

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



**ITEM: 3.9**  
**(ID # 11103)**

**MEETING DATE:**

**Tuesday, December 17, 2019**

**FROM: ECONOMIC DEVELOPMENT AGENCY (EDA):**

**SUBJECT: ECONOMIC DEVELOPMENT DEPARTMENT; Approval of the Second Amendment to Lease with KEIKO 1, LLC, CHICAGO CABO II, LLC, 3050 FTK, LLC, E.S.1 INVESTMENTS, LLC, Fire Department, Law Enforcement Investigations, Code Enforcement Facility, 5-Year Lease Renewal, District 5, CEQA Exempt. [\$1,557,062 42% Structural Fire Taxes, 38% General Funds, 20% City Contract Reimbursements]; (Clerk of the Board to File the 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, Class 1 – Existing Facilities, and Section 15061 (b) (3), the “common sense” exemption;
2. Approve the Second Amendment to Lease with Keiko 1, LLC, Chicago CABO II, LLC, 3050 FTK, LLC, E.S.1. Investments, 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.

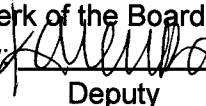
Robert Field, Assistant County Executive Officer/ECD 12/4/2019

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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:** December 17, 2019  
**xc:** EDA

Kecia R. 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>	\$268,477	\$275,083	\$1,557,062	\$0
<b>NET COUNTY COST</b>	\$102,021	\$104,532	\$591,,684	\$0
<b>SOURCE OF FUNDS:</b> 42% Structural Fire Taxes, 38% General Funds, 20% City Contract Reimbursements			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 2019/20 - 2024/25</b>	

**C.E.O. RECOMMENDATION:** [CEO use]

**BACKGROUND:**

**Summary**

The Board of Supervisors approved the First Amendment for the Fire Department on September 24, 2013, Minute Order 3-30. This Facility continues to meet the needs for the Fire Department, Law Enforcement Investigations and Code Enforcement that occupy the space. There is no other County property that meets the needs for this requirement.

In an effort to assist the Fire Department in achieving their goals of keeping a cost effective rental rate, the Real Estate Division has negotiated a five-year lease renewal with a slight rental rate increase. The second amendment to the lease will commence on January 1, 2020. Lessor shall purchase and install solar shade window treatments throughout the suite. The solar window treatments shall be at Lessor's sole cost and expense. The solar shades are energy efficient and will provide privacy to the building.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Class 1- Existing Facilities and Section 15061 (b) (3), the common sense exemption.

The Proposed project, the Second Amendment, is the letting of property involving existing facilities with minor improvements and no expansion of an existing use will occur.

The Second Amendment to Lease is summarized as follows:

Location: 88 E. Rider Street, Perris

Lessor: Keiko 1, LLC, Chicago CABC II, LLC, 3050 FTK, LLC, E.S.1 Investments, LLC

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

Size: 12,822 SF

Term: Five Years, January 1, 2020 to December 31, 2024

Rent:	Current:	New:
	\$ 1.53 PSF	\$ 1.57 PSF
	\$ 19,584.34 Per Month	\$ 20,130.54 Per Month
	\$235,012.08 Per Year	\$241,566.48 Per Year

Annual Escalator: Two and a half percent

Tenant Improvements: Solar window treatments at Lessors sole cost and expense

RCIT: None

Utilities: County pays for electric and phones and Lessor pays for all other utilities

Maintenance: Lessor

Parking: Sufficient and secured parking for County use

The Second Amendment to Lease has been approved by County Counsel as to form and Agency staff recommends approval.

**Impact on Citizens and Businesses**

Fire, Law Enforcement Investigations and Code Enforcement presence at this site continues to create dispatch efficiencies and improve public safety within this region of the County.

**Additional Fiscal Information**

See attached Exhibits A, B and C. Fire has budgeted these costs in FY 2019/20 and will reimburse EDA for all lease costs on a monthly basis.

The lease rate is deemed competitive based upon the current market. This contract has been in place since December 4, 2007.


**Attachments:**

- Exhibits A, B & C
- Second Amendment

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

- Notice of Exemption
- Aerial Image

CC:ar/100919/PR036/20.801

  
\_\_\_\_\_  
Gregory V. Priamos, Director County Counsel 12/5/2019

# Exhibit A

FY 2019/20

Second Amendment to Lease, Fire Department

88 E. Rider Street, Perris

## **ESTIMATED AMOUNTS**

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

Current Office:	12,822 SQFT	
Approximate Cost per SQFT (Jul-Dec)	\$ 1.53	
Approximate Cost per SQFT (Jan-Jun)	\$ 1.57	
Lease Cost per Month (Jul-Dec)		\$ 19,584.34
Lease Cost per Month (Jan-Jun)		\$ 20,130.54
Total Lease Cost (Jul-Dec)		\$ 117,506.04
Total Lease Cost (Jan-Jun)		\$ 120,783.24
<b>Total Estimated Lease Cost for FY 2019/20</b>		<b>\$ 238,289.28</b>

### **Estimated Additional Costs:**

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 1,538.64
Total Estimated Utility Cost (Jul-Dec)		\$ 9,231.84
Total Estimated Utility Cost (Jan-Jun)		\$ 9,231.84
<b>Total Estimated Utility Cost for FY 2019/20</b>		<b>\$ 18,463.68</b>
EDA Lease Management Fee as of 01/01/2020	4.92%	\$ 11,723.83
<b>TOTAL ESTIMATED COST FOR FY 2019/20</b>		<b>\$ 268,476.79</b>
<b>TOTAL COUNTY COST</b>	<b>38%</b>	<b>\$ 102,021.18</b>

# Exhibit B

FY 2020/21

Second Amendment to Lease, Fire Department

88 E. Rider Street, Perris

## ESTIMATED AMOUNTS

### Total Square Footage to be Leased:

Current Office:	12,822 SQFT	
Approximate Cost per SQFT (Jul-Dec)	\$ 1.57	
Approximate Cost per SQFT (Jan-Jun)	\$ 1.61	
Lease Cost per Month (Jul-Dec)		\$ 20,130.54
Lease Cost per Month (Jan-Jun)		\$ 20,633.80
Total Lease Cost (Jul-Dec)		\$ 120,783.24
Total Lease Cost (Jan-Jun)		\$ 123,802.80
<b>Total Estimated Lease Cost for FY 2020/21</b>		<b>\$ 244,586.04</b>

### Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 1,538.64
Total Estimated Utility Cost (Jul-Jun)		\$ 18,463.68
Tenant Improvement		\$ -
EDA Lease Management Fee as of 01/01/2020	4.92%	\$ 12,033.63
<b>TOTAL ESTIMATED COST FOR FY 2020/21</b>		<b>\$ 275,083.35</b>
<b>TOTAL COUNTY COST</b>	<b>38%</b>	<b>\$ 104,531.67</b>

# Exhibit C

**FY 2021/22 to 2024/25**  
**Second Amendment to Lease, Fire Department**  
**88 E. Rider Street, Perris**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 12,822 SQFT

	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Approximate Cost per SQFT (Jul-Dec)	\$ 1.61	\$ 1.65	\$ 1.69	\$ 1.73
Approximate Cost per SQFT (Jan-Jun)	\$ 1.65	\$ 1.69	\$ 1.73	
Lease Cost per Month (Jul-Dec)	\$ 20,633.80	\$ 21,149.65	\$ 21,678.39	\$ 22,220.35
Lease Cost per Month (Jan-Jun)	\$ 21,149.65	\$ 21,678.39	\$ 22,220.35	
Total Lease Cost (July - Nov)	\$ 123,802.80	\$ 126,897.90	\$ 130,070.34	\$ 133,322.10
Total Lease Cost (Dec - June)	\$ 126,897.90	\$ 130,070.34	\$ 133,322.10	
<b>Total Estimated Lease Cost for FY 2021/22 to 2024/25</b>	<b>\$ 250,700.70</b>	<b>\$ 256,968.24</b>	<b>\$ 263,392.44</b>	<b>\$ 133,322.10</b>

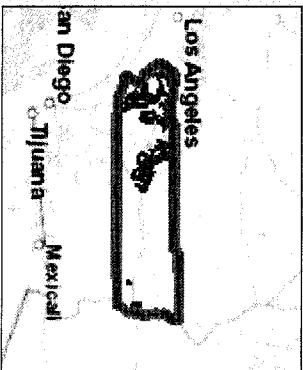
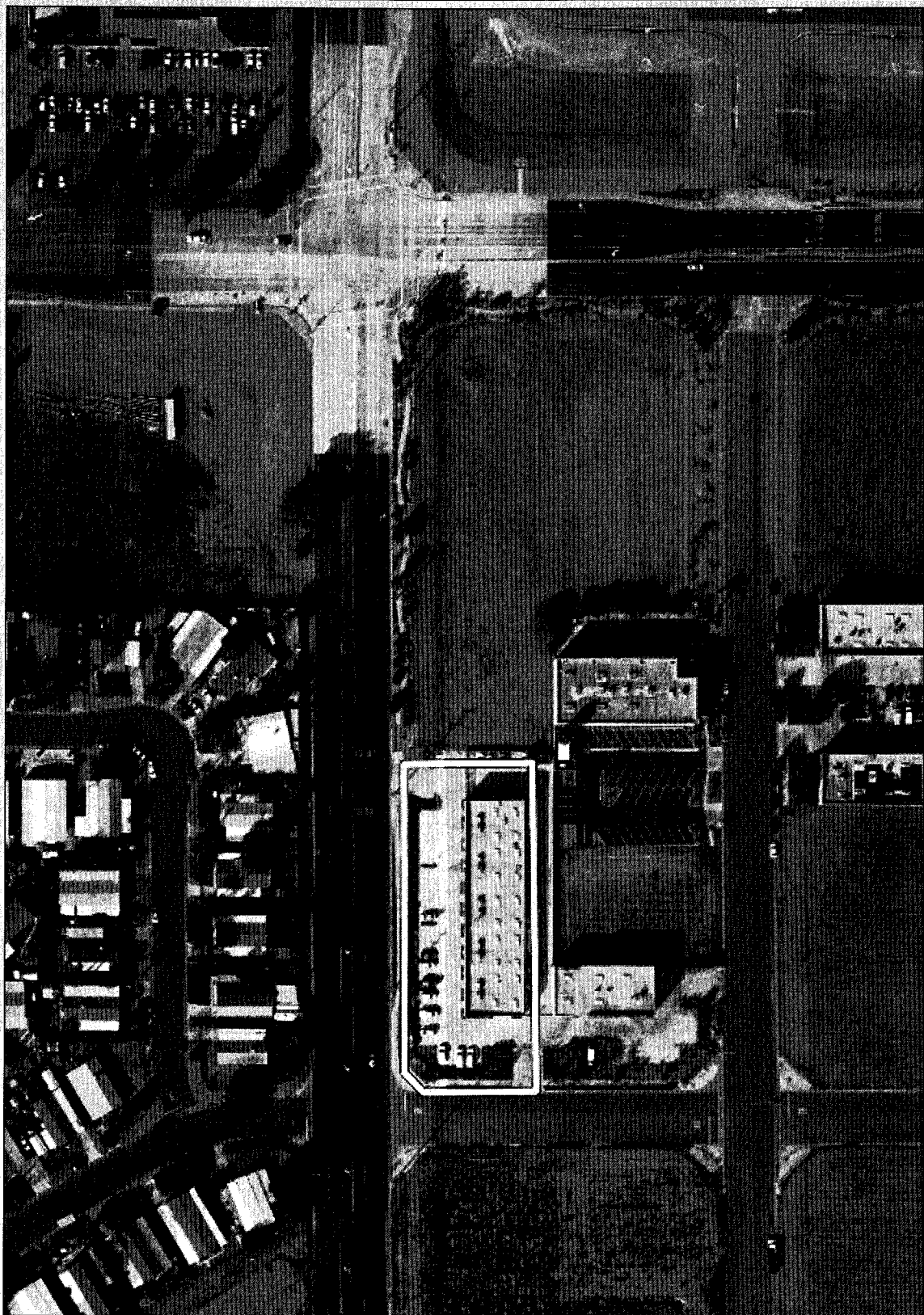
**Estimated Additional Costs:**

Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 1,538.64	\$ 1,538.64	\$ 1,538.64	\$ 1,538.64
Total Estimated Utility Cost	<b>\$ 18,463.68</b>	<b>\$ 18,463.68</b>	<b>\$ 18,463.68</b>	<b>\$ 9,231.84</b>
Tenant Improvement	\$ -	\$ -	\$ -	\$ -
EDA Lease Management Fee as of 01/01/2020 4.92%	\$ 12,334.47	\$ 12,642.84	\$ 12,958.91	\$ 6,559.45
<b>TOTAL ESTIMATED COST FOR FY 2021/22 to 2024/25</b>	<b>\$ 281,498.85</b>	<b>\$ 288,074.76</b>	<b>\$ 294,815.03</b>	<b>\$ 149,113.39</b>

F11 Total Cost	\$ 1,557,062.17
F11 Total County Cost 38%	\$ 591,683.62

# Second Amendment to Lease

88 E. Rider Street, Perris CA



Legend



0 188 376 Feet



**\*IMPORTANT\*** Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assures no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

REPORT PRINTED ON... 10/9/2019 1:47:08 PM

© Riverside County GIS

**Notes**  
APN 303-293-007





1           **2. Rent.** Section 5.1 is hereby deleted in its entirety and amended by the following:

Dates:	Rent Amount:
1/1/2020 to 12/31/20	\$20,130.54
1/1/2021 to 12/31/21	\$20,633.80
1/1/2022 to 12/31/22	\$21,149.65
1/1/2023 to 12/31/23	\$21,678.39
1/1/2024 to 12/31/24	\$22,220.35

6           **4. Tenant Improvements.** Section 11.1 has been amended to include the following.  
7 Lessor at Lessor's sole cost and expense shall purchase and install solar shades on all  
8 windows throughout the suite. The Fire Department to select the color for solar shades. The  
9 specifications for the solar shades is attached as exhibit "A" and made a part of the Second  
10 Amendment.

11           **5. Capitalized Terms: Second Amendment to Prevail.** The provisions of this  
12 Second Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,  
13 as heretofore amended, and shall supplement the remaining provisions thereof. Unless defined  
14 herein or the context requires otherwise, all capitalized terms herein shall have the meaning  
15 defined in the Lease, as heretofore amended.

16           **6. Miscellaneous.** Except as amended or modified herein, all the terms of the  
17 Lease shall remain in full force and effect and shall apply with the same force and effect. This  
18 is of the essence in this Second Amendment and the Lease and each and all of their  
19 respective provisions. Subject to the provisions of the Lease as to assignment, the  
20 agreements, conditions and provisions herein contained shall apply to and bind the heirs,  
21 executors, administrators, successors and assigns of the parties hereto. If any provision of this  
22 Amendment or the Lease shall be determined to be illegal or unenforceable, such  
23 determination shall not affect any other provision of the Lease and all such other provisions  
24 shall remain in full force and effect. The language in all parts of the Lease shall be construed  
25 according to its normal and usual meaning and not strictly for or against either Lessor or  
26 Lessee. Neither this Amendment, nor the Lease, nor any notice nor memorandum regarding  
27 the terms hereof, shall be recorded by County.  
28


1           **7. Effective Date.** This Second Amendment to Lease shall not be binding or  
2 consummated until its approval by the Riverside County Board of Supervisors and fully  
3 executed by the Parties.


4  
5           WITNESS WHEREOF, the parties have executed this Second Amendment as of the  
6 date first written above.

7 Dated:           DEC 17 2019          

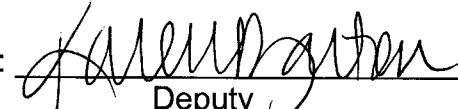
8  
9 COUNTY:  
10 COUNTY OF RIVERSIDE, a political  
11 Subdivision of the State of California

LESSOR:  
12 KEIKO 1. LLC, CHICAGO CABE II,  
13 LLC, 3050 FTK, LLC, E.S.1  
14 INVESTMENTS, LLC, tenants in  
15 common

16  
17 By:   
18 Kevin Jeffries, Chairman  
19 Board of Supervisor

By:   
Jennifer Kapur, Property Manager  
for Tenants in common

20  
21 ATTEST:  
22 Kecia R. Harper  
23 Clerk of the Board

By:   
Deputy

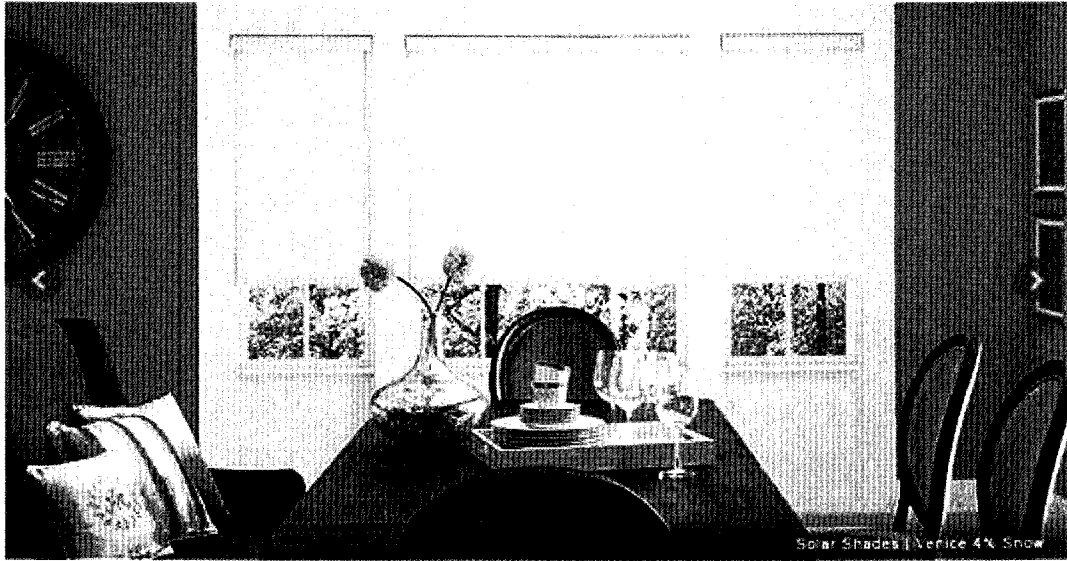
24  
25 APPROVED AS TO FORM:  
26 Greg P. Priamos  
27 County Counsel

By:   
Wesley W. Stanfield  
Deputy County Counsel

28  
CC:ar/100919/PR036/20.801 Fire Department

## EXHIBIT "A"

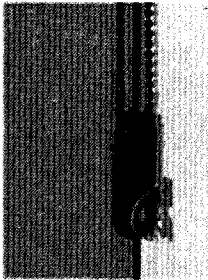
Style: Standard Hem



Valance: Standard

Cordless Operation: Continuous Cordloop (Control Position- Left)

### **Cordless Solar Shade Operation**



#### **Continuous Cordloop**

For smooth, simple operation of your Solar Shades, 3 Day Blinds offers a Continuous Cordloop lifting system that includes a tension pulley that neatly affixes to the wall or window casing. This feature also makes the shade safer for children and pets. Please note, the bottom rail on a Solar Shade with this Operating System will be wrapped in coordinating fabric.

Style: Standard Hem

Valance: Standard

Cordless Operation: Continuous Cordloop (Control Position- Left)

# EXHIBIT "A"

**PATTERN**  
Venice 4%

**COLOR**  
Beige

**PATTERN REPEAT**  
n/a

**MATERIAL CONTENT**  
64% Vinyl 36% Fiberglass  
with Aluminum Backing

**SAMPLE SHOWN**  
■ 2

**DIMENSIONS IN INCHES**  
3 x 3

Color/Fabrics:

<https://www.3dayblinds.com/window-treatments/shades/solar>



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

12/18/19  
Date

kb  
Initial

## NOTICE OF EXEMPTION

October 16, 2019

**Project Name:** Riverside County Fire Department Second Amendment to Lease, Rider Street, Perris

**Project Number:** FM042552003600

**Project Location:** 88 East Rider Street, west of Lakeview Drive, Perris, California 92571; Assessor's Parcel Number (APN) 303-293-007

**Description of Project:** On December 4, 2007 the County of Riverside entered into a lease with Keiko 1, LLC, Chicago CABE II, LLC, 3050 FTK, LLC, E.S.1 Investments, LLC for the Riverside County Fire Department to occupy the building located at 88 East Rider Street in Perris, California. The Riverside County Board of Supervisors approved the First Amendment for Fire, Law Enforcement and Investigation and Code Enforcement (Fire Department) on September 24, 2013. This Facility continues to meet the needs for the Fire Department. In an effort to assist the Fire Department in achieving their goals of keeping a cost effective rental rate, the Real Estate Division of the County of Riverside Economic Development Agency has negotiated a five-year lease renewal with a slight rental rate increase and solar shade window treatments for privacy throughout the suite at Lessor's sole cost and expense.

The Second Amendment to the Lease Agreement is identified as the proposed project under California Environmental Quality Act (CEQA). The project is the letting of property involving existing facilities with an extension of term and minor improvements consisting of solar shades and no expansion of an existing use will occur. The operation of the facility will continue to provide public services and will not result in an increase in the intensity of use of the site. 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, Keiko 1, LLC, Chicago CABE II, LLC, 3050 FTK, LLC, E.S.1 Investments, 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.

DEC 17 2019

3.9

**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 would the project include a reasonable possibility of having a significant effect on the environment due to unusual circumstances. 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 Second Amendment to the Lease.

- **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 an amendment to a lease which would result in a five year extension of term and the installation of solar shades on the windows for privacy. The project will not increase or expand the use of the site, and is limited to the continued use of the in a similar capacity; 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 Second Amendment to the Lease will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will be substantially similar to the existing use and will not create any new environmental impacts to the surrounding area. The effect of the lease would result in an extension of term and the installation of solar shades on the windows for privacy. No expansion or increase in intensity of use would occur. No impacts beyond the ongoing, existing use of the site 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: 10/16/19

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: Riverside County Fire Department Second Amendment to Lease, Rider  
Street, Perris**

**Accounting String: 524830-47220-7200400000 - FM042552003600**

DATE: October 16, 2019

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: Cindy Campos, Senior Real Property Agent, Economic Development  
Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -





Date: October 16, 2019

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 # FM042552003600**  
Riverside County Fire Department Second Amendment to Lease, Rider Street, Perris

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.**

Attachment

cc: file