

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



**ITEM: 3.25
(ID # 21725)**

MEETING DATE:

FROM : FACILITIES MANAGEMENT:

Tuesday, August 29, 2023

SUBJECT: FACILITIES MANAGEMENT – REAL ESTATE (FM-RE): AND RIVERSIDE UNIVERSITY HEALTH SYSTEM - PUBLIC HEALTH: Ratification and Approval of the Fifth Amendment to Lease with T.W. Ireland, Trustee of the TW Ireland Revocable Living Trust dated September 8, 1982, Cathedral City, Three-Year Lease Extension, California Environmental Quality Act Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 4. [Total Cost: \$347,435 - 100% Federal] (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 the State CEQA Guidelines Section 15301, Class 1 - Existing Facilities Exemption, and Section 15061(b)(3), "Common Sense" Exemption;
2. Ratify and approve the attached Fifth Amendment to Lease between the County of Riverside and T.W. Ireland, Trustee of the TW Ireland Revocable Living Trust dated September 8, 1982, 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; and
4. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) working days of approval by the Board.

ACTION:Policy


Kim Saruwatari, Director of Public Health 7/24/2023


Rose Salgado, Director of Facilities Management 8/3/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Perez, Washington, and Gutierrez
Nays: None
Absent: None
Date: August 29, 2023
xc: FM-RE, RUHS-PH, Recorder

Kimberly A. Rector,
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	\$4,983	\$112,284	\$347,435	N/A
NET COUNTY COST	\$ 0	\$ 0	\$ 0	N/A
SOURCE OF FUNDS: Federal 100%			Budget Adjustment:	No
			For Fiscal Year: 22/23-25/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside has been under lease at 68-615 B Perez Road, Suite 17, Cathedral City since 2006. This facility continues to meet the needs of the Department of Public Health/WIC Program, and this proposed Fifth Amendment extends the lease for an additional three (3) years commencing June 15, 2023, and running through June 14, 2026.

Pursuant to the California Environmental Quality Act (CEQA), the Fifth 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, the Fifth Amendment, is the letting of property involving existing facilities, and no expansion of an existing use will occur.

The Fifth Amendment to Lease is summarized as follows:

- Location: 68-615 B Perez Road, Suite 17, Cathedral City, California
- Lessor: T.W. Ireland, Trustee of the TW Ireland Revocable Living Trust dated September 8, 1982
- Size: 3,089 Sq. Ft.
- Term: Three (3) years, commencing on June 15, 2023 and terminating June 14, 2026
- Rent:

<u>Current</u>	<u>New</u>
\$ 2.18 Per Sq. Ft.	\$ 2.50 Per Sq. Ft.
\$ 6,719.55 Per Month	\$ 7,722.50 Per Month
\$80,634.60 Per Year	\$92,670.00 Per Year
- Rent Adjustment: Commencing June 15, 2024, rent shall be adjusted 3.75% annually
- Maintenance: Provided by Lessor

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

Custodial: Lessor shall provide custodial services, and County will reimburse Lessor \$875.00 per month in addition to the base rent.

Utilities: County pays electric, gas, and telephone, Lessor provides all other services

Impact on Citizens and Businesses:

The continued and extended occupancy of Public Health/WIC Program will provide a positive overall economic impact to the residents and businesses of this community.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C. Department of Public Health has budgeted these costs in FY 23/24 through FY 25/26 and will reimburse FM-RE for all associated Lease costs on a monthly basis.

Contract History and Price Reasonableness

The rental rate is deemed competitive based upon the current market. This contract has been in place since November 2006.

Lease & Amendments:

Date and M.O.

Lease	11/21/2006 M.O. 3.11
First Amendment to Lease	5/8/2007 M.O. 3.17
Second Amendment to Lease	9/11/2012 M.O 3.19
Third Amendment to Lease	11/3/2015 M.O 3.2
Fourth Amendment to Lease	9/15/2020 M.O. 3.11

Attachments:

- Exhibits A, B & C
- Fifth Amendment to Lease
- Notice of Exemption
- Aerial MT#21725





Veronica Santillan, Principal Management Analyst

8/21/2023


Aaron Gettis, Deputy County Counsel

8/16/2023

County of Riverside
Facilities Management
3450 14th St, 2nd Floor, Riverside, CA

FOR COUNTY CLERK USE ONLY		
FILED / POSTED		
County of Riverside		
Peter Aldana		
Assessor-County Clerk-Recorder		
E-202300909		
08/29/2023 01:34 PM Fee: \$ 50.00		
Page 1 of 2		
Removed:	By:	Deputy
		

NOTICE OF EXEMPTION

May 4, 2023

Project Name: Approval of Fifth Amendment to the Lease Agreement with T.W. Ireland, Trustee of the TW Ireland Revocable Living Trust dated September 8, 1982 for the Riverside University Health System Department of Public Health/Woman Infants and Children Division (RUHS-PH/WIC) at 68-615 Perez Road, Suite 17, Cathedral City

Project Number: FM042163001300

Project Location: 68-615 Perez Road, Suite 17, east of Cathedral Canyon Drive, Cathedral City, California 92234, Assessor's Parcel Number (APN) 687-330-024

Description of Project: On September 15, 2020, the Board of Supervisors approved the Fourth Amendment to Lease for the RUHS-PH/WIC Program located at 68-615 Perez Road, Suite 17, Cathedral, California, also known as APN 687-330-024. This facility has continued to meet the needs of the department since 2006 and the department seeks via this Fifth Amendment to extend the lease for an additional three years commencing June 15, 2023, through June 14, 2026. County may terminate this lease for any reason after two years of the extended term with notification to landlord 120 days prior to the date of termination. The Fifth Amendment to the Lease Agreement is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is for the use of an existing building and no expansion of the existing facility will occur. The operation of the facility will continue to provide public health 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

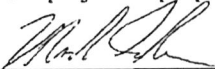
Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

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.

08.29.2023 3.25

- **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 use of an existing RUHS-PH facility. 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 Fifth Amendment to the Lease is an administrative action to allow for the use of the existing space at 68-615 Perez Road. 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: 5-4-2023
Mike Sullivan, Senior Environmental Planner
County of Riverside, Facilities Management

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

FIFTH AMENDMENT TO LEASE

68-615 B. Perez Road, Suite 17, Cathedral City, California

THIS FIFTH AMENDMENT TO LEASE (“5th Amendment”), dated as of August 29, 23, is entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (“County”) as (“Lessee”), and T.W. Ireland, Trustee of the TW Ireland Revocable Living Trust dated September 8, 1982 as (“Lessor”), sometimes collectively referred to as the “Parties.”

RECITALS

a. Lessor and County have entered into that certain Lease dated November 21, 2006, (the “Original Lease”) pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor that certain building located at 68-615 B. Perez Road, Suite 17, Cathedral City (the “Building”), as more particularly described in the Original Lease (the “Original Premises”).

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated May 8, 2007, by and between County of Riverside and T.W. Investments (the “1st Amendment”), whereby the Parties amended the Lease to increase the square footage by eighty-nine square feet, and amend the rental monthly amounts.

ii. The Second Amendment to Lease dated September 11, 2012, by and between County of Riverside and T.W. Investments (the “2nd Amendment”), whereby the Parties amended the Lease to change the term period, the monthly rental amounts, the annual escalator, the custodial services monthly payment amounts, provide for improvements to the leased space, appoint the new County representative, and update the addresses for both parties under notices.

iii. The Third Amendment to Lease dated November 3, 2015, by and between County of Riverside and T.W. Investments, LLC, a limited liability company (the “3rd Amendment”), whereby the Parties amended the Lease to change the term

AUG 29 2023 3.25

1 period, the rental monthly amounts, the annual escalator, the custodial monthly
2 amounts, and provide for improvements to the leased space.

3 iv. The Fourth Amendment to Lease dated September 15, 2020, by
4 and between County of Riverside and T.W. Ireland, dba T.W. Investments (the "4th
5 Amendment"), whereby the Parties amended the Lease to change the term period, the
6 rental monthly amounts, the annual escalator, the custodial monthly amounts,
7 improvements to the leased space, appoint the new County representative, and update
8 the addresses for both parties under notices.

9 c. The Original Lease together with the First, Second, Third, Fourth, and
10 this Fifth Amendment are collectively referred to herein as the "Lease."

11 d. The Parties now desire to amend the Lease to extend the term period
12 and to update the monthly rental amounts, the annual escalator, the custodial services
13 monthly payment amounts, the option to terminate, and update the addresses for both
14 parties for providing notices.

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

17 **1. Term.** Subsection 4.1 of Section 4 of the Original Lease is hereby
18 amended as follows:

19 Commencement. The term of this Lease Extension shall be extended for three
20 (3) years commencing on June 15, 2023 and terminating on June 14, 2026.

21 **2. Rent.** Section 5 of the Original Lease is hereby amended by the
22 following:

23 County shall pay to Lessor the following monthly sums as rent for the leased
24 premises during the term of this Lease Extension:

<u>Monthly Amount</u>	<u>Year</u>
\$7,722.50	June 15, 2023 to June 14, 2024
\$8,012.10	June 15, 2024 to June 14, 2025
\$8,312.56	June 15, 2025 to June 14, 2026

1 Rent under this Fifth Amendment to Lease shall be increased according to the schedule
2 set forth above, which comprises a three and seventy-five hundredths percent (3.75%)
3 increase annually beginning on June 15, 2024.

4 **3. Option to Terminate.** Section 6.3.1 of the Lease shall be amended as
5 follows:

6 In the event County terminates this Lease for any reason after two years of the
7 extended term, County shall provide Lessor with written notification of its election to
8 terminate this Lease at least one hundred twenty (120) days prior to the date of
9 termination.

10 **4. Custodial Services.** Subsection 8.1.1 of Section 8 is hereby amended
11 by the following:

12 The cost of the monthly custodial services shall be \$875.00.

13 **5. Notice.** Section 19.17 of the Lease shall be amended as follows:
14 Any notices required or desired to be served by either party upon the other shall be
15 addressed to the respective parties as set forth below:

16 **COUNTY:**

17 County of Riverside
18 Facilities Management
19 Real Estate Division
20 3450 14th Street, Suite 200
21 Riverside, California 92501
22 ATTN: Deputy Director of Real Estate
23 (951) 955-4820
24 Additional Notification/Inquiries: FM-leasing@rivco.org

LESSOR:

T.W. Ireland, Trustee
TW Ireland Revocable Living Trust
dated September 8, 1982
4624 Cardona Ct.
Ft. Worth, Texas 76126

25 **6. CAPITALIZED TERMS.** Fifth Amendment to Prevail. Unless defined
26 herein or the context requires otherwise, all capitalized terms herein shall have the
27 meaning defined in the Lease, as heretofore amended. The provisions of this Fifth
28

1 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
2 as heretofore amended, and shall supplement the remaining provisions thereof.

3 **7. MISCELLANEOUS.** Except as amended or modified herein, all the terms
4 of the Original Lease shall remain in full force and effect and shall apply with the same
5 force and effect. Time is of the essence in this Amendment and the Lease and each
6 and all of their respective provisions. Subject to the provisions of the Lease as to
7 assignment, the agreements, conditions and provisions herein contained shall apply to
8 and bind the heirs, executors, administrators, successors and assigns of the parties
9 hereto. If any provisions of this Amendment or the Lease shall be determined to be
10 illegal or unenforceable, such determination shall not affect any other provision of the
11 Lease and all such other provisions shall remain in full force and effect. The language
12 in all parts of the Lease shall be construed according to its normal and usual meaning
13 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the
14 Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be
15 recorded by Lessee.

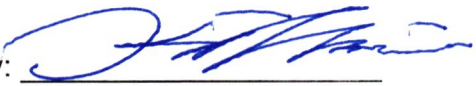
16 **8. EFFECTIVE DATE.** This Fifth Amendment to Lease shall not be binding
17 or consummated until its approval by the Riverside County Board of Supervisors and
18 fully executed by the Parties.

19 (Signatures on next the page)
20
21
22
23
24
25
26
27
28

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

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

LESSOR:
7 T.W. Ireland, Trustee
8 TW Ireland Revocable Living Trust
9 dated September 8, 1982

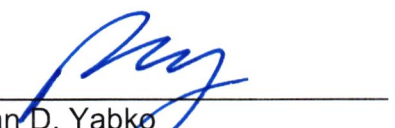
10
11 By: 
12 Kevin Jeffries, Chair
13 Board of Supervisors

14 By: 
15 Trustee

16 ATTEST:
17 Kimberly Rector
18 Clerk of the Board

19 By: 
20 Deputy

21 APPROVED AS TO FORM:
22 Minh C. Tran
23 County Counsel

24 By: 
25 Ryan D. Yabko
26 Deputy County Counsel

27 MH:kt/08092023/CC013/30.934
28

AUG 29 2023 3.25

Exhibit A

FY 2022/23

Public Health WIC

68615 Perez Road, Suite 17, Cathedral City

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	3,089 SQFT	<u>Per Month</u>	<u>Per Day</u>
Approximate Cost per SQFT (Jul 1 - Jun 14)	\$ -		
Approximate Cost per SQFT (Jun 15 - Jun 30)	\$ 2.50		
Lease Cost (Jul 1 - Jun 14)		\$ -	\$ -
Lease Cost (Jun 15 - Jun 30)		\$ 7,722.50	\$ 257.42
Total Lease Cost (Jul 1 - Jun 14)			\$ -
Total Lease Cost (Jun 15 - Jun 30)			\$ 4,118.67
Total Estimated Lease Cost for FY 2022/23			\$ 4,118.67
Custodial Cost (Jul 1 - Jun 14)		\$ -	\$ -
Custodial Cost (Jun 15 - Jun 30)		\$ 875.00	\$ 29.17
Total Lease Cost (Jul 1 - Jun 14)			\$ -
Total Lease Cost (Jun 15 - Jun 30)			\$ 466.67
Total Estimated Custodial Cost for FY 2022/23			\$ 466.67
<u>Estimated Additional Costs:</u>			
Utility Cost per SQFT	\$ 0.12		
Estimated Utility Cost		\$ 370.68	\$ 12.36
Total Estimated Utility Cost (Jul 1 - Jun 14)			\$ -
Total Estimated Utility Cost (Jun 15 - Jun 30)			\$ 197.70
Total Estimated Utility Cost for FY 2022/23			\$ 197.70
FM Lease Management Fee as of 7/1/2023	4.86%		\$ 200.17
TOTAL ESTIMATED COST FOR FY 2022/23			\$ 4,983.20
TOTAL COUNTY COST	0%		\$ -

Exhibit B

FY 2023/24
Public Health WIC
68615 Perez Road, Suite 17, Cathedral City

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	3,089 SQFT	<u>Per Month</u>	<u>Per Day</u>
Approximate Cost per SQFT (Jul 1 - Jun 14)	\$ 2.50		
Approximate Cost per SQFT (Jun 15 - Jun 30)	\$ 2.59		
Lease Cost (Jul 1 - Jun 14)		\$ 7,722.50	\$ 257.42
Lease Cost (Jun 15 - Jun 30)		\$ 8,012.10	\$ 267.07
Total Lease Cost (Jul 1 - Jun 14)			\$ 88,551.33
Total Lease Cost (Jun 15 - Jun 30)			\$ 4,273.12
Total Estimated Lease Cost for FY 2023/24			\$ 92,824.45
Custodial Cost (Jul 1 - Jun 14)		\$ 875.00	\$ 29.17
Custodial Cost (Jun 15 - Jun 30)		\$ 875.00	\$ 29.17
Total Lease Cost (Jul 1 - Jun 14)			\$ 10,033.33
Total Lease Cost (Jun 15 - Jun 30)			\$ 466.67
Total Estimated Custodial Cost for FY 203/24			\$ 10,500.00
 <u>Estimated Additional Costs:</u>			
Utility Cost per SQFT	\$ 0.12		
Estimated Utility Cost		\$ 370.68	\$ 12.36
Total Estimated Utility Cost (Jul 1 - Jun 14)			\$ 4,250.46
Total Estimated Utility Cost (Jun 15 - Jun 30)			\$ 197.70
Total Estimated Utility Cost for FY 2023/24			\$ 4,448.16
FM Lease Management Fee as of 7/1/2023	4.86%		\$ 4,511.27
TOTAL ESTIMATED COST FOR FY 2023/24			\$ 112,283.88
TOTAL COUNTY COST	0%		\$ -

Exhibit C

FY 2024/25 - FY 2025/26
Public Health WIC
68615 Perez Road, Suite 17, Cathedral City

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	3,089 SQFT	<u>Per Month</u>	<u>Per Day</u>	FY 2024/25	FY 2025/26
		\$ 2.59			
Approximate Cost per SQFT (Jul 1 - Jun 14)		\$ 2.69			
Approximate Cost per SQFT (Jun 15 - Jun 30)					
Total Lease Cost (Jul 1 - Jun 14)		8,012.10	267.07	\$ 91,872.08	\$ 95,317.35
Total Lease Cost (Jun 15 - Jun 30)		8,312.56	277.09	\$ 4,433.37	\$ -
Total Estimated Lease Cost for FY 2024/25 - FY 2025/26				\$ 96,305.45	\$ 95,317.35
Total Custodial Cost (Jul 1 - Jun 14)		875.00	29.17	\$ 10,033.33	\$ 10,033.33
Total Custodial Cost (Jun 15 - Jun 30)		875.00	29.17	\$ 466.67	\$ -
Total Estimated Custodial Cost for FY 2024/25 - FY 2025/26				\$ 10,500.00	\$ 10,033.33

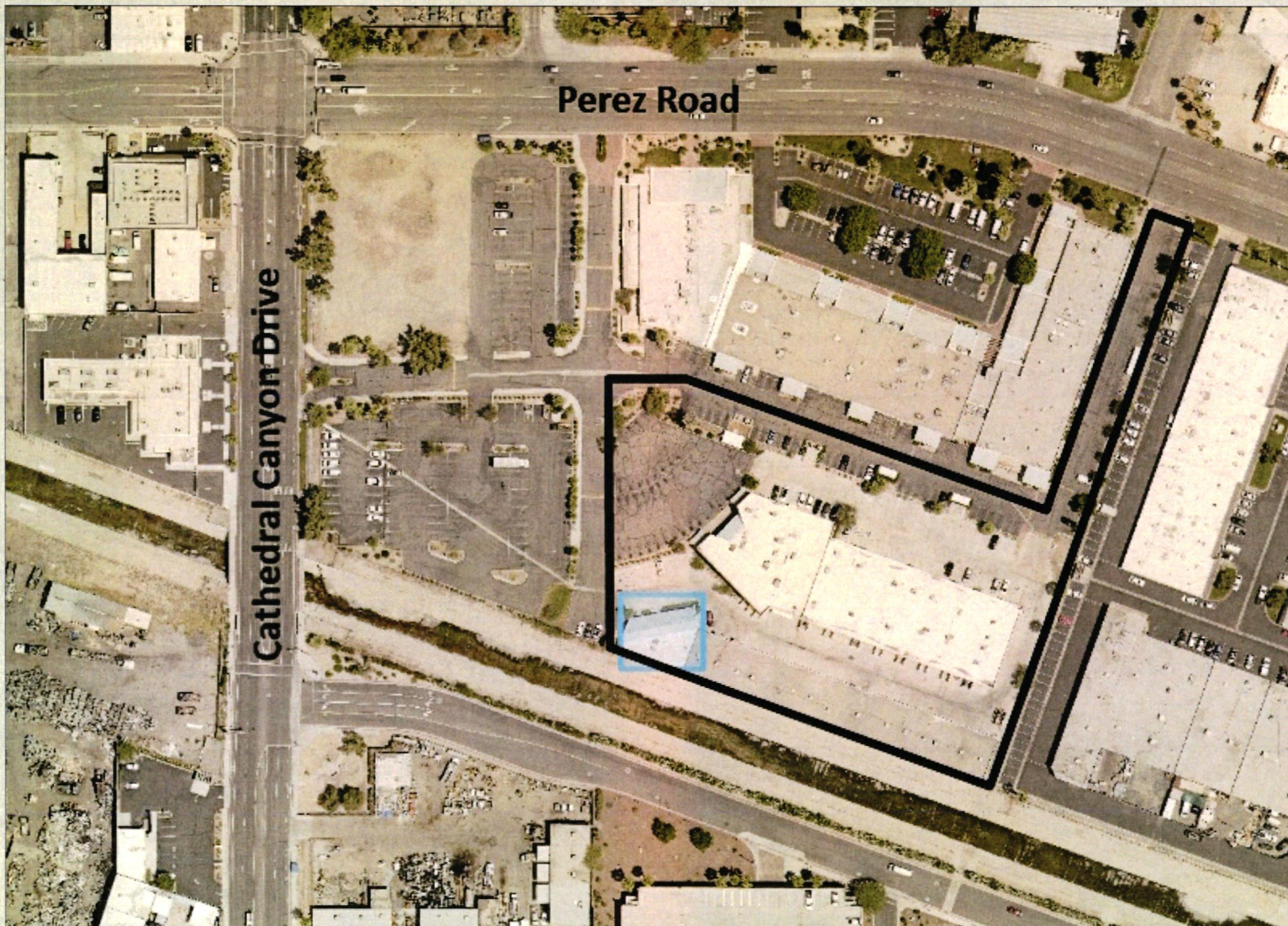
Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12				
Total Estimated Utility Cost (Jul 1 - Jun 14)		\$ 370.68	\$ 12.36	\$ 4,250.46	\$ 4,250.46
Total Estimated Utility Cost (Jun 15 - Jun 30)		\$ 370.68	\$ 12.36	\$ 197.70	\$ -
Total Estimated Utility Cost for FY 2024/25 - FY 2025/26				\$ 4,448.16	\$ 4,250.46
FM Lease Management Fee as of 7/1/2023	4.86%			\$ 4,680.44	\$ 4,632.42
TOTAL ESTIMATED COST FOR FY 2024/25 - FY 2025/26				\$ 115,934.05	\$ 114,233.58

F11 Total Cost			\$ 347,434.70
F11 Total County Cost	0%		\$ -

Riverside University Health Systems - Public Health/WIC

68-615 B. Perez Road, Suite 17, Cathedral City, CA 92234



Legend



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 687-330-024

0 188 376 Feet

REPORT PRINTED ON... 4/25/2023 3:48:17 PM

© Riverside County GIS