

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



**ITEM: 3.16
(ID # 17744)**

MEETING DATE:
Tuesday, April 26, 2022

FROM : FACILITIES MANAGEMENT:

SUBJECT: FACILITIES MANAGEMENT - REAL ESTATE (FM-RE) AND DEPARTMENT OF PUBLIC SOCIAL SERVICES (DPSS): Approval of the Fifth Amendment to Lease with Terry William Ireland, dba T.W. Investments, 68625 Perez Road, Suites 4 & 5, Cathedral City, California, 24-month Lease Extension, CEQA Exempt, District 4. [Total Cost \$304,688 - Federal 98%, State 2%] (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. Approve the attached Fifth Amendment to Lease with Terry William Ireland, dba T.W. Investments, 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:



Rose Salgado, Director of Facilities Management 4/10/2022


Aaron Gettis, Deputy County Counsel 4/13/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Perez, and Hewitt
Nays: None
Absent: Washington
Date: April 26, 2022
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	\$ 0	\$ 99,433.94	\$ 304,687.79	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: State 2%, Federal 98%			Budget Adjustment: No	
			For Fiscal Year: 22/2023-24/2025	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Since July 2007, the County has been under lease with Terry William Ireland, dba T.W. Investments, at 68625 Perez Road, Suites 4 & 5, Cathedral City, California. Under this lease, the Department of Public Social Services (DPSS) has occupied 5,238 square feet of office space for use by its GAIN Division and the space continues to meet the requirements of DPSS for providing services to the community. The lease which expires on October 31, 2022, will be extended 24 additional months under the Fifth Amendment to Lease (Amendment). Additionally, an early termination option is available at twelve (12) months with a sixty (60) day prior written notice.

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: 68625 Perez Road, Suite 4 & 5
Cathedral City, CA 92234

Size: 5,238 square feet

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

Rent:	<u>Current:</u> \$2.11 per square foot \$11,060.00 per month \$132,720.00 per year	<u>New:</u> \$2.13 per square foot \$11,170.00 per month \$134,040.00 per year
Term:	Extended 24 months commencing November 1, 2022 and expiring October 31, 2024.	
Annual Increase:	3% annual increases beginning May 1, 2023, and on every May 1.	
Utilities:	County pays for electric. Lessor pays for all others.	
Custodial:	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 under the GAIN Division.

Additional Fiscal Information

See attached Exhibits A, B, & C. DPSS will budget these costs in FY2022/2023 through FY2024/2025 and will reimburse (FM-RE) for all associated lease costs.

Contract History and Price Reasonableness

The lease rate is aligned with the current real estate market

ATTACHMENTS (if any, in this order):

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

JD:sc/1112022/CO015/xx.xxx

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

Meghan Hahn
Meghan Hahn, Senior Management Analyst 4/14/2022

1 **FIFTH AMENDMENT TO LEASE**

2 68625 Perez Road, Suites 4 & 5, Cathedral City, California

3
4 This **FIFTH AMENDMENT TO LEASE** ("Fifth Amendment"), dated as of
5 APR 26 2022, is entered by and between the **COUNTY OF RIVERSIDE**, a
6 political subdivision of the State of California, ("County"), and **TERRY WILLIAM**
7 **IRELAND, dba T.W. Investments** ("Lessor"), sometimes collectively referred to as the
8 "Parties".

9 **RECITALS**

10 A. Terry Williams Ireland dba T.W. Investments, as Lessor, and County of
11 Riverside as Lessee, have entered into that certain Lease dated July 31, 2007, (the
12 "Original Lease") pursuant to which Lessee has agreed to lease from Lessor a portion
13 of that certain building located at 68625 Perez Road, Suites 4 &5, Cathedral City,
14 California (the "Premises") as more particularly described in the Original Lease.

15 B. The Original Lease has been amended by:

16 That certain First Amendment to Lease dated, June 18, 2013, by and between
17 County of Riverside and Terry William Ireland dba T.W. Investments, ("First
18 Amendment") whereby the Parties amended the Original Lease to modify the rent and
19 extend the term of the Original Lease.

20 That certain Second Amendment to Lease dated April 14, 2015, by and between
21 County of Riverside and Terry William Ireland dba T.W. Investments, ("Second
22 Amendment") whereby the Parties amended the Original Lease to modify the rent,
23 extend the term of the Original Lease, and include minor tenant improvements.

24 That certain Third Amendment to Lease dated April 24, 2018, by and between
25 County of Riverside and Terry William Ireland dba T.W. Investments, ("Third
26 Amendment") whereby the Parties amended the Lease to modify the rent, complete
27 minor improvements and extend the term of the Original Lease.

1 That certain Fourth Amendment to Lease dated June 8, 2021, by and between
2 County of Riverside and Terry William Ireland dba T.W. Investments, ("Fourth
3 Amendment") whereby the Parties amended the Lease to extend the term, include the
4 communications room in suite 2 & 3, amend the rental amounts and complete tenant
5 improvements.

6 C. The Original Lease together with the Amendments are collectively
7 referred to hereinafter as the "Lease."

8 D. The Parties now desire to extend the lease term and amend the rental
9 amounts.

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

12
13 1. **Term.** Section 4.1 of the Lease is hereby amended as follows:

14 (a) The term of this Lease shall be extended for a period of two (2) years
15 effective November 1, 2022 and expiring on October 31, 2024 ("Extended Term").

16 2. **Rent.** Section 5.1 is deleted in its entirety and replaced with the
17 following:

18 (a) County shall pay the sum of eleven thousand one hundred seventy and
19 00/100 dollars (\$11,170.00) per month to Lessor as rent for the Leased Premises,
20 payable in advance on the first day of the month or as soon thereafter as a warrant
21 can be issued in the normal course of County's business; provided, however, in the
22 event rent for any period during the term hereof which is for less than one (1) full
23 calendar month, said rent shall be pro-rated based upon the actual number of days of
24 said month.

25 (b) Notwithstanding the provisions of Section 5.1 herein, commencing May 1,
26 2023, the monthly rent shall be increased on each May 1 by an amount equal to three
27 percent (3%) of such monthly rental for the preceding Lease year.

28 (c) The rent schedule is as follows:

1	<u>Year</u>	<u>Total Monthly Rent</u>
2	11/1/2022 to 4/30/2023	\$11,170.00
3	5/1/2023 to 4/30/2024	\$11,505.00
4	5/1/2024 to 10/31/2024	\$11,850.00

5 3. **Options to Terminate.** County in its sole discretion and without penalty
6 may terminate the Lease and vacate the Premises any time after twelve (12) months
7 into the Extended Term. County must provide notice to Lessor at least sixty (60) days
8 prior to the Termination Date.

9 4. **Notice.** Section 19.18 of the Lease is hereby amended to change the
10 address of Notice for the County:

11 Facilities Management Department
12 County of Riverside
13 3133 Mission Inn Ave.
14 Riverside, California 92507
15 Attn: Deputy Director of Real Estate

16 5. **Fifth Amendment to Prevail.** The provisions of this Fifth Amendment
17 shall prevail over any inconsistency of conflicting provisions of the Lease, as heretofore
18 amended, and shall supplement the remaining provisions thereof.

19 6. **Miscellaneous.** Except as amended or modified herein, all the terms of
20 the Original Lease shall remain in full force and effect and shall apply with the same
21 force and effect. Time is of the essence in this Fifth Amendment and the Lease and
22 each and all their respective provisions. Subject to the provisions of the Lease as to
23 assignment, the agreements, conditions, and provisions herein contained shall apply to
24 and bind the heirs, executors, administrators, successors and assigns of the Parties
25 hereto. If any provisions of this Fifth Amendment or the Lease shall be determined to
26 be illegal or unenforceable, such determination shall not affect any other provision of
27 the Lease and all such other provisions shall remain in full force and effect. The
28 language in all parts of the Lease shall be construed according to its normal and usual

1 meaning and not strictly for or against either Lessor or County. Neither this Fifth
2 Amendment, nor the Original Lease, nor any notice nor memorandum regarding the
3 terms hereof, shall be recorded by County.

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

7 8. **Section 8.** This Fifth Amendment may be executed in counterparts each
8 of which shall be deemed to be an original, but all of which, taken together, shall
9 constitute one and the same agreement.

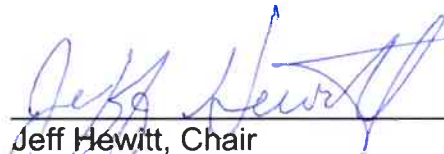
10 (Signatures on the following page)

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

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

LESSOR:
Terry William Ireland dba T.W. Investments

7
8 By: 
9 Jeff Hewitt, Chair
Board of Supervisors

By: _____
Terry William Ireland
Lessor

10 ATTEST:
11 Kecia Harper
12 Clerk of the Board

13 By: 
14 Deputy

15
16 APPROVED AS TO FORM:
17 County Counsel

18 By: 
19 Wesley W. Stanfield
20 Deputy County Counsel

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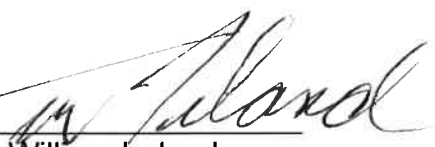
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IN WITNESS WHEREOF, the Parties have executed this Fifth Amendment as of the date first written above.

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

LESSOR:
Terry William Ireland dba T.W. Investments

By: _____
_____, Chair
Board of Supervisors

By: 
Terry William Ireland
Lessor

ATTEST:
Kecia R. Harper
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: _____
Wesley Stanfield
Deputy County Counsel

Exhibit A

FY 2022/23

Department of Public Social Services
68625 Perez Road, Suites 4 & 5, Cathedral City

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	5,238	SQFT		
Approximate Cost per SQFT (Jul-Apr)	\$	2.13		
Approximate Cost per SQFT (May-Jun)	\$	2.20		
Lease Cost per Month (Jul-Apr)			\$	11,170.00
Lease Cost per Month (May-Jun)			\$	11,505.00
Total Lease Cost (Jul-Apr)(commence Nov 1)			\$	67,020.00
Total Lease Cost (May-June)			\$	23,010.00
Total Estimated Lease Cost for FY 2022/23			\$	90,030.00

Estimated Additional Costs:

Utility Cost per SQFT	\$	0.12		
Estimated Utility Costs per Month			\$	628.56
Total Estimated Utility Cost (Jul-Jun)(commence Nov 1)			\$	5,028.48
Total Estimated Utility Cost for FY 2022/23			\$	5,028.48

Tenant Improvement Costs			\$	-
FM Lease Management Fee as of 11/01/2022	4.86%		\$	4,375.46
TOTAL ESTIMATED COST FOR FY 2022/23			\$	99,433.94
Amount in FY 2022/23 for New Amendment			\$	99,433.94
TOTAL COUNTY COST	0.00%		\$	-

Exhibit B

FY 2023/24

**Department of Public Social Services
68625 Perez Road, Suites 4 & 5, Cathedral City**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		5,238	SQFT		
Approximate Cost per SQFT (Jul-Apr)	\$	2.20			
Approximate Cost per SQFT (May-Jun)	\$	2.26			
Lease cost per Month (Jul-Apr)		\$	11,505.00		
Lease cost per Month (May-Jun)		\$	11,850.00		
Total Lease Cost (Jul-Apr)		\$	115,050.00		
Total Lease Cost (May-Jun)		\$	23,700.00		
Total Estimated Lease Cost for FY 2023/24		\$	138,750.00		

Estimated Additional Costs:

Utility Cost per SQFT	\$	0.12			
Estimated Utility Costs per Month			\$	628.56	
Total Estimated Utility Cost (Jul-Jun)			\$	7,542.72	
FM Lease Management Fee as of 11/01/2022		4.86%	\$	6,743.25	
TOTAL ESTIMATED COST FOR FY 2023/24			\$	153,035.97	
TOTAL COUNTY COST		0.00%	\$	-	

Exhibit C

FY 2024/25 - 2025/26
Department of Public Social Services
68625 Perez Road, Suites 4 & 5, Cathedral City

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 5,238 SQFT

	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Approximate Cost per SQFT (Jul-Apr)	\$ 2.26	\$ -		
Approximate Cost per SQFT (May-Jun)	\$ -			
Lease Cost per Month (Jul-Apr)	\$ 11,850.00	\$ -		
Lease Cost per Month (May-Jun)	\$ -			
Total Lease Cost (July - Apr)(Exp. 10/31/2024)	\$ 47,400.00	\$ -	\$ -	\$ -
Total Lease Cost (May - June)	\$ -			
Total Estimated Lease Cost for FY 2024/25 - 2025/26	\$ 47,400.00	\$ -	\$ -	\$ -

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ -		
Estimated Utility Costs per Month	\$ 628.56	\$ -		
Total Estimated Utility Cost	\$ 2,514.24	\$ -	\$ -	\$ -
Tenant Improvement	\$ -	\$ -	\$ -	\$ -
FM Lease Management Fee as of 11/01/2022 4.86%	\$ 2,303.64	\$ -	\$ -	\$ -
TOTAL ESTIMATED COST FOR FY 2024/25 - 2025/26	\$ 52,217.88	\$ -	\$ -	\$ -

F11 Total Cost	\$ 304,687.79
F11 Total County Cost 0.00%	\$ -

Cathedral City DPSS GAIN
68625 Perez Road, Suites 4 & 5, Cathedral City



Legend
□ Parcels



0 188 376 Feet

REPORT PRINTED ON... 11/17/2021 2:32:30 PM

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"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.

Notes
District 4
Leased area outlined in blue
APN 687-330-023

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

FOR COUNTY CLERK USE ONLY

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

4/29/22 RR
Date Initial

NOTICE OF EXEMPTION

November 23, 2021

Project Name: Department of Public Social Services (DPSS) Suites 4 & 5 Fifth Amendment to Lease, Cathedral City

Project Number: FM042163001500

Project Location: 68625 Perez Road, Suites 4 & 5, east of Cathedral Canyon Drive, Cathedral City, California; 92234, Assessor's Parcel Number (APN) 687-330-023

Description of Project: The County of Riverside (County) has been under lease for 5,238 square feet of office space in Suites 4 & 5, at 68625 Perez Road in the City of Cathedral City since July of 2007. DPSS has occupied this office space for use by its GAIN Division, and it continues to meet the requirements of the Department for providing services to the community. The current lease will expire on October 31, 2022 and DPSS is seeking to extend the lease for an additional 24 months under a Fifth Amendment, which will commence November 1, 2022 and terminate on October 31, 2024. 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 GAIN 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.

APR 26 2022 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 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: 11-23-2021
 Mike Sullivan, Senior Environmental Planner
 County of Riverside, Facilities Management

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: DPSS Suites 4 & 5 Fifth Amendment to Lease, Cathedral City

Accounting String: 524830-47220-7200400000 - FM042163001500

DATE: November 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: **Jonathan Duev, Principal Real Property Agent, 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: November 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 # FM042163001500**
DPSS Suites 4 & 5 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