, Palm Springs, California 92264; Assessor’s Parcel Numbers (APNs) 680-075-018, 680-075-019, 680-075-021, 680-075-020; (See Attached Exhibit)

Description of Project: On March 24, 2009, the County of Riverside (County) entered a lease agreement on behalf of the Department of Environmental Health with Garmont Industries, LLC to occupy 7,038 square feet of office space, located at 554 Paseo Dorotea, Palm Springs, California. The agreement has been amended twice previously for rent adjustments, extension of term, and minor tenant improvements. The current space continues to meet departmental needs and the Department seeks to extend their lease for an additional five years. The Department is also seeking minor tenant improvements which are limited to replacement carpeting in the entire suite, and additional directional signage added in the parking lot to assist customers with wayfinding and access to the building. The Third Amendment to the Lease Agreement is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Third Amendment to the Lease Agreement consists of a five-year extension term, commencing on August 1, 2018 and terminating on July 31, 2023. The use of the facility by the Department of Environmental Health would continue, consistent with the existing land use. The operation of the facility will continue to provide public services and will not result in an expansion of existing use. 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, and Garmont Industries, 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 does the Project have unusual circumstances that could possibility 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 Agreement.

JUL 31 2018 3.14

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

- **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 Lease Agreement to an existing facility, the replacement of carpeting and the addition of signage within the parking lot to provide wayfinding for customers to access the facility. The carpeting and signage would be minor improvements within the existing facility and would not expand or increase the capacity of the site. The use of the facility by the Department of Environmental Health would be consistent with the current 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 proposed Third Amendment to the Lease Agreement is limited a contractual transaction and the replacement of carpet and addition of directional signage within the existing parking lot. The new carpeting and signage are minor improvements within an existing facility and would not result in any direct environmental impacts. Indirect effects of the project would be limited to existing use of an office building. The use and operation of the facility will not differ from the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the continued use of the facility 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: _____

6/5/18

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Department of Environmental Health, Third Amendment to Lease – Paseo Dorotea, Palm Springs

Accounting String: 524830-47220-7200400000- FM042551001100

DATE: June 5, 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: Candice Diaz, Real Property Agent II, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: June 5, 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 # FM042551001100**
Department of Environmental Health, Third Amendment to Lease – Paseo Dorotea, Palm Springs

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

1 **THIRD AMENDMENT TO LEASE**

2
3 **THIS THIRD AMENDMENT TO LEASE** ("Third Amendment"), dated as of
4 July 31, 2018, is entered into by and between the **COUNTY OF**
5 **RIVERSIDE**, a political subdivision of the State of California, as "County", and **554**
6 **PASEO DOROTEA, LLC**, a California limited liability company, as "Lessor", collectively
7 referred to herein as "Parties."

8 **RECITALS**

9 a. Garmont Enterprises, LLC ("Original Lessor") and County entered into
10 that certain Lease dated April 22, 2008 ("Lease"), pursuant to which Lessor agreed to
11 lease to County and County agreed to lease from Original Lessor approximately 7,038
12 square feet ("Original Premises") located within that certain building located at 554
13 Paseo Dorotea, Palm Springs, California (the "Building"), as more particularly
14 described in the Lease.

15 b. 554 Paseo Dorotea, LLC, a California limited liability company, the
16 successor-in-interest to Garmont Enterprises, LLC, is now the "Lessor" under the
17 Lease.

18 c. The amendments of the Lease are summarized as follows:

19 1. The First Amendment to Lease dated September 29, 2009 by and
20 between the County of Riverside, and Garmont Enterprises, LLC to reduce the monthly
21 rent ("First Amendment").

22 2. The Second Amendment to Lease dated July 2, 2013 by and
23 between the County of Riverside, and Garmont Enterprises, LLC to extend the term of
24 the Lease and provide minor tenant improvements ("Second Amendment").

25 d. The Parties now desire to amend the Lease to extend the term, adjust the
26 monthly rent, replace the carpet, and improve the directional signage in the parking lot.

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

CJA

1 1. TERM. Section 3 (a) of the Lease is hereby amended by the following:
2 The Term of the Lease shall be extended five (5) years commencing on
3 August 1, 2018 and expiring on July 31, 2023.

4 2. RENT. Section 5 of the Lease is hereby amended by the following:
5 Effective August 1, 2018, the monthly rent shall be \$16,298.73.
6 Notwithstanding the monthly rent increases set forth in Section 5(b) of the Lease and in
7 Section 3 of the Second Amendment, the County shall pay monthly rent to the Lessor
8 according to the rent schedule as follows:

8/1/2018-7/31/2019:	\$16,298.73
8/1/2019-7/31/2020:	\$16,298.73
8/1/2020-7/31/2021:	\$16,687.16
8/1/2021-7/31/2022:	\$17,085.30
8/1/2022-7/31/2023:	\$17,493.40

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14 3. IMPROVEMENTS BY LESSOR. Section 9 of the Lease is hereby
15 amended by adding the following subsection (d):

16 (d) At Lessors sole cost and expense, Lessor shall complete the
17 following improvements:

18 Lessor agrees to install new carpet in the entire leased premises, which will include
19 costs for moving furniture, within ninety (90) days of receiving written notice from the
20 County to proceed with carpet replacement. Personal property will be removed by
21 County for the duration of the installation of the new carpet. Until the carpet is replaced,
22 Lessor agrees to have the carpets cleaned semi-annually. To assist customers with
23 guidance to the Building, Lessor agrees to replace or add directional signage in the
24 parking lot at the locations set forth in the Exhibit "E" attached hereto and incorporated
25 herein by reference.


26 4. EXHIBIT "E". The Exhibit "E" attached hereto is hereby added and
27 attached to the Lease as Exhibit "E".


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WITNESS WHEREOF, the Parties have executed this Third Amendment to Lease as of the date first written above.

COUNTY:
COUNTY OF RIVERSIDE, a
political subdivision of the State of
California

LESSOR:
554 PASEO DOROTEA, LLC,
a California limited liability company

By: 
Chairman Chuck Washington
Board of Supervisors

By: 
Carolyn G. Adams, CEO

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

CD:ra/061318/PG011/19.878

Exhibit E



Legend
Sign Location: 

© 2013 Google
33°48'54.72" N 117°19'19.6" W