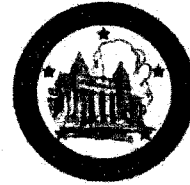


SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.8
(ID # 8207)

MEETING DATE:

Tuesday, January 8, 2019

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA) AND Agricultural Commissioner :

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and Approval of Third Amendment to Lease with Allegretti & Company 81-077 Indio Blvd. Suite K & L, Indio, Agricultural Commissioner, 5 Year Lease Extension, District 4, CEQA Exempt, [\$586,540] State Contracts/Local Fees 80%; General Fund 20%, (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 Third Amendment to Lease between the County of Riverside and Allegretti & Company, 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


Robert Field, Assistant County Executive Officer/ECD

11/29/2018

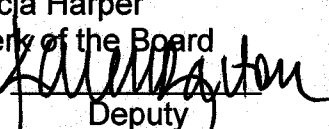

Ruben J. Arroyo, Agricultural Commissioner/Sealer

12/6/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 8, 2019
xc: EDA, Agric. Comm., Recorder

Kecja Harper
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	\$64,661	\$112,676	\$586,540	\$
NET COUNTY COST	\$12,932	\$22,535	\$ 117,308	\$
SOURCE OF FUNDS: State Contracts / Local Fees 80%; General Fund 20%			Budget Adjustment:	No
			For Fiscal Year:	2018/19- 2023/24

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On April 8, 2008 (M.O. 3.9), the Board of Supervisors approved a lease agreement on behalf of the Agricultural Commissioner for office space located at 81-077 Indio Blvd., Suites K & L, in Indio, California. This facility continues to meet the needs and requirements of the Agricultural Commissioner and this Third Amendment to Lease represents a five year renewal. Tenant improvements will be completed at the Landlord's sole cost and expense to replace the existing carpet throughout the space.

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.

Lessor: Allegretti & Company
9300 Oso Avenue, Suite A
Chatsworth, CA 91311

Premises: 81-077 Indio Blvd., Suites K & L
Indio, California

Term: Five years commencing December 1, 2018 and terminating
November 30, 2023

Size: 4,417 square feet

Rent:	Current	New
	\$1.82 per sq. ft.	\$1.88 per sq. ft.
	\$8,057.25 per month	\$8,298.97 per month

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

\$96,687.00 per year \$99,587.63 per year

Rental Adjustment:	Three percent
Utilities:	County pays electricity and telephone, Lessor provides all others
Maintenance:	Provided by Lessor
Custodial:	Provided by Lessor

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

Impact on Residents and Businesses

The Agricultural Commissioner provides various programs, information and assistance to growers in the area, including Annual Crop Report, Master Gardener Programs, Crop Disaster Assistance, and Pest Control Information.

Additional Fiscal Information

See attached Schedules A, B, and C. All associated costs for this Lease will be budgeted in FY18/19-FY23/24 by the Agricultural Commissioner. The Agricultural Commissioner will reimburse the Economic Development Agency (EDA) 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 two times previously for rent adjustments, extensions to the term, and tenant improvements.

<u>Amendment</u>	<u>Date and M.O.</u>
First Amendment	July 13, 2010 (M.O. 3-28)
Second Amendment	March 18, 2014 (M.O. 3-11)


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

Attachments

- Third Amendment to Lease
- Notice of Exemption
- Aerial Map
- Schedules A, B, and C


Terini Danks, Principal Management Analyst

1/2/2019


Gregory V. Priamos, Director County Counsel

12/17/2018

Exhibit A

FY 2018/19
Agricultural Commissioner
81-077 Indio Blvd. Suites K & L, Indio

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	4,417	SQFT		
Approximate Cost per SQFT (July-Nov)	\$	1.82		
Approximate Cost per SQFT (Dec-June)	\$	1.88		
Lease Cost per Month (July-Nov)	\$	8,057.25		
Lease Cost per Month (Dec-June)	\$	8,298.97		
Total Lease Cost (July-Nov)	\$		40,286.25	
Total Lease Cost (Dec-June)	\$		58,092.77	
Total Estimated Lease Cost for FY 2018/19	\$		<u>98,379.02</u>	

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	530.04
Total Estimated Utility Cost (July-Nov)			\$	2,650.20
Total Estimated Utility Cost (Dec-June)			\$	3,710.28
EDA Lease Management Fee- 3.89%			\$	1,567.14
EDA Lease Management Fee - 4.92%			\$	<u>2,858.16</u>
TOTAL ESTIMATED COST FOR FY 2018/19			\$	<u>109,164.80</u>
Amount Previously approved in 2nd Amendment			\$	44,503.59
Amount of FY18/19 for 3rd Amendment			\$	64,661.22
TOTAL COUNTY COST 20%			\$	12,932.24

Exhibit B

FY 2019/20
Agricultural Commissioner
81-077 Indio Blvd. Suites K & L, Indio

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	4,417	SQFT	
Approximate Cost per SQFT (July - Nov)	\$	1.88	
Approximate Cost per SQFT (Dec - June)	\$	1.94	
Lease Cost per Month (July - Nov)	\$	8,298.97	
Lease Cost per Month (Dec - June)	\$	8,547.94	
Total Lease Cost (July - Nov)			\$ 41,494.84
Total Lease Cost (Dec - June)			\$ 59,835.56
Total Estimated Lease Cost for FY 2019/20			<u>\$ 101,330.39</u>

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 530.04	
Total Estimated Utility Cost			\$ 6,360.48
EDA Lease Management Fee - 4.92%			\$ 4,985.46
TOTAL ESTIMATED COST FOR FY 2019/20			<u>\$ 112,676.33</u>
TOTAL COUNTY COST 20%			\$ 22,535.27

Exhibit C

FY 2020/21 to FY 2023/24
Agricultural Commissioner
81-077 Indio Blvd. Suites K & L, Indio

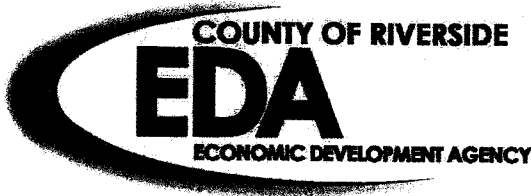
ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 4,417 SQFT

	FY2020/21	FY 2021/22	FY2022/23	FY2023/24
Approximate Cost per SQFT (July - Nov)	\$ 1.94	\$ 1.99	\$ 2.05	\$ 2.11
Approximate Cost per SQFT (Dec - June)	\$ 1.99	\$ 2.05	\$ 2.11	
Lease Cost per Month (July - Nov)	\$ 8,547.94	\$ 8,804.37	\$ 9,068.51	\$ 9,340.57
Lease Cost per Month (Dec - June)	\$ 8,804.37	\$ 9,068.51	\$ 9,340.57	
Total Lease Cost (July - Nov)	\$ 42,739.68	\$ 44,021.87	\$ 45,342.53	\$ 46,702.86
Total Lease Cost (Dec - June)	\$ 61,630.62	\$ 63,479.54	\$ 65,384.00	
Total Estimated Lease Cost for FY 2020/21 to FY 2023/24	\$ 104,370.30	\$ 107,501.41	\$ 110,726.53	\$ 46,702.86
<u>Estimated Additional Costs:</u>				
Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 530.04	\$ 530.04	\$ 530.04	\$ 530.04
Total Estimated Utility Cost	\$ 6,360.48	\$ 6,360.48	\$ 6,360.48	\$ 2,650.20
EDA Lease Management Fee - 4.92%	\$ 5,135.02	\$ 5,289.07	\$ 5,447.75	\$ 2,297.78
TOTAL ESTIMATED COST FOR FY 2020/21 to FY 2023/24	\$ 115,865.80	\$ 119,150.96	\$ 122,534.75	\$ 51,650.84

F11: Cost - Total Cost \$ 586,539.90
F11: Total County Cost \$ 117,307.98



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

1/10/19
Date

Vb
Initial

NOTICE OF EXEMPTION

October 15, 2018

Project Name: County of Riverside, Economic Development Agency (EDA) Agricultural Commissioner, Third Amendment to Lease – 81-077 Indio Boulevard, Indio

Project Number: FM042341007400

Project Location: 81-077 Indio Boulevard, Suites K and L, east of Madison Street, Indio, California 92201; Assessor's Parcel Number (APN) 610-020-027; (See Attached Exhibit)

Description of Project: On April 8, 2008, the County of Riverside (County) entered a lease agreement on behalf of the Agricultural Commissioner's Office with Allegretti & Company to occupy approximately 4,417 square feet of office space in a facility located at 81-077 Indio Boulevard, Suites K and L, Indio, 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 Agricultural Commissioner seeks to extend their lease for an additional five years. The Third Amendment to the Lease Agreement, along with the replacement of carpet, 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 December 1, 2018 and terminating on November 30, 2023. The use of the facility by the Agricultural Commissioner 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 Allegretti & Company, a California Corporation

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 Third Amendment to the Lease Agreement.

JAN 08 2019 3.8

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

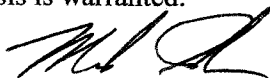
Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

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 of an existing facility, which consists of a five-year extension of term and minor tenant improvements which include the replacement of carpet. The use of the facility by the Agricultural Commissioner 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 carpeting 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: _____

10/15/18

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Agricultural Commssioner, Third Amendment to Lease – 81-077 Indio
Boulevard, Indio

Accounting String: 524830-47220-7200400000- FM042341007400

DATE: October 15, 2018

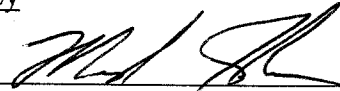
AGENCY: Riverside County Economic Development Agency

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

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____



Date: October 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 FM042341007400**
Agricultural Commissioner, Third Amendment to Lease, Indio

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 or email at msullivan@rivco.org.

Attachment

cc: file

1 **THIRD AMENDMENT TO LEASE**

2 **81077 Indio Blvd., Suites K & L, Indio California**

3 **THIS THIRD AMENDMENT TO LEASE** ("Third Amendment"), dated as of
4 January 8, 201~~8~~⁹, is entered into by and between the **COUNTY OF**
5 **RIVERSIDE** ("County"), a political subdivision of the State of California, and
6 **ALLEGRETTI & COMPANY** ("Lessor"), a California corporation, collectively referred to
7 as "Parties."

8 **RECITALS**

9 Madison Commerce Center, LLC ("Original Lessor") and County entered into
10 that certain Lease ("Lease") dated April 8, 2008, pursuant to which Lessor has agreed
11 to lease to County and County has agreed to lease from Lessor a portion (Suites K &
12 L) of that certain building located at 81-077 Indio Blvd., Indio, California, as more
13 particularly described in the Lease.

14 a. The amendments to the Lease are summarized as follows:

15 1. The First Amendment to Lease, dated July 13, 2010, by and
16 between the County and Spectra Novae, LTD., ("Spectra"), successor-in-interest to
17 Madison Commerce Center, LLC, whereby the County and Spectra agreed to reduce
18 the rent and update the notice section of the Lease.

19 2. The Second Amendment to Lease, dated March 18, 2014, by and
20 between the County and Spectra, whereby County and Spectra agreed to extend the
21 term, modify the rent, and install secured parking.

22 b. Allegretti & Company, a California corporation, the successor-in-interest
23 to Spectra, is now the "Lessor" under the Lease.

24 c. The Parties now desire to amend the Lease to extend the term, adjust the
25 rent, and provide for tenant improvements.

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

1 1. **TERM.** Section 4.1 of the Lease is hereby amended by the
2 following:

3 The term of the lease shall be extended sixty (60) months commencing
4 on December 1, 2018, and shall expire on November 30, 2023.

5 2. **RENT.** Section 5.1 of the Lease is hereby amended by the
6 following:

7 Effective December 1, 2018, the monthly rent shall be \$8,298.97 per
8 month. The monthly rent shall be increased on each anniversary of the Lease by an
9 amount equal to three percent (3%) of such monthly rental.

10 3. **IMPROVEMENTS BY LESSOR.** Section 11 of the Lease is
11 hereby amended by adding the following subsection 11.1.9:

12 11.1.9 At Lessors sole cost and expense, Lessor agrees to replace
13 existing carpet with new carpet in accordance with the attached Exhibit "F", which will
14 include costs for moving furniture owned by the County. Personal property other than
15 furniture will be removed by County for the duration of the installation of the new
16 carpet. The installation will not be performed until after June 30, 2019.

17 4. **THIRD AMENDMENT TO PREVAIL.** The provisions of this Third
18 Amendment shall prevail over any inconsistent or conflicting provisions of the Lease.
19 Any capitalized terms shall have the meaning defined in the Lease, unless defined
20 herein or the context requires otherwise.

21 5. **MISCELLANEOUS.** Except as amended or modified herein, all
22 terms of the Lease shall remain in full force and effect. Time is of the essence in this
23 Third Amendment and the Lease and each and all of their respective provisions.
24 Subject to the provisions of the Lease as to assignment, the agreements, conditions
25 and provisions herein contained shall apply to and bind the heirs, executors,
26 administrators, successors and assigns of the parties hereto. If any provisions of this
27 Third Amendment shall be determined to be illegal or unenforceable, such
28 determination shall not affect any other provision of the Lease. The language in all

1 parts of the Lease shall be construed according to its normal and usual meaning and
2 not strictly for or against either Lessor or County. Neither this Third Amendment nor
3 the Lease shall be recorded by the County.

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

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10 (Signatures on the following Page)
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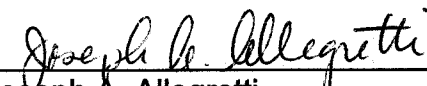
Jan MGR

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


3
4 LESSEE:
5 COUNTY OF RIVERSIDE,
6 a political subdivision of the
7 State of California

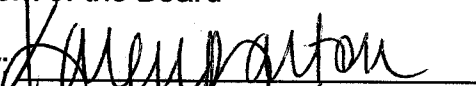
LESSOR:
ALLEGRETTI & COMPANY,
a California Corporation

8 By: 
9 Chairman **KEVIN JEFFRIES**
10 Board of Supervisors


By: 
Joseph A. Allegretti
President

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

By: 
Michael J. Allegretti
Secretary

14 By: 
15 Deputy

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

By: 
19 Thomas Oh
20 Deputy County Counsel
21
22
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27 CD:jb/103118/IN074/20.201
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