

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



ITEM  
3.10  
(ID # 7832)

MEETING DATE:

Tuesday, October 2, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA) AND DPSS :

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Seventh Amendment to Lease  
12125 Day Street, Moreno Valley, Department of Public Social Services-Public  
Authority, 3 Year Lease Extension, District 5, CEQA Exempt, [\$1,370,086] 49%  
Federal, 51% State, (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. Ratify and approve the attached Seventh Amendment to Lease between the County of Riverside and Canyon Springs Investment Trust, 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.

ACTION: Policy, CIP

Robert Field, Assistant County Executive Officer/ECD

9/20/2018

Jeff Van Wagenen, Assistant CEO / Public Safety

9/20/2018

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Ashley 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: October 2, 2018  
xc: EDA, DPSS, 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>	\$410,226	\$420,823	\$1,370,086	\$
<b>NET COUNTY COST</b>	\$	\$	\$	\$
<b>SOURCE OF FUNDS: 49% Federal, 51% State</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 2018/19- 2021/22</b>	

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

**BACKGROUND:**

**Summary**

On May 3, 2005, the County of Riverside (County), entered into a lease agreement on behalf of the Department of Public Social Services (DPSS) Public Authority (PA) and with the Canyon Springs Investment Trust, for approximately 17,026 square feet of space in the facility located at 12125 Day Street, Suite S101, Moreno Valley. This Seventh Amendment to Lease represents a three year extension effective October 1, 2018, and requires the Landlord to increase the level of roof preventative maintenance. This facility continues to meet the needs and requirements of the department.

Pursuant to the California Environmental Quality Act (CEQA), the Seventh 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 Seventh Amendment, is the letting of property involving existing facilities and no expansion of an existing use will occur.

**Lessor:** Canyon Springs Investment Trust  
26371 Avery Parkway, Suite B  
Mission Viejo, California

**Location:** 12125 Day Street, Suite S101  
Moreno Valley, California

**Size:** 17,026 Square Feet

**Term:** Expires September 30, 2021

<b>Rent:</b>	<b>Current</b>	<b>New</b>
	\$1.77 per sq. ft.	\$1.82 per sq. ft.
	\$30,143.91 per month	\$30,897.51 per month
	\$361,726.92 per year	\$370,770.12 per year

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

Rent Adjustment: Two and one half percent per year

Utilities: Electricity and telephone paid by County, all others provided by Lessor

Custodial: Provided by Lessor

Maintenance: Provided by Lessor

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

**Impact on Residents and Businesses**

There will be a positive impact on residents since DPSS IHSS Public Authority will continue to offer in home support services to the community.

**Additional Fiscal Information**

See attached Exhibits A, B, and C. All associated costs for this Lease will be budgeted in FY18/19-FY21/22 by DPSS. DPSS will reimburse the EDA for all associated Lease costs on a monthly basis.

**Contract History and Price Reasonableness**

This is a three year renewal. The lease rate is deemed competitive based upon the current market.

The Lease has been amended six times previously for rent adjustments, extensions to the term, and tenant improvements:

<u>Amendment</u>	<u>Date and M.O.</u>
First Amendment	September 27, 2005 (M.O. 3-22)
Second Amendment	November 30, 2010 (M.O. 3-27)
Third Amendment	March 1, 2011 (M.O. 3-14)
Fourth Amendment	August 28, 2012 (M.O. 3-47)
Fifth Amendment	January 7, 2014 (M.O. 3-23)
Sixth Amendment	March 24, 2015 (M.O. 3-17)

**Attachments:**


- Exhibits A, B & C
- Notice of Exemption

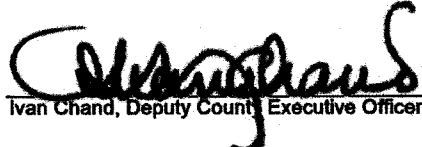
SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA


- Copy of Amendment

RF:HM:VY:CD:ra MV050 20.006 13901

MinuteTrak: 7832

  
Nehini Dautka, Principal Management Analyst 9/24/2018

  
Ivan Chand, Deputy County Executive Officer 9/24/2018

  
Gregory V. Priamos, Director County Counsel 9/20/2018

# Exhibit A

FY 2018/19

DPSS

12125 Day Street, Moreno Valley

## **ESTIMATED AMOUNTS**

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

Current Office:

17,026 SQFT

Approximate Cost per SQFT (July-Sept)

\$ 1.77

Approximate Cost per SQFT (Oct-June)

\$ 1.82

Lease Cost per Month (July-Sept)

\$ 30,143.91

Lease Cost per Month (Oct-June)

\$ 30,897.51

Total Lease Cost (July-Sept)

\$ 90,431.73

Total Lease Cost (Oct-June)

\$ 278,077.59

**Total Estimated Lease Cost for FY 2018/19**

**\$ 368,509.32**

### **Estimated Additional Costs:**

Utility Cost per Square Foot

\$ 0.12

Estimated Utility Costs per Month

\$ 2,043.12

Total Estimated Utility Cost

\$ 24,517.44

EDA Lease Management Fee - 3.89%

\$ 3,517.79

EDA Lease Management Fee - 4.92%

\$ 13,681.42

**TOTAL ESTIMATED COST FOR FY 2018/19**

**\$ 410,225.97**

**\$ 410,225.97**

# Exhibit B

FY 2019/20

DPSS

12125 Day Street, Moreno Valley

## **ESTIMATED AMOUNTS**

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

Current Office:		17,026	SQFT	
Approximate Cost per SQFT (July-Sptember)	\$	1.81		
Approximate Cost per SQFT (Oct-June)	\$	1.86		
Lease Cost per Month (July-Sptember)		\$	30,897.51	
Lease Cost per Month (Oct - June)		\$	31,669.95	
Total Lease Cost (July-Sptember)			\$	92,692.53
Total Lease Cost (Oct-June)			\$	285,029.53
<b>Total Estimated Lease Cost for FY 2019/20</b>				<b>\$ 377,722.06</b>

### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	2,043.12
Total Estimated Utility Cost			\$	24,517.44
EDA Lease Management Fee - 4.92%			\$	18,583.93
<b>TOTAL ESTIMATED COST FOR FY 2019/20</b>				<b>\$ 420,823.43</b>

# Exhibit C

FY 2020/21 to FY 2021/22

DPSS

12125 Day Street, Moreno Valley

## ESTIMATED AMOUNTS

### Total Square Footage to be Leased:

Current Office: 17,026 SQFT

	FY2020/21	FY 2021/22
Approximate Cost per SQFT (July-Sept)	\$ 1.86	\$ 1.91
Approximate Cost per SQFT (Oct-June)	\$ 1.91	
Lease Cost per Month (July-Sept)	\$ 31,669.95	\$ 32,461.70
Lease Cost per Month (Oct-June)	\$ 32,461.70	
Total Lease Cost (July-Sept)	\$ 95,009.84	\$ 97,385.09
Total Lease Cost (Oct-June)	\$ 292,155.27	\$ -
<b>Total Estimated Lease Cost for FY 2020/21 to FY</b>	<b>\$ 387,165.11</b>	<b>\$ 97,385.09</b>

### Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 2,043.12	\$ 2,043.12
Total Estimated Utility Cost	\$ 24,517.44	\$ 6,129.36

EDA Lease Management Fee - 4.92% \$ 19,048.52 \$ 4,791.35

**TOTAL ESTIMATED COST FOR FY 2020/21 to**  
**FY 2021/22**  
**\$ 430,731.07 \$ 108,305.80**

F11: Cost - Total Cost \$ 1,370,086.27

1 **SEVENTH AMENDMENT TO LEASE**

2 **12125 Day Street, Moreno Valley**

3  
4 **THIS SEVENTH AMENDMENT TO LEASE** ("Seventh Amendment"), dated as  
5 of October 2, 2018, is entered into by and between the **COUNTY OF**  
6 **RIVERSIDE**, a political subdivision of the State of California ("County"), and **CANYON**  
7 **SPRINGS INVESTMENT TRUST**, an irrevocable Trust dated May 5, 2003 ("Lessor"),  
8 collectively referred to as "Parties"

9 **RECITALS**

10 a. Lessor and County have entered into that certain Lease dated May 3,  
11 2005 ("Lease"), pursuant to which Lessor has agreed to lease to County and County  
12 has agreed to lease from Lessor that certain building located at 12125 Day Street,  
13 Suite S101, Moreno Valley, California ("Premises"), as more particularly described in  
14 the Lease.

15 b. The amendments of the Lease are summarized as follows:

16 1. The First Amendment to Lease dated September 27, 2005 by and  
17 between County of Riverside and Canyon Springs Investment Trust to make  
18 improvements to the suite;

19 2. The Second Amendment to Lease dated November 30, 2010 by  
20 and between County of Riverside and Canyon springs Investment Trust to extend the  
21 term of the Lease, reduce the rent and provide annual increases, and amend the  
22 notices provision;

23 3. The Third Amendment to Lease dated March 1, 2011 by and  
24 between County of Riverside and Canyon Springs Investment Trust to add additional  
25 rent, and amend the County's Representative;

26 4. The Fourth Amendment to Lease dated August 28, 2012 by and  
27 between the County of Riverside and Canyon Springs Investment Trust to eliminate the  
28 additional rent;

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1           5.     The Fifth Amendment to Lease dated January 7, 2014 by and  
2 between the County of Riverside and Canyon Springs Investment Trust to expand the  
3 premises with tenant improvement, extend the term, and increase the rent;

4           6.     The Sixth Amendment to Lease dated March 24, 2015 by and  
5 between the County of Riverside and Canyon Springs Investment Trust to expand the  
6 premises with tenant improvement, and increase the rent.

7           7.     The Parties now desire to amend the Lease to extend the term  
8 and update the periodic services to the Premises.

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.     TERM. Section 4 of the Lease is amended by adding the following:

12                     The term of the Lease shall be extended by three (3) years commencing  
13 on October 1, 2018 and expiring on September 30, 2021.

14           2.     PERIODIC SERVICES. Exhibit E-1 is amended by adding the following  
15 services:

16 Lessor shall have the roof serviced and inspected quarterly for preventative  
17 maintenance to ensure proper function. Lessor shall have the Premises serviced and  
18 inspected quarterly for all pests including termites and rodents.

19           3.     RENT. Section 5.1 and 5.2 of the lease shall be amended by adding the  
20 following:

21                     Section 5.1. Effective October 1, 2018 rent shall be \$30,897.51 per  
22 month.

23                     Section 5.2. Rent shall increase by 2.5% on each anniversary date  
24 effective October 1, 2019.

25           4.     SEVENTH AMENDMENT TO PREVAIL.     The provisions of this  
26 Seventh Amendment shall prevail over any inconsistent or conflicting provisions of the  
27 Lease. Any capitalized terms shall have the meaning defined in the Lease, unless  
28 defined herein or the context requires otherwise.

1           5.       MISCELLANEOUS. Except as amended or modified herein, all terms of  
2 the Lease shall remain in full force and effect. Time is of the essence in this Seventh  
3 Amendment and the Lease and each and all of their respective provisions. Subject to  
4 the provisions of the Lease as to assignment, the agreements, conditions and  
5 provisions herein contained shall apply to and bind the heirs, executors, administrators,  
6 successors and assigns of the parties hereto. If any provisions of this Seventh  
7 Amendment shall be determined to be illegal or unenforceable, such determination  
8 shall not affect any other provision of the Lease. The language in all parts of the Lease  
9 shall be construed according to its normal and usual meaning and not strictly for or  
10 against either Lessor or County. Neither this Seventh Amendment nor the Lease shall  
11 be recorded by the County.

12           6.       EFFECTIVE DATE. This Seventh Amendment to Lease shall not be  
13 binding or consummated until its approval by the Riverside County Board of  
14 Supervisors and fully executed by the Parties.

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(Signatures on next page)

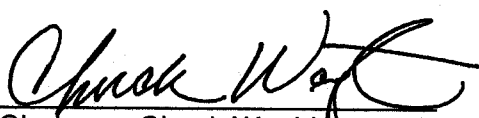
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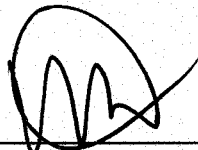
IN WITNESS WHEREOF, the parties have executed this Seventh

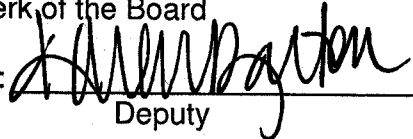
Amendment to Lease as of the date first written above.

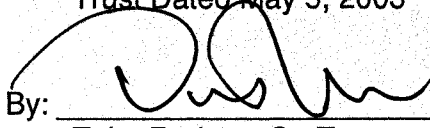
COUNTY:  
COUNTY OF RIVERSIDE,  
A political subdivision of the State  
of California

LESSOR:  
CANYON SPRINGS INVESTMENT  
TRUST

By:   
Chairman Chuck Washington  
Board of Supervisors

By:   
Natasha Radwan Co-Trustee  
Canyon Springs Investment  
Trust Dated May 5, 2003

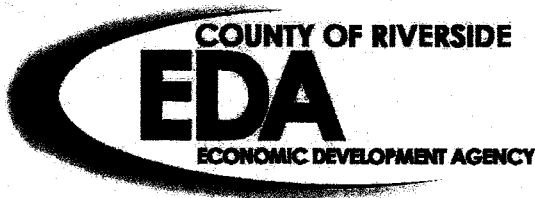
ATTEST:  
Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

By:   
Talat Radwan Co-Trustee  
Canyon Springs Investment  
Trust Dated May 5, 2003

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

By:   
Wesley Stanfield  
Deputy County Counsel

CD:ra/082918/MV050/19.994



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on 10/2/18 kb  
Date Initial

### NOTICE OF EXEMPTION

August 20, 2018

**Project Name:** County of Riverside, Economic Development Agency (EDA) Department of Public Social Services, Seventh Amendment to Lease – 12125 Day Street, Moreno Valley

**Project Number:** FM042462005000

**Project Location:** 12125 Day Street, Suite S101, north of State Route 60, Moreno Valley, California 92557; Assessor's Parcel Numbers (APNs) 291-050-066; (See Attached Exhibit)

**Description of Project:** On May 3, 2005, the County of Riverside (County) entered a lease agreement on behalf of the Department of Public Social Services Public Authority with Canyon Springs Investment Trust to occupy approximately 17,026 square feet of office space in a facility located at 12125 Day Street, Suite S101, Moreno Valley, California. The agreement has been amended six times 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 three years. The Seventh Amendment to the Lease Agreement is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Seventh Amendment to the Lease Agreement consists of a three-year extension term, commencing on Board Approval and terminating on September 30, 2021. The use of the facility by the Department of Public Social Services Public Authority 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 Canyon Springs Investment Trust

**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 possibly 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 Seventh Amendment to the Lease Agreement.

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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, which consists of a three-year extension of term. The use of the facility by the Department of Public Social Services 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 Seventh Amendment to the Lease Agreement is limited a contractual transaction 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: 8/29/18

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 Public Social Services, Seventh Amendment to Lease –  
12125 Day Street, Moreno Valley

Accounting String: 524830-47220-7200400000- FM042462005000

DATE: August 20, 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: 

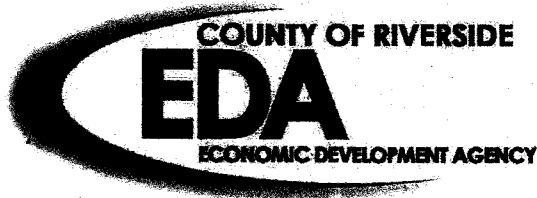
PRESENTED BY: Candice Diaz, Real Property Agent II, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: August 20, 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 # FM042462005000**  
Department of Public Social Services, Seventh Amendment to Lease, Moreno Valley

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 or email at [msullivan@rivco.org](mailto:msullivan@rivco.org).**

Attachment

cc: file