

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



ITEM: 3.16
(ID # 17294)

MEETING DATE:

Tuesday, December 14, 2021


FROM : FACILITIES MANAGEMENT AND DEPARTMENT OF PUBLIC SOCIAL SERVICES :

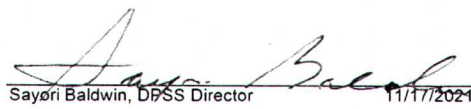
SUBJECT: FACILITIES MANAGEMENT- REAL ESTATE (FM-RE) and DEPARTMENT OF PUBLIC SOCIAL SERVICES (DPSS): Approval of the Eighth Amendment to Lease with 22690 Cactus, LLC, a California Limited Liability Company, Located at 22690 Cactus Avenue, Moreno Valley, Three-Year Lease Extension, CEQA Exempt, District 5. [\$3,263,987- 54% Federal, 20% State, 4% County, 22% Realign] (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; and
2. Approve the attached Eighth Amendment to Lease with 22690 Cactus, LLC, a California limited liability company, and authorize the Chair 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, CIP

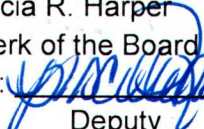

Rose Salgado, Director of Facilities Management 11/1/2021


Sayori Baldwin, DPSS Director 11/17/2021

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: December 14, 2021
xc: FM-RE, 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	\$ 440,658	\$1,070,127	\$3,263,987	\$0
NET COUNTY COST	\$17,626	\$ 42,805	\$130,559	\$0
SOURCE OF FUNDS: 54% Federal, 20% State, 4% County, 22% Realign			Budget Adjustment: No	
			For Fiscal Year: 2021/22-2024/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On December 16, 1997 the County entered into a lease agreement on behalf of the Department of Public Social Services (DPSS) for the premises located at 22690 Cactus Avenue, Moreno Valley. DPSS utilizes this facility for its Employee Training Division. This facility continues to meet the needs and requirements of DPSS. The Lessor recently installed solar panels in the parking lot of the facility at its sole cost. The County will benefit from the cost savings generated thru producing their own electricity on site. This Eighth Amendment to Lease is a three-year renewal with the option to terminate after 12 months.

Pursuant to the California Environmental Quality Act (CEQA), the Amendment was reviewed and determined to be categorically exempt from CEQA under State 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.

Lessor: 22690 Cactus LLC
13 N. Sparrow Ln
Santa Fe, New Mexico 87506

Premises: 22690 Cactus Avenue
Moreno Valley, California 92553

Size: 37,306 sq. ft.

Rent:	<u>Current</u>	<u>New</u>
	\$ 2.14 per sq. ft.	\$ 2.14 per sq. ft.
	\$ 79,777.64 per month	\$ 79,777.64 per month
	\$957,331.68 per year	\$957,331.68 per year

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

Annual Increase: Three percent

Term: Three years, commencing February 1, 2022

Option to Terminate: County has the option to terminate the Lease after January 31, 2023 with 60 day written notice

Utilities: Electricity and telephone paid by County, all others paid by Lessor

Maintenance: Provided by Lessor

Impact on Residents and Businesses

This facility will continue to provide valuable training for future employment for residents of the County.

SUPPLEMENTAL

Additional Fiscal Information

See attached Exhibits A, B and C. All associated costs for this Lease will be budgeted in FY21/22-FY24/25 by DPSS. DPSS will reimburse FM-RE for all associated Lease costs on a monthly basis.

Contract History and Price Reasonableness

The Lease has been amended seven times previously for expansion, rent adjustments, extensions to the term, revisions to insurance requirements, and tenant improvements.

<u>Lease & Amendments</u>	<u>Date and M.O.</u>
Lease	December 16, 1997 (M.O. 3.5)
First Amendment	November 9, 1999 (M.O. 3.7)
Second Amendment	April 11, 2000 (M.O. 3.14)
Third Amendment	March 11, 2003 (M.O. 3.17)
Fourth Amendment	January 23, 2007 (M.O. 3.21)
Fifth Amendment	August 16, 2011 (M.O. 3.36)
Sixth Amendment	March 20, 2012 (M.O. 3.8)
Seventh Amendment	April 11, 2017 (M.O. 3.21)

ATTACHMENTS:

- Eighth Amendment to Lease
- Exhibits A, B & C

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

- Notice of Exemption
- Aerial Map

CD:ar/09172021/MV027/30.595


Meghan Hahn, Senior Management Analyst

12/2/2021


Gregory V. Priamos, Director County Counsel

12/1/2021

DPSS

22690 Cactus Avenue, Moreno Valley



Legend

- Blueline Streams
- City Areas



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 assumes 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.

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Notes

District 5

Exhibit A

FY 2021/22

DPSS

22690 Cactus Avenue, Moreno Valley

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	37,306	SQFT	
Approximate Cost per SQFT (Feb-June)	\$ 2.14		
Lease Cost per Month (Feb-June)	\$ 79,777.64		
Total Lease Cost (Feb-June)			\$ 398,888.20
Total Estimated Lease Cost for FY 2021/22			\$ 398,888.20

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month		\$ 4,476.72	
Total Estimated Utility Cost (Feb-June)			\$ 22,383.60
Total Estimated Utility Cost for FY 2021/22			\$ 22,383.60

FM Lease Management Fee as of 7/1/2021	4.86%	\$ 19,385.97
TOTAL ESTIMATED COST FOR FY 2021/22		\$ 440,657.77
TOTAL COUNTY COST	4%	\$ 17,626.31

Exhibit B

FY 2022/23

DPSS

22690 Cactus Avenue, Moreno Valley

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	37,306	SQFT	
Approximate Cost per SQFT(July-Jan)	\$ 2.14		
Approximate Cost per SQFT(Feb-June)	\$ 2.20		
Lease Cost per Month(July-Jan)		\$ 79,777.64	
Lease Cost per Month(Feb-June)		\$ 82,170.97	
Total Lease Cost(July-Jan)		\$ 558,443.48	
Total Lease Cost(Feb-June)		\$ 410,854.85	
Total Estimated Lease Cost for FY 2022/23		\$ 969,298.33	

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month		\$ 4,476.72	
Total Estimated Utility Cost FY2022/23		\$ 53,720.64	

FM Lease Management Fee as of 07/01/2021	4.86%	\$ 47,107.90
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TOTAL ESTIMATED COST FOR FY 2022/23		\$ 1,070,126.86
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TOTAL COUNTY COST	4%	\$ 42,805.07
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Exhibit C

FY 2023/24 to FY 2024/25
DPSS
22690 Cactus Avenue, Moreno Valley

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 37,306 SQFT

	FY 2023/24	FY2024/25
Approximate Cost per SQFT(July-Jan)	\$ 2.20	\$ 2.27
Approximate Cost per SQFT(Feb-June)	\$ 2.27	
Lease Cost per Month(July-Jan)	82,170.97	\$ 84,636.10
Lease Cost per Month(Feb-June)	84,636.10	
Total Lease Cost(July-Jan)	\$ 575,196.78	\$ 592,452.69
Total Lease Cost(Feb-June)	\$ 423,180.49	
Total Estimated Lease Cost for FY 2023/24 to FY 2024/25	\$ 998,377.28	\$ 592,452.69

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 4,476.72	\$ 4,476.72
Total Estimated Utility Cost	\$ 53,720.64	\$ 31,337.04

FM Lease Management Fee as of 7/01/2021	4.86%	\$ 48,521.14	\$ 28,793.20
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TOTAL ESTIMATED COST FOR FY 2023/24 to FY 2024/25	\$ 1,100,619.05	\$ 652,582.93
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F11 Total Cost	\$ 3,263,986.61
F11 Total County Cost	\$ 130,559.46

EIGHTH AMENDMENT TO LEASE
22690 Cactus Avenue
Moreno Valley

THIS EIGHTH AMENDMENT TO LEASE ("Eighth Amendment") is made as of December 14, 2021 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County"), and 22690 Cactus, LLC, a California limited liability company, ("Lessor") sometimes collectively referred to as the "Parties".

RECITALS

a. Moreno Corporate Center, LLC, a Delaware limited liability company, predecessor in interest to 22690 Cactus, LLC, a California limited liability company, as lessor and County entered into that certain original lease dated December 16, 1997, ("Original Lease"), pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor approximately 37,306 square feet of office space in that certain building located at 26690 Cactus Avenue, Moreno Valley, as more particularly described in the Original Lease.

b. The Original Lease has been amended by:

i. The First Amendment to Lease dated November 9, 1999, by and between the County of Riverside and Moreno Corporate Center, LLC, ("First Amendment"), whereby the County, among other things, increased the leased premises ("Expanded Premises").

ii. The Second Amendment to Lease dated April 11, 2000, by and between the County of Riverside and Moreno Corporate Center, LLC, ("Second Amendment"), whereby certain tenant improvements were made to the Expanded Premises, and an option to terminate provision was added.

iii. The Third Amendment to Lease dated March 11, 2003, by and between the County of Riverside and NNN Tech fund III, a Virginia Limited Liability

company, as successor in interest to Moreno Corporate Center, LLC, ("Third Amendment"), whereby the Parties, among other things, agreed to extend the term amend the monthly rent, and make tenant improvements.

iv. The Fourth Amendment to Lease dated January 23, 2007, by and between the County of Riverside and MCC Venture, LP, a California limited partnership, as successor in interest to NNN Tech Fund III, LLC, ("Fourth Amendment"), whereby the Parties among other things, agreed to extend the term and amend the monthly rent.

v. The Fifth Amendment to Lease dated August 16, 2011, by and between the County of Riverside and MCC Ventures, LP, a California limited partnership ("Fifth Amendment"), whereby the Parties among other things, agreed to expand the premises, complete tenant improvements, extend the term and amend the monthly rent.

vi. The Sixth Amendment to Lease dated March 20, 2012, by and between the County of Riverside and MCC Ventures, LP, a California limited partnership ("Sixth Amendment"), whereby the Parties among other things, agreed to complete tenant improvements and amend monthly rent.

vii. The Seventh Amendment to Lease dated April 11, 2017, by and between the County of Riverside and 22690 Cactus, LLC, a California limited liability company, as successor in interest to MCC Ventures, LP, a California limited partnership ("Seventh Amendment"), whereby the Parties among other things, agreed to extend the term, adjust the rent with annual increase amounts, provide for tenant improvements and revise the insurance section of the Original Lease.

c. The Original Lease together with the Amendments are collectively referred to herein as the "Lease."

d. The Parties now desire to amend the Lease to extend the term, adjust the rent, and add termination language

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 Original Lease, shall be amended as follows:

The term of this Lease shall be extended three (3) years commencing on February 1, 2022 and terminating on January 31, 2025.

2. RENT. Section 5 of the Lease shall be amended as follows: Effective February 1, 2022 the rent shall be \$ 79,777.64 per month. The monthly rent shall be adjusted on each anniversary of the Lease, February 1st, by Three percent (3%) annually.

3. OPTION TO TERMINATION. The County has the option to terminate the Lease after January 31, 2023 with sixty (60) days written notice to Lessor.

4. EIGHTH AMENDMENT TO PREVAIL. The provisions of this Eighth Amendment shall prevail over any inconsistency of conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof.

5. MISCELLANEOUS. Except as amended or modified herein, all the terms of the Lease shall remain in full force and effect and shall apply with the same force and effect. Time is of the essence in this Amendment and the Lease and each and all 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 Amendment or the Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease and all such other provisions shall remain in full force and effect. 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 Amendment, nor the Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by County.

6. EFFECTIVE DATE. This Eighth 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 the following page)

REC'D NOV 08 2021

IN WITNESS WHEREOF, the parties have executed this Eighth Amendment to Lease
as of the date first written above.

LESSEE:

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

By: Karen S. Spiegel
Karen Spiegel, Chair
Board of Supervisors
DEC 14 2021

LESSOR:

22690 Cactus, LLC, a California
limited liability company

By: Michael O. Smith
Michael O. Smith, Manager

ATTEST:

Kecia Harper
Clerk of the Board

By: [Signature]
Deputy

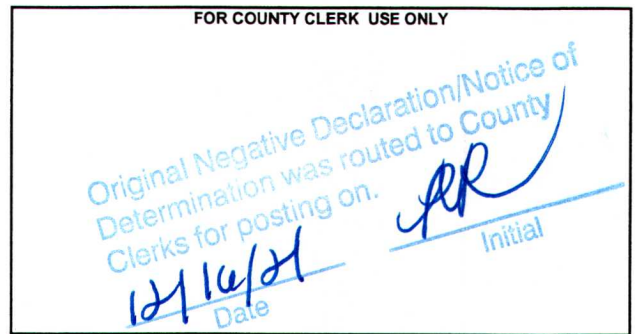
APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: [Signature]
Wesley Stanfield
Deputy County Counsel

CD:sc/102021/MV027/30.595

County of Riverside
Facilities Management
3133 Mission Inn Ave., Riverside, CA



NOTICE OF EXEMPTION

September 24, 2021

Project Name: DPSS Eighth Amendment, Moreno Valley

Project Number: FM042462002700

Project Location: 22690 Cactus Avenue, west of Frederick Street, Moreno Valley, California; Assessor's Parcel Number (APN) 297-150-014

Description of Project: The County of Riverside (County) has been under lease at 22690 Cactus Avenue since December 16, 1997. The Department of Public Social Services (DPSS) has occupied the office space for its Employee Training Division. The Lease Agreement has been amended seven times previously for leased space and rental adjustments, tenant improvements, extensions of terms, and an adjustment to the insurance REQUIREMENTS. This facility continues to meet the needs and requirements of DPSS. The Lessor recently installed solar panels in the parking lot of the facility at their sole cost. The County will benefit from the cost savings generated thru producing their own electricity on site. An Eighth Amendment to for a three-year renewal of the Lease is now being sought. This Eighth Amendment to Lease will commence on February 1, 2022 and the County has an option to terminate with 60 days written notice after January 31, 2023.

The Eighth Amendment to the Leases is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is the letting of property involving existing facilities and no expansion of the existing facility will occur. The operation of the existing facility will continue to provide public services for the DPSS. 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.

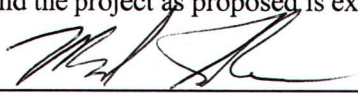
Reasons Why Project is Exempt: The proposed project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA 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 Eighth Amendment to the Lease Agreement.

DEC 14 2021 3:16

- **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 renewal of an of use of existing building for an additional three years. The extension of term will not require physical modifications to the existing building which would 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 Eighth Amendment 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:

9/24/21

Mike Sullivan, Senior Environmental Planner
County of Riverside, Facilities Management

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: DPSS Moreno Valley 8th Amendment to Lease

Accounting String: 524830-47220-7200400000 - FM042462002700

DATE: September 24, 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: Candice Diaz, Real Property Agent III, Facilities Management

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____

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

Date: September 24, 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 # FM042462002700**
DPSS Moreno Valley 8th Amendment to Lease

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 Avenue, Riverside, CA 92507

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

Attachment

cc: file