

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



ITEM: 3.12
(ID # 14620)

MEETING DATE:

Tuesday, June 08, 2021



FROM: FACILITIES MANAGEMENT AND DEPARTMENT OF PUBLIC SOCIAL SERVICES (DPSS):

SUBJECT: FACILITIES MANAGEMENT- REAL ESTATE (FM-RE) AND DEPARTMENT OF PUBLIC SOCIAL SERVICES (DPSS): Ratification and Approval of the Fifth Amendment to Lease with Terry William Ireland, dba T.W. Investments, 68615 Perez Road, Suite 9A, Cathedral City, California, 18-month Lease Extension, CEQA Exempt, District 4. [Total Cost \$839,325 - Federal 68.91%, State 21.64%, County General Fund 5.81%, Realign 3.64%] (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 with Terry William Ireland, dba T.W. Investments, 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 attached Notice of Exemption with the County Clerk for filing within five (5) working days of approval by the Board.

ACTION: Policy

 
Rose Salgado, Director of Facilities Management 4/20/2021 Sayori Baldwin, DPSS Director 5/25/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel 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: June 8, 2021
xc: FM, DPSS, Recorder

Kecia R. 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	\$92,971	\$557,451	\$839,325	\$0
NET COUNTY COST	\$5,402	\$32,388	\$48,765	\$0
SOURCE OF FUNDS: Federal 68.91%; State 21.64%; County General Fund 5.81%; Realignment 3.64%			Budget Adjustment: No	
			For Fiscal Year: 2020/21 – 2022/23	

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

The County has been under lease with Terry William Ireland, dba T.W. Investments, at 68615 Perez Road, Suite 9A, Cathedral City, California since August 1993. Under this lease, the Department of Public Social Services (DPSS) has occupied 19,800 square feet of office space for use by its Self-Sufficiency Division and the space continues to meet the requirements of DPSS for providing services to the community. The lease, which expired April 30, 2021, will be extended 18 additional months under the Fifth Amendment to Lease (Amendment).

Pursuant to the California Environmental Quality Act (CEQA), the Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301 Class 1-Existing Facilities exemption and Section 15061(b)(3) Common Sense exemption. The proposed project is the letting of property involving previously occupied space with tenant improvements.

The Amendment has been reviewed and approved by County Counsel as to form.

A summary of the Amendment is as follows:

Lessor: Terry William Ireland
dba T.W. Investments
4624 Cardona Ct.
Fort Worth, TX 76126

Premises: 68615 Perez Road, Suite 9A
Cathedral City, CA 92234

Size: 19,800 square feet

Rent:	<u>Current:</u>	<u>New:</u>
	\$2.02 per square foot	\$2.23 per square foot

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

\$39,940.56 per month	\$44,154.00 per month
\$479,286.72 per year	\$529,848.00 per year

Term: Extended 18 months commencing May 1, 2021, and expiring October 31, 2022

Annual Increase: Reduced from 2.5% to 2% annually.

Utilities: County pays for electric. Lessor pays all others.

Custodial and

Day Porter: Provided by Lessor and included in the Rent

Interior/Exterior
Maintenance: Provided by Lessor

Impact on Residents and Businesses

The Amendment will allow DPSS to continue to provide beneficial services to residents of the region while saving costs with the colocation of the Children's Services and Self Sufficiency Divisions.

Additional Fiscal Information

See attached Exhibits A, B & C.

DPSS will budget these costs in FY2021/22 through FY2022/23 and will reimburse Facilities Management- Real Estate (FM-RE) for all associated lease costs.

Contract History and Price Reasonableness

The lease rate is aligned with the current real estate market.

Attachments:

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

SA:dr/04082021/CC004


Meghan Hahn, Administrative Analyst 6/1/2021

1 **FIFTH AMENDMENT TO LEASE**

2 68615 Perez Road, Suite 9A, Cathedral City, California

3
4 This **FIFTH AMENDMENT TO LEASE** ("Fifth Amendment"), dated as of
5 June 8, 2021 is entered by and between the **COUNTY OF**
6 **RIVERSIDE**, a political subdivision of the State of California, ("Lessee"), and **TERRY**
7 **WILLIAM IRELAND, dba T.W. Investments**, ("Lessor"), sometimes collectively
8 referred to as the "Parties" or individually as a "Party".

9 **RECITALS**

10 A. 6505 Paramount Associates, a general partnership, predecessor-in-
11 interest to Terry William Ireland dba T.W. Investments, as Lessor, and County of
12 Riverside as Lessee, have entered into that certain Lease dated August 24, 1993, (the
13 "Original Lease") pursuant to which Lessee has agreed to lease from Lessor a portion
14 of that certain building located at 68615 Perez Road, Suite 9A, Cathedral City,
15 California (the "Premises"), as more particularly described in the Original Lease.

16 B. The Original Lease has been amended by:

17 That certain First Amendment to Lease dated, April 11, 2000, by and between
18 County of Riverside and 6505 Paramount Associates, LLC, predecessor-in-interest to
19 Terry William Ireland dba T.W. Investments, ("First Amendment") whereby the Parties
20 amended the Original Lease to modify the rent, complete tenant improvements and
21 extend the term of the Original Lease.

22 That certain Second Amendment to Lease dated March 17, 2009, by and
23 between County of Riverside and Terry William Ireland dba T.W. Investments,
24 ("Second Amendment") whereby the Parties amended the Original Lease to revise the
25 square footage to combine Suite 8A under lease, modify the rent, complete tenant
26 improvements and extend the term of the Original Lease.

27 That certain Third Amendment to Lease dated June 18, 2013, by and between
28 County of Riverside and Terry William Ireland dba T.W. Investments, ("Third

1 Amendment”) whereby the Parties amended the Lease to modify the rent, complete
2 minor improvements and extend the term of the Original Lease.

3 That certain Fourth Amendment to Lease dated April 24, 2018, by and between
4 County of Riverside and Terry William Ireland dba T.W. Investments, (“Fourth
5 Amendment”) whereby the Parties amended the Lease to vacate and return to Lessor
6 Suite 8A, modify the rent, complete minor improvements and extend the term of the
7 Original Lease.

8 C. The Original Lease together with the Amendments are collectively
9 referred to hereinafter as the “Lease.”

10 D. The Parties now desire to extend the lease term and amend the rental
11 amounts.

12
13 NOW THEREFORE, for good and valuable consideration the receipt and
14 adequacy of which is hereby acknowledged, the parties agree as follows:

15
16 1. **Term.**

17 a. Section 3 subsection (a) of the Lease is hereby amended as follows:
18 The term of this Lease is hereby extended for eighteen (18) months, commencing May
19 1, 2021 and expiring October 31, 2022 (“Extended Term”).

20 2. **Rent.**

21 a. Section 4 subsection (a) is deleted in its entirety and
22 replaced with the following:

23 (a) County shall pay the sum of forty-four thousand one hundred fifty four dollars
24 (\$44,154.00) per month to Lessor as rent for the Leased Premises, payable, in
25 advance, on the first day of the month or as soon thereafter as a warrant can be issued
26 in the normal course of County’s business; provided, however, in the event rent for any
27 period during the term hereof which is for less than one (1) full calendar month, said
28 rent shall be pro-rated based upon the actual number of days of said month.

1 (b) Notwithstanding the provisions of Section 5.1 herein, commencing May 1, 2021, the
2 monthly rent shall be increased on each anniversary of this Fifth Amendment to Lease
3 by an amount equal to two percent (2%) of such monthly rental for the preceding Lease
4 year.

5 3. **Holding Over.** Any holding over by County after the expiration of said
6 term or any extension thereof shall be deemed a month to month tenancy upon the
7 same terms and conditions of this Lease. During any holding over, County and Lessor
8 shall provide at least ninety (90) days written notice prior to the date of termination.
9 County's obligation to pay Rent shall continue through the termination date.

10 4. **Fifth Amendment to Prevail.** The provisions of this Fifth Amendment
11 shall prevail over any inconsistency of conflicting provisions of the Lease, as heretofore
12 amended, and shall supplement the remaining provisions thereof.

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

24 6. **Effective Date.** This Fifth Amendment to Lease shall not be binding or
25 consummated until its approval by the Riverside County Board of Supervisors and fully
26 executed by the Parties.

27 (Signatures on the following page)
28

1 IN WITNESS WHEREOF, the parties have executed this Fifth Amendment as of the
2 date first written above.

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

LESSOR:
Terry William Ireland dba T.W. Investments

7 By: Karen S. Spiegel
8 Board of Supervisors

By: Terry William Ireland
Lessor

9
10
11 ATTEST:
12 Kecia R. Harper
13 Clerk of the Board

14 By: Priscilla Rasso
Deputy

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

18 By: Wesley Stanfield
19 Deputy County Counsel

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27 CC004/
28

Exhibit A

FY 2020/21

DPSS - Self Sufficiency

68615 Perez Rd., Suite 9A, Cathedral City, CA 92253

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	19,800 SQFT	
Approximate Cost per SQFT (May-Jun)	\$ 2.23	
Lease Cost per Month (May-Jun)	\$ 44,154.00	
Total Lease Cost (May-Jun)		\$ 88,308.00
Total Estimated Lease Cost for FY 2020/21		<u>\$ 88,308.00</u>

Estimated Additional Costs:

FM Lease Management Fee as of 05/01/2021	5.28%	<u>\$ 4,662.66</u>
TOTAL ESTIMATED COST FOR FY 2020/21		<u><u>\$ 92,970.66</u></u>
TOTAL COUNTY COST	5.81%	\$ 5,401.60

Exhibit B

FY 2021/22

DPSS - Self Sufficiency

68615 Perez Rd., Suite 9A, Cathedral City, CA 92253

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	19,800	SQFT
Approximate Cost per SQFT (Jul-Apr)	\$ 2.23	
Approximate Cost per SQFT (May-Jun)	\$ 2.27	
Lease Cost per Month (Jul-Apr)	\$ 44,154.00	
Lease Cost per Month (May-Jun)	\$ 45,037.08	
Total Lease Cost (Jul-Apr)	\$ 441,540.00	
Total Lease Cost (May-Jun)	\$ 90,074.16	
Total Estimated Lease Cost for FY 2021/22	\$ 531,614.16	

Estimated Additional Costs:

FM Lease Management Fee as of 07/01/2021	4.86%	\$ 25,836.45
TOTAL ESTIMATED COST FOR FY 2021/22		<u>\$ 557,450.61</u>
TOTAL COUNTY COST	5.81%	\$ 32,387.88

Exhibit C

FY 2022/23

DPSS - Self Sufficiency

68615 Perez Rd., Suite 9A, Cathedral City, CA 92253

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 19,800

FY 2022/23

Approximate Cost per SQFT (Jul-Oct)	\$	2.27
Lease Cost per Month (Jul-Oct)	\$	45,037.08
Total Lease Cost (July-Oct)	\$	180,148.32
Total Estimated Lease Cost for FY 2022/23	\$	180,148.32

Estimated Additional Costs:

FM Lease Management Fee as of 07/01/2021	4.86%	\$	8,755.21
TOTAL ESTIMATED COST FOR FY 2022/23		\$	188,903.53

F11 Total Cost		\$	839,324.80
F11 Total County Cost	5.81%	\$	48,764.77

County of Riverside
Facilities Management
3133 Mission Inn Avenue, Riverside, CA

FOR COUNTY CLERK USE ONLY

NOTICE OF EXEMPTION

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

06-11-21
Date

YPR
Initial

March 23, 2021

Project Name: Department of Public Social Services (DPSS) Self Sufficiency Suite 9A Fifth Amendment to Lease, Cathedral City

Project Number: FM042163000400

Project Location: 68615 Perez Road, Suite 9A, east of Cathedral Canyon Drive, Cathedral City, California; 92234, Assessor's Parcel Number (APN) 687-330-024

Description of Project: The County of Riverside (County) has been under lease for 19,800 square feet of office space in Suite 9A, at 68615 Perez Road in the City of Cathedral City since August of 1993. DPSS has occupied this office space for use by its Self-Sufficiency Division, and it continues to meet the requirements of the Department for providing services to the community. The current lease will expire April 30, 2021. The lease will be extended 18 months under the Fifth Amendment to Lease beginning May 1, 2021 and terminating October 31, 2022. The Fifth Amendment to the Lease Agreement is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is the letting of property involving existing facilities; no expansion of the existing facility will occur. The operation of the facility will continue to provide public services for the DPSS Self Sufficiency Division. No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: Riverside County

Name of Person or Agency Carrying Out Project: Riverside County Facilities Management


Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

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 involve unusual circumstances that could potentially 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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- **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 new lease for continued use of an existing building. The Fifth Amendment to the Lease Agreement would not increase or expand the use of the site, and is limited to the continued use of the site 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 Fifth Amendment to the Lease Agreement 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. 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.

Therefore, the County of Riverside Facilities Management 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: 3-23-2021
Mike Sullivan, Senior Environmental Planner
County of Riverside, Facilities Management

County of Riverside
Facilities Management
3133 Mission Inn Avenue, Riverside, CA 92507

Date: March 23, 2021
To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk
From: Mike Sullivan, Senior Environmental Planner, Facilities Management
Subject: **County of Riverside Facilities Management Project # FM042163000400**
DPSS Self Sufficiency Suite 9A Fifth Amendment to Lease, Cathedral City

The Riverside County's Facilities Management'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 #2600

Attention: Mike Sullivan, Senior Environmental Planner,
Facilities Management,

3133 Mission Inn Ave, Riverside, CA 92507

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

Attachment

cc: file

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: DPSS Self Sufficiency Suite 9A Fifth Amendment to Lease, Cathedral City

Accounting String: 524830-47220-7200400000 - FM042163000400

DATE: March 23, 2021

AGENCY: Riverside County Facilities Management

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, Facilities Management**

Signature: 

PRESENTED BY: **Simon Asano, Real Property Agent, Facilities Management**

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -