

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



ITEM  
3.14  
(ID # 8220)

MEETING DATE:

Tuesday, February 5, 2019

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA) AND COOPERATIVE EXTENSION :

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and Approval of Fifth Amendment to Lease with Allegretti & Company, 81-077 Indio Blvd. Suite H, I & J, Indio, Cooperative Extension, 5 Year Lease Extension, District 4, CEQA Exempt, [\$737,671] General Fund - Department Budget 100%, (Clerk of the Board 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 Fifth 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 11/27/2018

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, 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: February 5, 2019  
xc: EDA, Recorder

Kecia Harper  
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>	\$ 86,062	\$ 147,534	\$ 737,671	\$ 0
<b>NET COUNTY COST</b>	\$ 86,062	\$ 147,534	\$ 737,671	\$0
<b>SOURCE OF FUNDS:</b> General Fund – Department Budget 100%			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 2018/19 - 2023/24	

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

**BACKGROUND:**

**Summary**

On April 8, 2008 (M.O. 3-10), the Board of Supervisors approved a lease agreement on behalf of the Cooperative Extension for office space located at 81-077 Indio Blvd., Suites H, I & J, in Indio. This facility continues to meet the needs and requirements of Cooperative Extension and this Fifth Amendment to Lease represents a five year renewal. There are no annual rental increases in the new five (5) year extended lease term.

Pursuant to the California Environmental Quality Act (CEQA), the Fifth 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 Fifth 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 H, I & J  
Indio, California

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

Size: 5,760 square feet

Rent:	Current	New
	\$1.82 per sq. ft.	\$1.92 per sq. ft.
	\$10,507.09 per month	\$11,059.20 per month
	\$126,085.08 per year	\$132,710.40 per year

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

Utilities: County pays electricity and telephone, Lessor provides all others

Maintenance: Provided by Lessor

Custodial: Provided by Lessor

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

**Impact on Residents and Businesses**

Cooperative Extension provides valuable training and consulting for growers in the area.

**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 Cooperative Extension. Cooperative Extension 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 structure is deemed competitive based upon the current market.

The Lease has been amended four 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. 3-29)
Second Amendment	June 14, 2011 (M.O. 3-24)
Third Amendment	November 15, 2011 (M.O. 3-7)
Fourth Amendment	March 25, 2014 (M.O. 3-5)

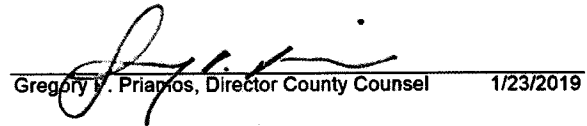
**Attachments**

Fifth Amendment to Lease  
Notice of Exemption  
Aerial Image  
Exhibits A, B, & C

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

RF:HM:VY:CD:ra 20.209 13923  
MinuteTrak 8220

  
Rohini Dasika, Principal Management Analyst 1/29/2019

  
Gregory V. Priamos, Director County Counsel 1/23/2019

# Exhibit A

**FY 2018/19**  
**Cooperative Extension**  
**81-077 Indio Blvd. Suites H, I, & J, Indio**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office:	5,760	SQFT		
Approximate Cost per SQFT (July-Nov)	\$	1.82		
Approximate Cost per SQFT (Dec-June)	\$	1.92		
Lease Cost per Month (July-Nov)			\$	10,507.09
Lease Cost per Month (Dec-June)			\$	11,059.20
Total Lease Cost (July-Nov)			\$	52,535.45
Total Lease Cost (Dec-June)			\$	77,414.40
Total Estimated Lease Cost for FY 2018/19			\$	<u>129,949.85</u>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	691.20
Total Estimated Utility Cost (July-Nov)			\$	3,456.00
Total Estimated Utility Cost (Dec -June)			\$	4,838.40
EDA Lease Management Fee - 4.12%			\$	2,164.46
EDA Lease Management Fee - 4.92%			\$	<u>3,808.79</u>
TOTAL ESTIMATED COST FOR FY 2018/19			\$	<u>144,217.50</u>
Amount Previously approved in 4th Amendment			\$	58,155.91
Amount of FY18/19 for 5th Amendment			\$	86,061.59
TOTAL COUNTY COST 100%			\$	86,061.59

## Exhibit B

**FY 2019/20**  
**Cooperative Extension**  
**81-077 Indio Blvd. Suites H, I, & J, Indio**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office:	5,760	SQFT	
Approximate Cost per SQFT (July - Nov)	\$	1.92	
Approximate Cost per SQFT (Dec - June)	\$	1.92	
Lease Cost per Month (July - Nov)	\$	11,059.20	
Lease Cost per Month (Dec - June)	\$	11,059.20	
Total Lease Cost (July - Nov)			\$ 55,296.00
Total Lease Cost (Dec - June)			\$ 77,414.40
<b>Total Estimated Lease Cost for FY 2019/20</b>			<b>\$ 132,710.40</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$ 691.20	
Total Estimated Utility Cost			\$ 8,294.40
EDA Lease Management Fee - 4.92%			\$ 6,529.35
<b>TOTAL ESTIMATED COST FOR FY 2019/20</b>			<b>\$ 147,534.15</b>
<b>TOTAL COUNTY COST 100%</b>			<b>\$ 147,534.15</b>

# Exhibit C

**FY 2020/21 to FY 2023/24**  
**Cooperative Extension**  
**81-077 Indio Blvd. Suites H, I, & J, Indio**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 5,760 SQFT

	FY2020/21	FY 2021/22	FY2022/23	FY2023/24
Approximate Cost per SQFT (July - Nov)	\$ 1.92	\$ 1.92	\$ 1.92	\$ 1.92
Approximate Cost per SQFT (Dec - June)	\$ 1.92	\$ 1.92	\$ 1.92	
Lease Cost per Month (July - Nov)	\$ 11,059.20	\$ 11,059.20	\$ 11,059.20	\$ 11,059.20
Lease Cost per Month (Dec - June)	\$ 11,059.20	\$ 11,059.20	\$ 11,059.20	
Total Lease Cost (July - Nov)	\$ 55,296.00	\$ 55,296.00	\$ 55,296.00	\$ 55,296.00
Total Lease Cost (Dec - June)	\$ 77,414.40	\$ 77,414.40	\$ 77,414.40	
<b>Total Estimated Lease Cost for FY 2020/21 to FY 2023/24</b>	<b>\$ 132,710.40</b>	<b>\$ 132,710.40</b>	<b>\$ 132,710.40</b>	<b>\$ 55,296.00</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 691.20	\$ 691.20	\$ 691.20	\$ 691.20
Total Estimated Utility Cost	\$ 8,294.40	\$ 8,294.40	\$ 8,294.40	\$ 3,456.00

EDA Lease Management Fee - 4.92%	\$ 6,529.35	\$ 6,529.35	\$ 6,529.35	\$ 2,720.56
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<b>TOTAL ESTIMATED COST FOR FY 2020/21 to FY 2023/24</b>	<b>\$ 147,534.15</b>	<b>\$ 147,534.15</b>	<b>\$ 147,534.15</b>	<b>\$ 61,472.56</b>
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F11: Cost - Total Cost \$ 737,670.76  
F11 Total County Cost \$ 737,670.76

1 **FIFTH AMENDMENT TO LEASE**

2 **81077 Indio Blvd, Suites H, I, & J, Indio, California**

3  
4 **THIS FIFTH AMENDMENT TO LEASE** ("Fifth Amendment"), dated as of  
5 February 5, 2019, is entered into by and between the **COUNTY OF**  
6 **RIVERSIDE** ("County"), a political subdivision of the State of California, and  
7 **ALLEGRETTI & COMPANY** ("Lessor"), a California corporation, collectively referred to  
8 as "Parties."

9 **RECITALS**

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

16 b. The amendments to the Lease are summarized as follows:

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

21 2. The Second Amendment to Lease dated June 14, 2011, by and  
22 between the County and Spectra, whereby the County and Spectra agreed to reduce  
23 the rent and modify the custodial services.

24 3. The Third Amendment to Lease dated November 15, 2011, by and  
25 between the County and Spectra, whereby the County and Spectra agreed to modify  
26 the rent and custodial services provisions.



1           4.     The Fourth Amendment to Lease dated March 25, 2014, by and  
2 between the County and Spectra, whereby the County and Spectra agreed to extend  
3 the term, modify the rent, install secured parking, and replace the carpet.

4           c.     Allegretti & Company, a California corporation, the successor-in-interest  
5 to Spectra, is now the "Lessor" under the Lease.

6           d.     The Parties now desire to amend the Lease to extend the term, and  
7 modify the rent.

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

10           1.     TERM. Section 4.1 of the Lease is hereby amended as follows:  
11 The term of the Lease shall be extended sixty (60) months, commencing on December  
12 1, 2018 and expiring on November 30, 2023.

13           2.     EXTENSION OPTIONS. Section 6.1 of the Lease is hereby  
14 deleted in its entirety and replaced with the following:

15                   6.1 [Intentionally Omitted]

16           3.     RENT. Section 5.1 of the Lease is hereby amended as follows:  
17 Effective December 1, 2018, the monthly rent shall be \$11,059.20 per month.

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

22           5.     MISCELLANEOUS. Except as amended or modified herein, all  
23 terms of the Lease shall remain in full force and effect. Time is of the essence in this  
24 Fifth Amendment and the Lease and each and all of their respective provisions.  
25 Subject to the provisions of the Lease as to assignment, the agreements, conditions  
26 and provisions herein contained shall apply to and bind the heirs, executors,  
27 administrators, successors and assigns of the parties hereto. If any provisions of this  
28 Fifth Amendment shall be determined to be illegal or unenforceable, such

1 determination shall not affect any other provision of the Lease. The language in all  
2 parts of the Lease shall be construed according to its normal and usual meaning and  
3 not strictly for or against either Lessor or County. Neither this Fifth Amendment nor the  
4 Lease shall be recorded by the County.

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


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11 (Signatures on the following Page)  
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1 IN WITNESS WHEREOF, the Parties have executed this Fifth  
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

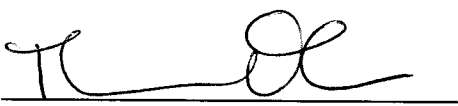
By:   
Joseph A. Allegretti  
President

11 ATTEST:  
12 Kecia Harper ~~them~~  
13 Clerk of the Board

By:   
Michael J. Allegretti  
Secretary

14 By:   
Deputy

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

18 By:   
19 Thomas Oh  
20 Deputy County Counsel

21  
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23  
24  
25  
26  
27 CD:jb/103118/IN076/20.202  
28



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

2/6/19  
Date

Vb  
Initial

## NOTICE OF EXEMPTION

January 22, 2019

**Project Name:** County of Riverside, Economic Development Agency (EDA) Cooperative Extension, Fifth Amendment to Lease – 81-077 Indio Boulevard, Indio

**Project Number:** FM042341007600

**Project Location:** 81-077 Indio Boulevard, Suites H, I, & K, east of Madison Street, Indio, California 92201; Assessor's Parcel Number (APNs) 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 Cooperative Extension with Madison Commerce Center, LLC to occupy approximately 5,760 square feet of office space in a building located at 81-077 Indio Boulevard, Suites H, I, and K, Indio, California. The agreement has been amended four times previously for rent adjustments, extension of term, minor tenant improvements, and for change in ownership with Spectra Novae LTD, as the successor-in-interest to Madison Commerce Center, LLC, and Allegretti & Company, a California Corporation, as the successor-in-interest to Spectra Novae LTD. The current space continues to meet departmental needs and the Cooperative Extension seeks to extend their lease for an additional five years. The Fifth Amendment to the Lease Agreement, is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Fifth Amendment to the Lease Agreement consists of a five-year extension term, commencing on December 1, 2018 and terminating on November 30, 2023. The use of the facility by the Cooperative Extension 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 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 Fifth Amendment to the Lease Agreement.

FEB 05 2019 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

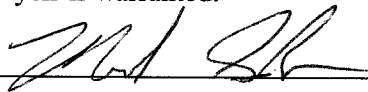
Economic Development  
Edward-Dean Museum  
Environmental Planning  
Fair & National Date Festival  
Foreign Trade  
Graffiti Abatement

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, which consists of a five-year extension of term. The use of the facility by the Cooperative Extension 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 Fifth 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: \_\_\_\_\_

1/22/19

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

Project Name: Cooperative Extension, Fifth Amendment to Lease – 81—077 Indio Boulevard, Indio

Accounting String: 524830-47220-7200400000- FM042341007600

DATE: October 15, 2018

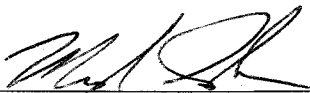
AGENCY: Riverside County Economic Development Agency

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: \_\_\_\_\_



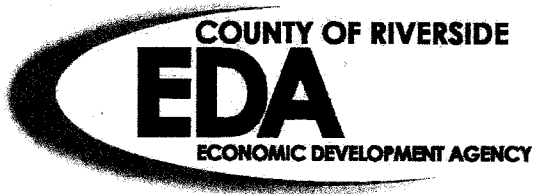
PRESENTED BY: Candice Diaz, Real Property Agent II, Economic Development Agency

-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 # FM042341007600**  
Cooperative Extension, Fifth 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 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