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



ITEM 3.2 (ID # 8596)

MEETING DATE:

Tuesday, March 26, 2019

FROM: ECONOMIC DEVELOPMENT AGENCY (EDA) AND Human Resources:

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and Approval of Fifth Amendment to Lease with Riverside Mission Lakes Center, LLC, 3600 Lime Street, Riverside, Human Resources (HR), 5-Year Lease Extension, District 2, CEQA Exempt, [\$779,856] 100% Internal Service Fund, (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 Fifth Amendment to Lease between the County of Riverside and Riverside Mission Lake Center, 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 five (5) days of approval by the Board.

1/15/2019 Brenda Diederichs Assistant CENTUL Brenderichs

ACTION:Policy

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Hewitt, seconded by Supervisor Jeffries 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:

March 26, 2019

EDA, HR, Recorder

Kecia Harper

Deputy 7

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost		
COST	\$78,318	\$148,090	\$779,856	\$		
NET COUNTY COST	\$0	\$0	\$0	\$		
SOURCE OF FUNDS	Budget Adj	ustment: No				
			For Fiscal \(2023/24 \)	/ear: 2018/19-		

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 15, 2005, the County of Riverside ("County") entered into a lease agreement on behalf of the Human Resources ("HR") Department for the facility located at 3600 Lime Street, Suites 314, 315, 316, 715, 716, Riverside, California. This facility continues to meet the needs and requirements of the HR Department and this Fifth Amendment to Lease represents a sixtymonth extension. The Lessor has also agreed to provide requested improvements to the space which includes installation of additional insulation of the interior walls of the outer office areas at the County's sole cost and expense.

Lessor:

Riverside Mission Lake Center, LLC

11693 San Vicente Blvd, #331 Los Angeles, California 90049

Premises:

3600 Lime Street, Suites 314, 315, 316, 715, 716

Riverside, California 92501

Term:

Extending an additional five years commencing January 1, 2019

and expiring December 31, 2023.

Option:

One (1) option to extend the Lease term by five (5) years with 180

days prior written notice to Lessor

Size:

5,943 square feet

Rent:

Current

New

\$2.03 per sq. ft.

\$1.95 per sq. ft.

\$12,046.56 per month

\$11,588.85 per month

\$144,558.72 per year

\$139,066.20 per year

Rental Adjustment:

2.99% annually

Utilities:

Provided by Landlord

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Maintenance:

Provided by Landlord

Custodial:

Provided by Landlord

Tenant Improvements:

Lessor to install additional insulation in interior walls of outer office

areas in the amount of approximately \$5,364.00, to be reimbursed

by County

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

Impact on Residents and Businesses

Employee Assistance Services and the Exclusive Care Wellness Program occupy this facility which is located in the downtown business district. In addition to providing health and wellness programs to Riverside County employees, the occupancy of this building provides a positive economic impact for the residents and businesses of the area. County employees who work in this facility frequent downtown businesses and help to sustain local business which equates to revenue and jobs for the local economy and its residents.

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 HR. HR 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 four times previously for rent adjustments, extensions to the term, and tenant improvements.

<u>Amendment</u>

Date and M.O.

First Amendment

May 6, 2008 (M.O. 3-10)

Second Amendment
Third Amendment

February 8, 2011 (M.O. 3-20) September 13, 2011 (M.O. 3-46)

Fourth Amendment

July 15, 2014 (M.O. 3-23)

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Attachments

- Fifth Amendment to Lease
- Notice of Exemption
- Aerial Map
- Exhibits A, B, and C

RF:HM:VY:CD:mc RV083 20.392 13951 MinuteTrak 8596

Refini dayra, Principal Hamabement Arraiyst 3/18/2019

ory V. Priamos, Director County Counsel 3/13/2019

Exhibit A

FY 2018/19

Human Resources

3600 Lime Street, Suites 314, 315, 316, 715, & 716, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	5,943 SQFT	
Approximate Cost per SQFT (Jul-Dec) Approximate Cost per SQFT (Jan-Jun)	\$ 2.03 \$ 1.95	
Lease Cost per Month (Jul-Dec)	\$ 12,046.56	
Lease Cost per Month (Jan-Jun)	\$ 11,588.85	
Total Lease Cost (Jul-Dec) Total Lease Cost (Jan-Jun)		\$ 72,279.36 \$ 69,533.10
Total Estimated Lease Cost for FY 2018/19		\$ 141,812.46
Estimated Additional Costs:		
Tenant Improvement		\$ 5,364.00
EDA Lease Management Fee prior to 01/01/2019	3.89%	\$ 2,811.67
EDA Lease Management Fee as of 01/01/2019	4.92%	\$ 3,421.03
TOTAL ESTIMATED COST FOR FY 2018/19		\$ 153,409.16
Amount Previously Approved in Prior Agreement Amount in FY 2018/19 for New Amendment		\$ 75,091.03 \$ 78,318.13
TOTAL COUNTY COST	0%	\$ -

Exhibit B

FY 2019/20

Human Resources

3600 Lime Street, Suites 314, 315, 316, 715, & 716, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	5,943 SQFT	
Approximate Cost per SQFT (Jul-Dec)	\$ 1.95	
Approximate Cost per SQFT (Jan-Jun)	\$ 2.01	
Lease Cost per Month (Jul-Dec)	\$ 11,588.85	
Lease Cost per Month (Jan-Jun)	\$ 11,935.36	
Total Lease Cost (Jul-Dec)		\$ 69,533.10
Total Lease Cost (Jan-Jun)		\$ 71,612.16
Total Estimated Lease Cost for FY 2019/20		\$ 141,145.26
Estimated Additional Costs:		
EDA Lease Management Fee as of 01/01/2019	4.92%	\$ 6,944.35
TOTAL ESTIMATED COST FOR FY 2019/20	,	\$ 148,089.61
TOTAL COUNTY COST	0%	\$ -

Exhibit C

FY 2020/21 to 2023/24

Human Resources

3600 Lime Street, Suites 314, 315, 316, 715, & 716, Riverside

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

5,943 SQFT

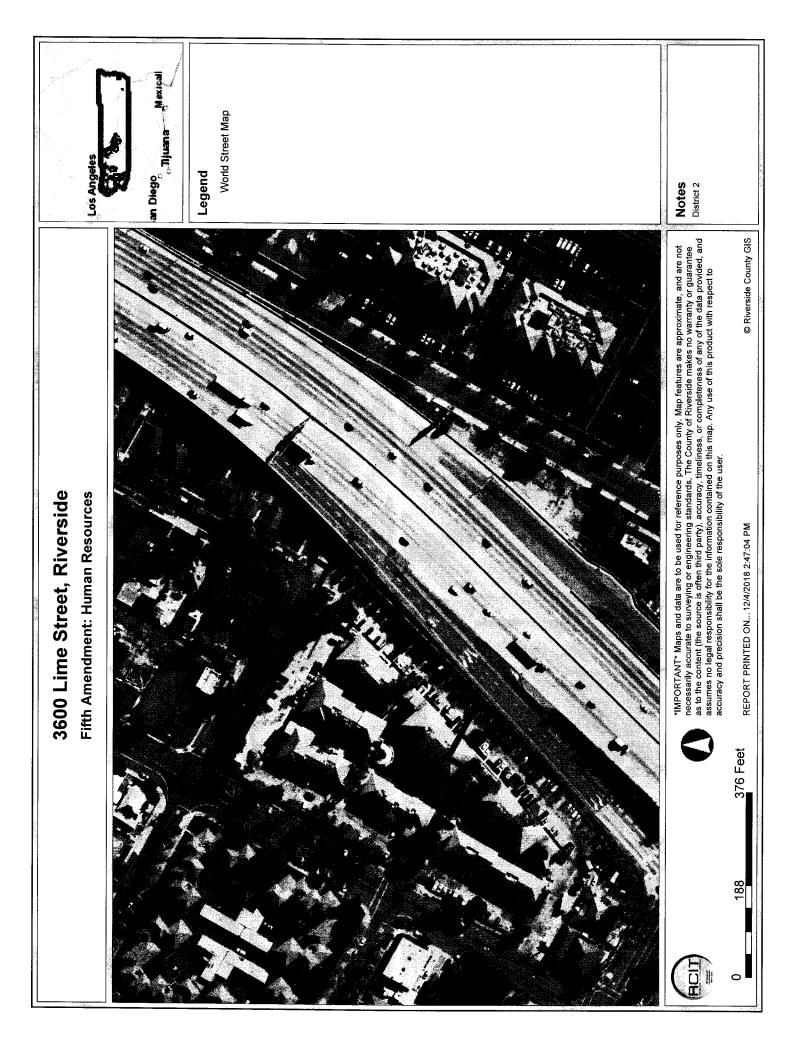
	FY 2020/21	FY 2021/22		FY 2022/23	FY 2023/24
Approximate Cost per SQFT (Jul-Dec)	\$ 2.01	\$ 2.07	\$	2.13	\$ 2.19
Approximate Cost per SQFT (Jan-Jun)	\$ 2.07	\$ 2.13	•		
Lease Cost per Month (Jul-Dec)	\$ 11,935,36	\$ 12,292.23	\$	12.659.77	\$ 13,038,30
Lease Cost per Month (Jan-Jun)	\$ 12,292.23	\$ 12,659.77		13,038.30	 10,000.00
Total Lease Cost (July - Nov)	\$ 71,612,16	\$ 73,753.38	\$	75,958.62	\$ 78,229.80
Total Lease Cost (Dec - June)	\$ 73,753.38	\$ 75,958.62		78,229.80	 10,220.00
Total Estimated Lease Cost for FY 2020/21 to 2023/24	\$ 145,365.54	\$ 149,712.00	\$	154,188.42	\$ 78,229.80
Estimated Additional Costs:					
EDA Lease Management Fee as of 01/01/2019 4.92%	\$ 7,151.98	\$ 7,365.83	\$	7,586.07	\$ 3,848.91
TOTAL ESTIMATED COST FOR FY 2020/21 to 2023/24	\$ 152,517.52	\$ 157,077.83	\$	161,774.49	\$ 82,078.71

F11 Total Cost

\$ 779,856.29

F11 Total County Cost

0% \$



FIFTH AMENDMENT TO LEASE

THIS FIFTH AMENDMENT TO LEASE ("Fifth Amendment"), dated as of Much 26, 2019, is entered into by and between the COUNTY OF RIVERSIDE ("County"), a political subdivision of the State of California, and Riverside Mission Lake Center, LLC, a California limited liability company ("Lessor"), collectively referred to as "Parties".

RECITALS

- a. County is a party to that certain lease with Lessor, successor-in-interest to M.P. Property Partners, LLC and Greenleaf Whittier LLC who were successors-in-interest to the original lessor, AG/HP Touchstone Lake, LLC, dated March 15, 2005, ("Original Lease"), pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor a portion (Suites 314, 315, 316, 715, and 716) ("Premises") of that certain building located at 3600 Lime Street, Riverside, California, as more particularly described in the Lease. For purposes of this Fifth Amendment, the Original Lease together with any amendments thereto are collectively referred to herein as the "Lease."
 - b. The amendments of the Lease are summarized as follows:
- 1. The First Amendment to Lease, dated May 6, 2008, by and between the County and M.P. Property Partners LLC, and Greenleaf Whittier, LLC, whereby the parties thereto agreed to extend the term, add an option to extend the Lease for a year, and modify the rent.
- 2. The Second Amendment to Lease, dated February 8, 2011, by and between the County and M.P. Property Partners, LLC and Greenleaf Whittier LLC, whereby the parties thereto agreed to modify the leased premises, extend the term, modify the rent, update the notice section of the Lease, and provide for tenant improvements.

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- 3. The Third Amendment to Lease, dated September 13, 2011, by and between the County and M.P. Property Partners, LLC and Greenleaf Whittier, LLC, whereby the parties thereto agreed to modify the leased premises, modify the rent, and provide for tenant improvements.
- 4. The Fourth Amendment to Lease, dated July 15, 2014, by and between the County and M.P. Property Partners, LLC and Greenleaf Whittier, LLC, whereby the parties thereto agreed to modify the Premises, extend the term, and provide for tenant improvements.
- c. The Parties now desire to amend the Lease to extend the term, modify the rent, add termination language, and improve the Premises.

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

1. **TERM**. Section 3 (a) of the Lease is hereby amended by the following:

The term of the Lease shall be extended sixty (60) months commencing on January 1, 2019, and expiring on December 31, 2023.

2. **TENANT IMPROVEMENTS.** At County's sole costs and expense, Lessor shall install additional insulation in the interior walls of the outer office areas, as highlighted in Exhibit "A", attached hereto and incorporated herein by reference, and patch and paint said walls to match existing paint color. Lessor shall perform said work in accordance with the description set forth in Exhibit "B", attached hereto and incorporated herein by reference.

At Lessors sole costs and expense, Lessor shall touch up Suites 715 & 716 of the Premises with paint to match the existing paint color where designated by the County.

3. **RENT**. Section 4 of the Lease is hereby amended by the following: Effective January 1, 2019, the monthly rent shall be eleven thousand five hundred eighty eight dollars and eighty-five cents (\$11,588.85). The monthly rent shall be

increased on each anniversary of the Lease by an amount equal to 2.99% of such monthly rent.

4. **OPTION TO EXTEND**. Section 3 (c) of the Lease is hereby amended by the following:

County shall have one (1) option to extend the term of the Lease for five (5) years with 2.99% annual increases to the monthly rent on the anniversary date. County shall give Lessor one hundred and eighty (180) days prior written notice to exercise the option to extend the Lease term.

5. **LEASED PREMISES**. Section 1 of the Lease is amended by the following:

County shall have the option to vacate suites 715 & 716, comprised of 3,178 square feet, after January 1, 2021, with ninety (90) days prior written notice. Upon vacation of said suites, the rent will be reduced to reflect the change in square footage.

- 6. **USE**. Section 2 of the Lease is hereby amended by the following: Lessor shall provide County with _Twelve_ (12) copies of keys for all restrooms on the ground floor of Building 3, as shown in Exhibit "C", attached hereto and incorporated herein by reference. Lessor shall not provide any third party, including other tenants not located on the ground floor of Building 3 of the property on which the Premises is located, with keys to said restrooms.
- 7. **FIFTH AMENDMENT TO PREVAIL**. The provisions of this Fifth Amendment shall prevail over any inconsistent or conflicting provisions of the Lease. Any capitalized terms shall have the meaning defined in the Lease, unless defined herein or the context requires otherwise.
- 8. **MISCELLANEOUS**. Except as amended or modified herein, all terms of the Lease shall remain in full force and effect. Time is of the essence in this Fifth Amendment and the Lease and each and all of their respective provisions. Subject to the provisions of the Lease as to assignment, the agreements, conditions

and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the Parties hereto. If any provisions of this Fifth Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease or this Fifth Amendment. The language in all parts of the Lease shall be construed according to its normal and usual meaning and not strictly for or against either Lessor or County. Neither this Fifth Amendment nor the Lease shall be recorded by the County.

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

(Signatures on following page)

1	IN WITNESS WHEREOF, the Parties have executed this Fifth				
2	Amendment to Lease as of the date first written above.				
3	COUNTY: LESSOR:				
4	COUNTY OF RIVERSIDE RIVERSIDE MISSION LAKE CENTER,				
5	a political subdivision of the LLC, a California limited liability State of California company				
6					
7	- Alada				
8	By: By: David Zaslow				
9	Board of Supervisors				
10					
11					
12	ATTEST: Kecia Harper- Ihom-				
13	Clerk of the Board				
14	La comparta				
15	By: () () () () () () () () () () () () ()				
16					
17	APPROVED AS TO FORM:				
18	Gregory P Priamos, County Counsel				
19	By:				
20	Westy w. 3th Fold				
21	Deputy County Counsel				
22					
23					
24					
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26					
27	CD:tg/012819/RV083/20.274				

CD:tg/012819/RV083/20.274

28

Exhibit "A"

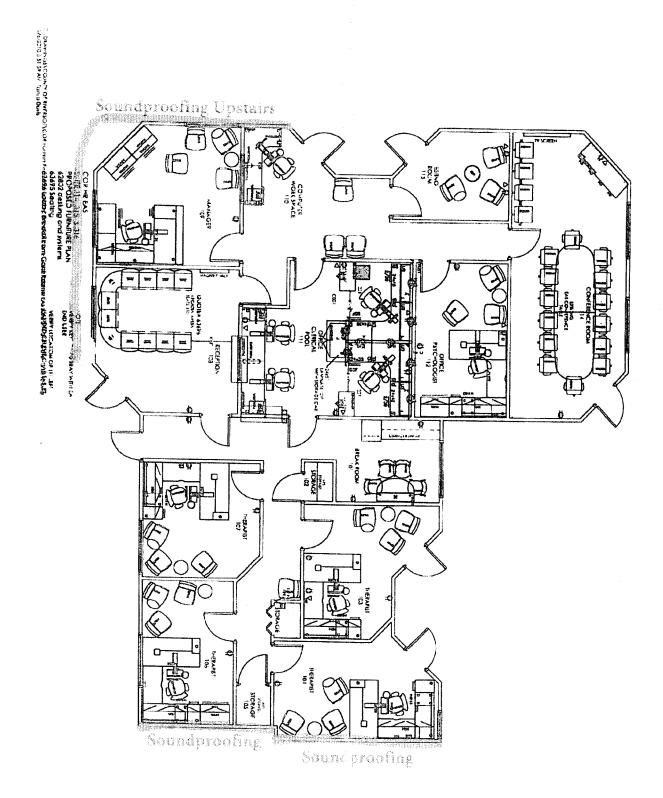


Exhibit "B"

TLH MAINTENANCE INC 387 MAGNOLIA AVE SU. 103-123 CORONA, CA. 92879 LIC#1006951

Date 16/25/2018

Ŧφ

Mission Lakes ATTN: LISA HOOD 3600 Lime St. #314 Riverside, Ca

Salesperson

Job Su. 314

Payment Terms

Due Date

Qty

Description

Unit Price

Line Total

Cut out 24" belly band in center of 2 walls, install insulation in walls, patch back band prep for paint. Paint 2 walls to match existing. Install insulation in ceiling 24" on each side of walls for sound.

3644.00

Move furniture for repairs, move furniture back into place.

720.00

Work will take 1 weekend / Work done after hours
CUSTOMER IS RESPONSIBLE TO BOX AND REMOVE, ALL ITEMS
FROM DESK'S AND SHELVES FOR FURNITURE MOVE.

SUB TOTAL

4364.00

SUPERVISION/INSURANCE

500.00

CONTRACTOR FEE

500.00

GRAND TOTAL

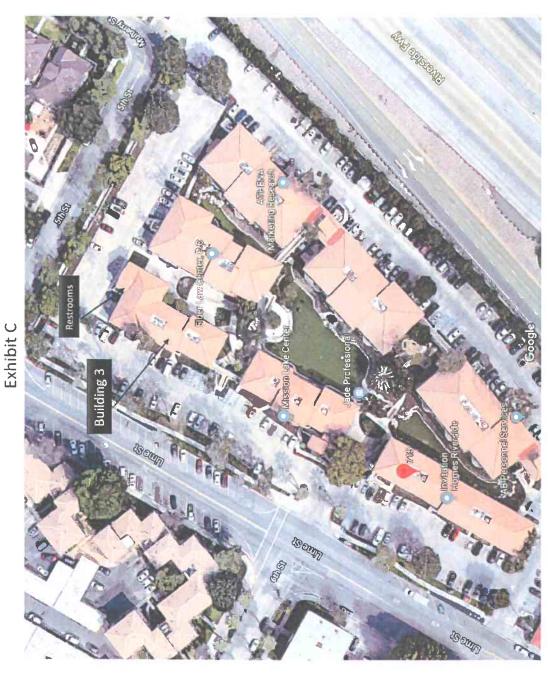
5364.00

NO PERMITS/DRAWINGS FEE'S ARE INCLUDED, ALL WORK TO CODE

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

3/28/19

A) Initial

NOTICE OF EXEMPTION

December 7, 2018

Project Name: County of Riverside, Economic Development Agency (EDA) Human Resources Department, Fifth

Amendment to Lease – 3600 Lime Street, Riverside

Project Number: FM042611008300

Project Location: 3600 Lime Street, Suites 314, 315, 316, 715, 716, north of Mission Inn Avenue, Riverside, California

92501; Assessor's Parcel Number 213-340-011; (See Attached Exhibit)

Description of Project: On March 15, 2005, the County of Riverside (County) entered a lease agreement with Riverside Mission Lake Center, LLC on behalf of the Human Resources Department to occupy 5,943 square feet of office space, located in Suites 314, 315, 316, 715, and 716 at 3600 Lime Street in Riverside. The lease has been amended four times previously for extensions of term, rent modifications, tenant improvements and a transfer in interest to Valley View Commerce Center, LLC. The current space continues to meet departmental needs and the Department seeks to extend their lease for an additional five-year term. 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 and will commence on January 1, 2019. The use of the facility by Human Resources 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 Riverside Mission Lake Center, 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 Fifth Amendment to the Lease Agreement.

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org

- 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 use of the facility by the Human Resources Department 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 indirect effects would be limited to existing use of an office building. The Lease Agreement will not result in any direct or indirect physical environmental impacts. 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 CEOA 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: ___ /2/7/19

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

RIVERSIDE COUNTY CLERK & RECORDER

AUTHORIZATION TO BILL BY JOURNAL VOUCHER

Project Name:	Human Resources Department, Fifth Amendment to Lease – 3600 Lime Street, Riverside				
Accounting String:	524830-47220-7200400000- FM042611008300				
DATE:	December 7, 2018				
AGENCY:	Riverside County Economic Development Agency				
THIS AUTHORIZES HANDLING FEES F	THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND OR THE ACCOMPANYING DOCUMENT(S).				
NUMBER OF DOCU	JMENTS INCLUDED: One (1)				
AUTHORIZED BY:	Mike Sullivan, Senior Environmental Planner, Economic Development				
Signature:	_M/ L				
PRESENTED BY:	Candice Diaz, Real Property Agent II, Economic Development Agency				
	-TO BE FILLED IN BY COUNTY CLERK-				
ACCEPTED BY:					
DATE:	- -				
RECEIPT # (S)					



Date:

December 7, 2018

To:

Kiyomi Moore/Josefina Castillo, Office of the County Clerk

From:

Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject:

County of Riverside Economic Development Agency Project # FM042611008300

Human Resources Department, Fifth Amendment to Lease – 3600 Lime Street, Riverside

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

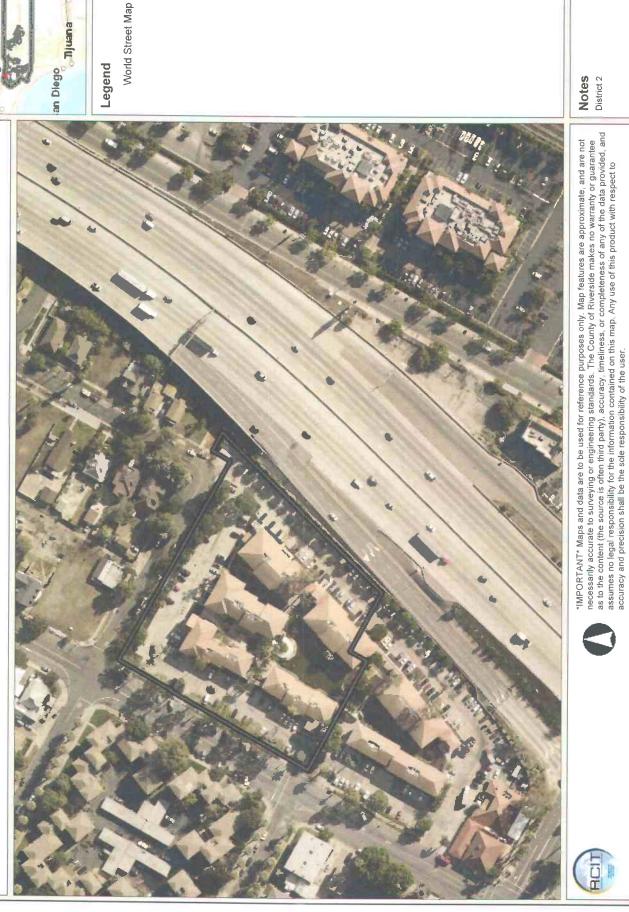
If you have any questions, please contact Mike Sullivan at 955-8009 or email at msullivan@rivco.org.

Attachment

cc: file

3600 Lime Street, Riverside

Fifth Amendment: Human Resources



Notes District 2

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HCII

376 Feet

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