

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



ITEM: 3.10  
(ID # 17986)

MEETING DATE:

Tuesday, April 05, 2022

FROM : FACILITIES MANAGEMENT:

**SUBJECT:** FACILITIES MANAGEMENT- REAL ESTATE (FM-RE): Ratification and Approval of the First Amendment to the Ground Lease with JS MCA Hunter Park LP, Riverside County Information Technology (RCIT), 1960 Chicago Ave., Suites E1 & E2, Riverside, 5-Year Lease Extension, CEQA Exempt, District 1. [\$436,071 - 100% RCIT Funds] (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, Class 1 Existing Facilities Exemption, and Section 15061(b)(3), Common Sense Exemption;
2. Ratify and Approve the attached First Amendment to the Lease with JS MCA Hunter Park LP and authorize the Chair of the Board to execute the same on behalf of the County;
3. Authorize the Director of Facilities Management, or their designee, to execute any other documents and administer all actions necessary to complete this transaction in accordance with applicable Board Policies; and
4. 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.

**ACTION:**

  
Rose Salgado, Director of Facilities Management 3/7/2022

  
Jim Smith, Chief Information Officer 3/15/2022

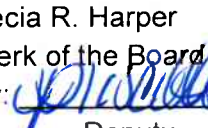
  
Aaron Gettis, Deputy County Counsel 3/18/2022

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Washington 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: April 5, 2022  
xc: FM-RE, Recorder

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>	\$ 35,596	\$ 85,431	\$ 436,071	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> RCIT Funds – 100%			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b> 2021/22-	
			2026/27	

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

**BACKGROUND:**

**Summary**

Since May 31, 2016, Riverside County Information Technology Department (RCIT) has occupied the facilities located at 1960 Chicago Ave., Suites E1 & E2, in Riverside (Lease). This office space continues to meet the requirements of RCIT as a satellite office and warehouse, and this proposed First Amendment to the Lease (Amendment) will extend the term of the Lease for an additional five (5) years with two (2), five (5) year options to extend, amend the rental amounts, remove the Percentage Increase and Leasehold Improvement section, modify the option section, and modify the notice section.

Pursuant to the California Environmental Quality Act (CEQA), the Amendment was reviewed and determined to be categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Class 1 Existing Facilities Exemption and Section 15061 (b)(3), Common Sense Exemption. The proposed project, the Amendment, is the letting of property involving existing facilities, no expansion of an existing use will occur.

The Amendment is summarized as follows:

Location: 1960 Chicago Ave. Suite E1 & E2, Riverside, CA 92507

Lessor: JS MCA Hunter Park LP, a Nevada limited partnership

Size: 6,428 square feet

Term: Five (5) years commencing February 1, 2022

Options to Extend: Two (2) options to extend for five (5) years each

Rent:	<u>Current</u>	<u>New</u>
2/1/22-1/31/24	\$ .75 per square foot	\$ .85 per square foot
	\$4,821.00 per month	\$5,463.80 per month
	\$57,582.00 per year	\$65,565.00 per year

Common Area Maintenance:

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

2/1/22-1/31/27	\$.06 per square foot \$385.68 per month \$4,628.16 per year	\$.09 per square foot \$579.00 per month \$6,948.00 per year
HVAC Insurance: 4 units at \$10 each	\$40.00 per month \$480.00 per year	\$40.00 per month \$480.00 per year
Rent Increase:	3.5% commencing 2/1/2024 2.0% commencing 2/1/2026	
Utilities:	County pays electricity and gas.	

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

**Impact on Residents and Businesses**

This RCIT facility will continue to serve County and the public through the communication and technology services provided from this location.

**Additional Fiscal Information**

See Exhibits A, B and C. RCIT will budget these costs in FY 2021/22 and will reimburse Facilities Management – Real Estate for all associated rent costs on a monthly basis.

**Contract History and Price Reasonableness**

The lease rate is deemed competitive based upon the current market conditions.

**ATTACHMENTS:**

- Aerial
- Exhibit A, B, C
- First Amendment
- CEQA Notice of Exemption

Pk:sc/12222021/RV584/30.658

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

*Meghan Hahn*  
Meghan Hahn, Senior Management Analyst 3/24/2022

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**FIRST AMENDMENT TO LEASE**  
**1960 CHICAGO AVE. SUITES E1 & E2, RIVERSIDE, California**

This **FIRST AMENDMENT TO LEASE** ("First Amendment"), dated as of APR 05 2022, is entered by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, ("Lessee" or "County"), and **JS MCA HUNTER PARK LP** a Nevada limited partnership ("Lessor"), sometimes collectively referred to as the "Parties".

**RECITALS.**

a. Lessor and Lessee entered into a Lease Agreement dated May 31, 2016 (the "Lease"), whereby Lessor leased to Lessee those certain Premises, therein described, that are a portion of the Property located at 1960 Chicago Ave. Suite E1 & E2, Riverside; and

b. The Original Lease together with the First Amendment are collectively referred to herein as the "Lease."

c. The Parties now desire to amend the Lease with this First Amendment to extend the term period, amend the rental amounts, delete Percentage Increase and Leasehold Improvement section, modify the Option to Extend section, and to modify the notice section.

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

**1. TERM.** Section 4.1 of the Lease is hereby amended to extend the lease term from February 1, 2022 to January 31, 2027 ("Term").

**2. RENT.** Sections 5.1 of the Lease is hereby amended by the following: County shall pay to Lessor the monthly sums as rent for the leased premises during the Term of this Lease as indicated below:

February 1, 2022- January 31,2024	\$5,463.80
February 1, 2024- January 31,2026	\$5,656.64

APR 05 2022 3:10

1 February 1, 2026- January 31,2027 \$5,785.20

2 In addition to monthly rent, County shall pay Common Area Maintenance charge of  
3 \$579.00 per month to Lessor at a fixed rate for the five (5) years.

4 **3. PERCENTAGE INCREASE AND LEASEHOLD IMPROVEMENT**  
5 **REIMBURSEMENT.** Sections 5.2, 5.3 and 6.2.2 of the Lease are hereby deleted in its  
6 entirety.

7 **4. OPTIONS TO EXTEND.** Section 6.1 of the Lease is hereby amended by  
8 the following: Tenant shall have two (2) - five (5) year Options to Extend at the then  
9 current prevailing fair market value (FMV), but never less than the previous months' base  
10 rent, which option shall be exercised by County giving Lessor no later than sixty (60)  
11 days written notice prior to the expiration of the Term of this Lease, or any extension  
12 thereof.

13 **5. NOTICES.** Section 18.20 of the Lease is hereby amended by the following:  
14 **County's notification address;**

15 County of Riverside  
16 Facilities Management  
17 Real Estate Division  
3133 Mission Inn Ave.  
Riverside, Ca 92507

18 **6. CAPITALIZED TERMS:** First Amendment to Prevail. Unless defined  
19 herein or the context requires otherwise, all capitalized terms herein shall have the  
20 meaning defined in the Lease, as heretofore amended. The provisions of this First  
21 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,  
22 as heretofore amended, and shall supplement the remaining provision thereof.

23 **7. MISCELLANEOUS.** Except as amended or modified herein, all the terms  
24 of the Lease shall remain in full force and effect and shall apply with the same force  
25 and effect. Time is of the essence in this First Amendment and the Lease and each  
26 and all of their respective provisions. Subject to the provisions of the Lease as to  
27 assignment, the agreements, conditions and provisions herein contained shall apply to  
28 and bind the heirs, executors, administrators, successors and assigns of the parties

1 hereto. If any provision of this First Amendment or the Lease shall be determined to be  
2 illegal or unenforceable, such determination shall not affect any other provision of the  
3 Lease and all such other provisions shall remain in full force and effect. The language  
4 in all parts of the Lease shall be construed according to its normal and usual meaning  
5 and not strictly for or against either Lessor or Lessee. Neither this First Amendment,  
6 nor the Lease, nor any notice nor memorandum regarding the terms hereof, shall be  
7 recorded by Lessee.

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

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

4 Dated: April 5, 2022  
5

6 **LESSEE:**

7 **COUNTY OF RIVERSIDE,**  
8 political subdivision of the  
9 State of California

10  
11  
12 By:   
13 **JEFF HEWITT**, Chair  
14 Board of Supervisors

**LESSOR:**

**JS MCA HUNTER PARK LP** a  
Nevada limited partnership

BY: MCA REALTY, INC.,  
A CALIFORNIA CORPORATION, IT'S  
AUTHORIZED AGENT

15  
16  
17 By:   
18 Peter Cheng  
19 Vice President

20 **ATTEST:**

Kecia Harper  
Clerk of the Board

21 By:   
22 Deputy

23 **APPROVED AS TO FORM:**

~~Gregory P. Priamos~~, County Counsel

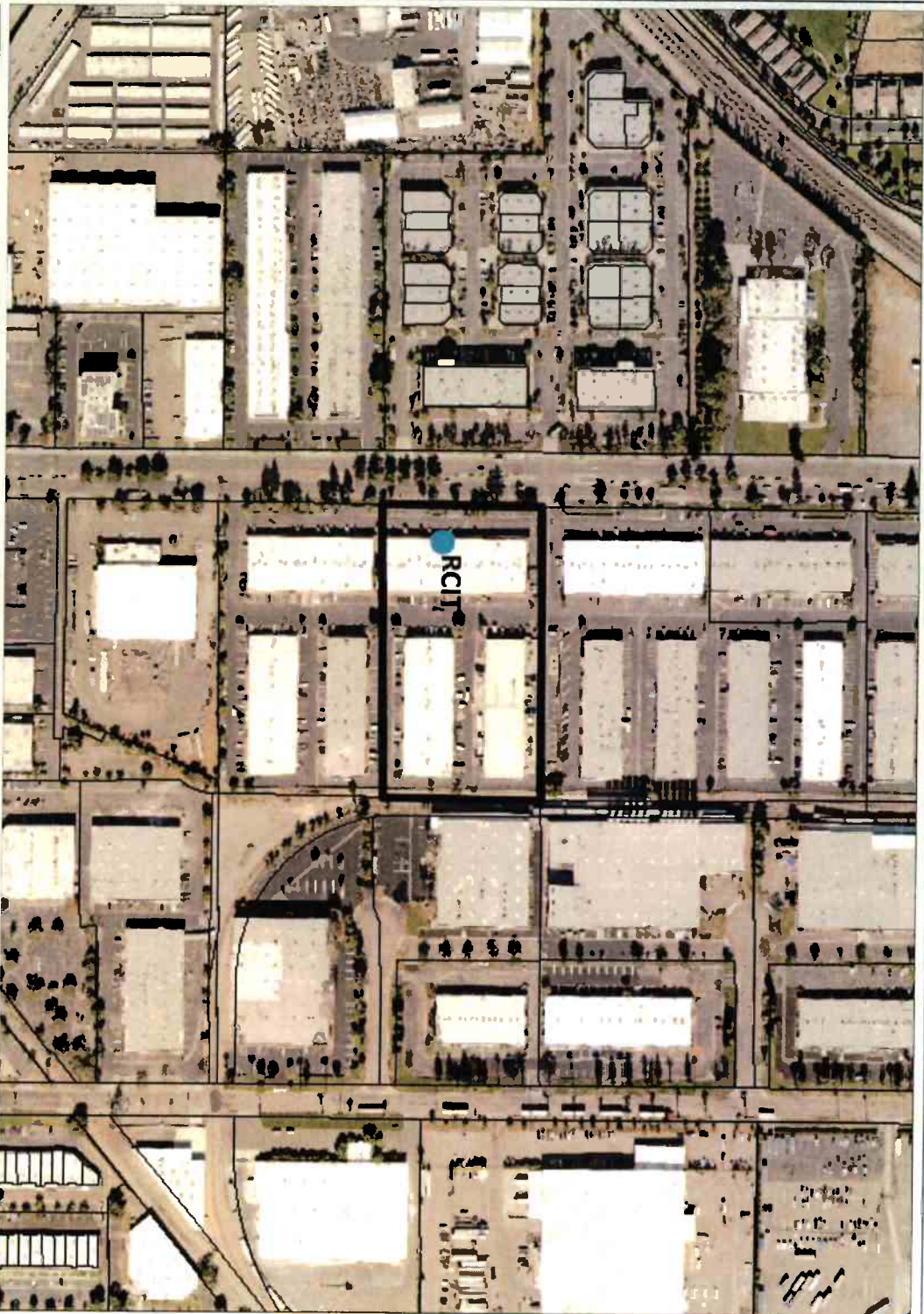
24  
25 By:   
26 Ryan Yabko  
27 Deputy County Counsel  
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PK:pk/RV584/30.658



# RIVERSIDE COUNTY INFORMATION TECHNOLOGY

1260 Chicago Ave, Riverside



0 385 770 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 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.

REPORT PRINTED ON... 1/11/2022 4:01:33 PM

© Riverside County GIS

Legend  
 Parcels

**Notes**  
APN 249-110-030  
District 2

# Exhibit A

FY2021/22

RCIT

1960 Chicago Ave, E1 & E2, Riverside

## ESTIMATED AMOUNTS

### Total Square Footage to be Leased:

Current Office:	6,428 SQFT	
Approximate Cost per SQFT (FEB-JUN)	\$0.85	
Lease Cost per Month (FEB-JUN)	\$ 5,463.80	
Total Lease Cost (FEB-JUN)		\$27,319.00
<b>Total Estimated Lease Cost for fy 2021/22</b>		<b>\$ 27,319.00</b>

### Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 771.36
CAM Cost per SQFT	\$ 0.09	
Estimated CAM Costs per Month		\$ 578.52
HVAC Insurance per Month		\$ 40.00
Total Estimated Additional costs per Month		\$ 1,389.88
Total Estimated Utility CostFeb-June		\$ 6,949.40
<b>Total Estimated Utility Cost for FY2021/22</b>		<b>\$ 6,949.40</b>
FM Lease Management Fee as of 7/1/2021	4.86%	\$ 1,327.70
<b>TOTAL ESTIMATED COST FOR FY2021/22</b>		<b>\$ 35,596.10</b>
<b>TOTAL COUNTY COST</b>	<b>0%</b>	<b>\$ -</b>

# Exhibit B

**FY2022/23**

**RCIT**

**1960 Chicago Ave, E1 & E2, Riverside**

## **ESTIMATED AMOUNTS**

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

Current Office:	6,428	SQFT	
Approximate Cost per SQFT July-January	\$ 0.85		
Approximate Cost per SQFT February-June	\$ 0.85		
Lease Cost per Month July-January		\$ 5,463.80	
Lease Cost per Month February-June			
Total Lease Cost July-January			\$ 65,565.60
Total Lease Cost February-June			
<b>Total Estimated Lease Cost for FY2022/23</b>			<b>\$ 65,565.60</b>

### **Estimated Additional Costs:**

Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month		\$ 771.36	
CAM Cost per SQFT	\$ 0.09		
Estimated CAM Costs per Month		\$ 578.52	
HVAC Insurance per Month		\$ 40.00	
Total Estimated Additional costs per Month		\$ 1,389.88	
Total Estimated Utility Cost (Jul-Jun)			\$ 16,678.56
FM Lease Management Fee as of 7/1/2021	4.86%		\$ 3,186.49
<b>TOTAL ESTIMATED COST FOR FY2022/23</b>			<b>\$ 85,430.65</b>
<b>TOTAL COUNTY COST</b>	<b>0%</b>		<b>\$ -</b>

# Exhibit C

## FY2023/24-FY2026/27

RCIT

1960 Chicago Ave, E1 & E2, Riverside

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

Current Office:

6,428

	FY2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Approximate Cost per SQFT July-January	\$ 0.85	\$ 0.88	\$ 0.88	\$ 0.90
Approximate Cost per SQFT February-June	\$ 0.88	\$ 0.88	\$ 0.90	
Lease Cost per Month July-January	\$ 5,463.80	\$ 5,656.64	\$ 5,656.64	\$ 5,785.20
Lease Cost per Month February-June	\$ 5,656.64	\$ 5,656.64	\$ 5,785.20	
Total Lease Cost July-January	\$ 38,246.60	\$ 39,596.48	\$ 39,596.48	\$ 40,496.40
Total Lease Cost February-June	\$ 28,283.20	\$ 28,283.20	\$ 28,926.00	-
<b>Total Estimated Lease Cost for FY2023/24-FY2026/27</b>	<b>\$ 66,529.80</b>	<b>\$ 67,879.68</b>	<b>\$ 68,522.48</b>	<b>\$ 40,496.40</b>

#### Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 0.12	\$ -
Estimated Utility Costs per Month	\$ 771.36	\$ 771.36	\$ 771.36	\$ 771.36
CAM Cost per SQFT	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09
Estimated CAM Costs per Month	\$ 579.00	\$ 579.00	\$ 579.00	\$ 579.00
HVAC Insurance per Month	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
Total Estimated Additional costs per Month	\$ 1,390.36	\$ 1,390.36	\$ 1,390.36	\$ 1,390.36
<b>Total Estimated Additional Cost FY 2023/24-FY2026-27</b>	<b>\$ 16,684.32</b>	<b>\$ 16,684.32</b>	<b>\$ 16,684.32</b>	<b>\$ 9,732.52</b>

FM Lease Management Fee as of 7/1/2021

	\$ -	\$ -	\$ -	\$ -
	4.86%	3,298.95	3,330.19	1,968.13

#### **TOTAL ESTIMATED COST FOR FY2023/24-FY2026/27**

	<b>\$ 86,447.47</b>	<b>\$ 87,862.95</b>	<b>\$ 88,536.99</b>	<b>\$ 52,197.05</b>
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F11 Total Cost

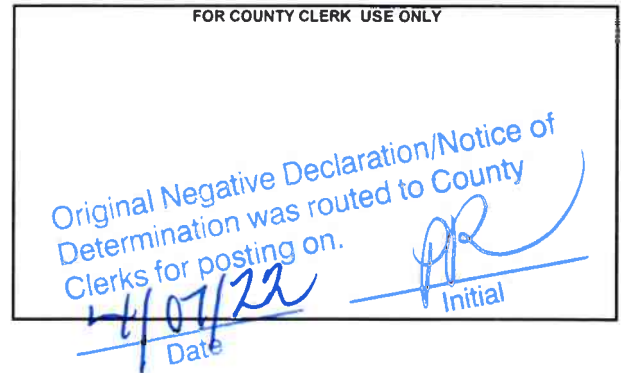
\$ 436,071.21

F11 Total County Cost

-

0%

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



## NOTICE OF EXEMPTION

January 11, 2022

**Project Name:** First Amendment to Lease Agreement, Riverside County Information Technology (RCIT) Chicago Avenue, Riverside

**Project Number:** FM042611058400

**Project Location:** 1960 Chicago Avenue, north of Spruce Street, Riverside, California 92507 Assessor's Parcel Number (APN) 249-110-030

**Description of Project:** -Since May 31, 2016 RCIT has occupied the 6,428 square feet of office space at the facility located at 1960 Chicago Avenue., Suites E1 & E2, Riverside. This leased space continues to meet the requirements of the RCIT Division as a satellite office and warehouse, and is seeking a First Amendment to the Lease will extend the term of the lease for five additional years.

Through this Amendment, Facilities Management - Real Estate (FM-RE) has negotiated a new five-year extension term with two, 5-year options to extend. The First Amendment to the Lease Agreement with JS MCA Hunter Park LP 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 information technology services. 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 First 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 the extension of an existing Lease Agreement regarding information technology services. The project would not substantially increase or expand the use of the site; use 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 First 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:** 1-11-2022  
Mike Sullivan, Senior Environmental Planner  
County of Riverside, Facilities Management

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: First Amendment to Lease Agreement, RCIT Chicago Avenue, Riverside**

**Accounting String: 524830-47220-7200400000 - FM042611058400**

DATE: January 11, 2022

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: **Peter Komar, Real Property Agent II, 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: January 11, 2022  
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 # FM042611058400**  
First Amendment to Lease Agreement, RCIT Chicago, Riverside

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](mailto:msullivan@rivco.org).**

Attachment

cc: file