

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



**ITEM: 3.15
(ID # 22604)**

MEETING DATE:
Tuesday, November 28, 2023

FROM : FACILITIES MANAGEMENT:

SUBJECT: FACILITIES MANAGEMENT - REAL ESTATE (FM-RE) AND DEPARTMENT OF ENVIRONMENTAL HEALTH: Ratification and Approval of the Fourth Amendment to the Lease with Pavez Family, LLC, a California limited liability company, Five-Year Lease Extension, California Environmental Quality Act Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 2. [Total cost: \$1,616,312 - Permit Fees - 100% Environmental Health General Fund] (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 Fourth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County;
3. Authorize the Director of Facilities Management, or 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, CIP

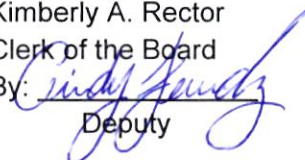

Rose Salgado, Director of Facilities Management 1/8/2023

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 and Perez and Gutierrez
Nays: None
Absent: None
Date: November 28, 2023
xc: FM-RE, Environmental Health, Recorder

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$252,001	\$310,795	\$1,616,312	\$
NET COUNTY COST	\$0	\$0	\$0	\$
SOURCE OF FUNDS: Permit Fees – Environmental Health 100% General Fund			Budget Adjustment: No	
			For Fiscal Year: 23/24 – 28/29	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Department of Environmental Health has occupied 2275 S. Main St., Corona since 2005. The office continues to meet the operational and space requirements of the Department, and this proposed Fourth Amendment to Lease (Amendment) will continue the use and occupancy for another term.

Facilities Management - Real Estate Division (FM-RE) has negotiated a new five-year Lease extension with savings equaling \$21,954 in the first fiscal year 2023-24. In addition, the Lessor has agreed to perform tenant improvements after September 1, 2026. Tenant improvements will include replacement of hard surface flooring and carpeted areas, patch and fully paint throughout.

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

This Amendment is summarized as follows:

Location: 2275 S. Main Street
Suite 204
Corona, CA 92882

Lessor: Pavez Family, LLC
2275 S. Main Street
Corona, CA 92882

Size: 10,164 Square Feet

Term: Five Years commencing September 1, 2023 to August 31, 2028

Rent: Current: New:

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\$ 2.43 Per sq. ft.	\$ 2.25 Per sq. ft.
\$ 24,281.48 Per month	\$ 22,869.00 Per month
\$291,377.76 Per year	\$274,428.00 Per year

Rent Adjustments: 3.5% annual increase commencing September 1, 2024

Maintenance: Provided by Lessor

Custodial: Provided by Lessor

Utilities: County pays electricity and telephone services. Lessor responsible for water, trash and sewer services.

Tenant Improvements: At Lessors sole cost and expense, Lessor to replace carpet, hard surface flooring, patch and fully paint the entire suite after September 1, 2026.

RCIT: None

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

Impact on Citizens and Businesses

The continued presence of the Department of Environmental Health in this region will provide convenient access to services for both Citizens and Businesses alike.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B & C. The Department of Environmental Health will budget these costs in FY 23/24 thru FY 28/29 and will reimburse Facilities Management-Real Estate (FM-RE) for all lease costs on a monthly basis.

Contract History and Price Reasonableness

The lease rate is deemed competitive based upon the current market. This contract has been in place since June 28, 2005.

<u>Amendment</u>	<u>Date and M.O.</u>
Lease Agreement	June 28, 2005 (M.O. 3.17)
First Amendment	August 10, 2010 (M.O. 3.28)
Second Amendment	November 3, 2015 (M.O. 3.5)
Third Amendment	August 28, 2018 (M.O. 3.38)

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Attachments:

- Fourth Amendment
- Exhibits A, B & C
- Notice of Exemption
- Aerial Map

Jeff Johnson

Jeff Johnson, Director Environmental Health

11/7/2023

Veronica Santillan

Veronica Santillan, Principal Management Analyst

11/21/2023

Aaron Gettis

Aaron Gettis, Deputy County Counsel

11/13/2023

County of Riverside
Facilities Management-PMO
3450 14th Street, 2nd Floor, Riverside, CA


FOR COUNTY CLERK USE ONLY

FILED / POSTED

County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

E-202301240
11/30/2023 03:27 PM Fee: \$ 50.00
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Removed: _____ By: _____ Deputy



NOTICE OF EXEMPTION

July 20, 2023

Project Name: Approval of Fourth Amendment to the Lease Agreement with PAVEZ FAMILY, LLC, a California limited liability company, five-year Lease Extension, for Department of Environmental Health (DEH), Corona

Project Number: FM042166001900

Project Location: 2275 South Main Street, Suite 204, south of East Ontario Avenue, Corona, California 92882, Assessor's Parcel Number (APN) 113-360-040

Description of Project: The County of Riverside (County) has been leasing office space located at 2275 South Main Street, Suite 204, Corona, since June 28, 2005. The lease has been amended three times previously for extension of term, tenant improvements, and rental adjustments. The office continues to meet the space requirements for the Department of Environmental Health.

In an effort to assist the Department of Environmental Health with their goals to maintain the current rent, the Real Estate Division has successfully negotiated a new five-year lease extension. In addition, the Lessor has agreed to perform tenant improvements within the break room by installing a new countertop and repairing non-working drawers and repainting the reserved parking spaces in the parking lot. The Fourth Amendment to the Lease Agreement is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is the extension of an existing lease with minor tenant improvements; no expansion of existing facilities or change in land use will occur. 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 Fourth Amendment to the Lease Agreement.

- **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 five-year extension of term to a lease agreement for an existing facility. Minor tenant improvements would occur in the break room, which include the installation of a new countertop and the repair of non-working drawers, and in the parking lot, where reserve parking spaces would be repainted. The term extension and tenant improvements would not require any expansion of public services and facilities; 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 Fourth Amendment to the Lease Agreement will not result in any direct or indirect physical environmental impacts. The direct effects from the extension of term of the Lease Agreement will result in the continued use of the building by the County. Tenant improvements would consist of routine maintenance activities to maintain building functionality and no changes to the existing footprint or intensity of use 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: 7-20-2023

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

1 C. The Original Lease together with the First, Second and Third Amendment are
2 collectively referred to herein as the "Lease".

3 D. The Parties now desire to amend the Lease to extend the term of the Lease,
4 modify rent, provide for tenant improvements, and amend the Notice Section.

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

7 1. **TERM.** Section 4.1 of the Original Lease is hereby amended by the following:
8 The term of the Lease shall be extended for five (5) years commencing on September
9 1, 2023 and terminating on August 31, 2028 (the "Extended Term").

10 2. **RENT.** Subsection 5.1. of the Original Lease is hereby amended by the
11 following: County shall pay the sum of Twenty-Two Thousand Eight Hundred Sixty-
12 Nine Dollars (\$22,869.00) per month to Lessor as rent for the Leased Premises,
13 payable in advance on the first day of the month or as soon thereafter as a warrant can
14 be issued in the normal course of County's business. The rent shall be increased by
15 3.5% annually commencing September 1, 2024:

<u>Amount</u>	<u>Date</u>
\$23,669.42	September 1, 2024 through August 31, 2025
\$24,497.84	September 1, 2025 through August 31, 2026
\$25,355.27	September 1, 2026 through August 31, 2027
\$26,242.70	September 1, 2027 through August 31, 2028

22
23 3. **IMPROVEMENTS.** Subsection 11.1.8 of Third Amendment is hereby amended
24 by the following: Lessor, at Lessor's sole cost and expense, shall construct certain
25 tenant improvements after September 1, 2026, as set forth in Exhibit "J", attached
26 hereto and incorporated herein. Lessor's responsibility shall include lifting of
27 workstations, removal of existing carpet, and installation of carpet tiles and base. For
28 tenant improvements to hard-walled offices, County shall have the following

1 responsibilities: packing and moving files; removal of personal property, file cabinets,
2 chairs, computers, other electronics, and telephones; and desk furniture shall be
3 dismantled and either removed or relocated within the hard-walled areas. For tenant
4 improvements to cubicles, County shall have the following responsibilities: packing and
5 moving freestanding pedestal files, chairs, personal property, and lifting any wiring off
6 the floor for clear access. Computers and telephones shall remain on cubicle surfaces.

7 4. NOTICE. Section 19.18 of the Original Lease is hereby amended by the
8 following:

9 **County's notification Address:**

10 County of Riverside
11 Facilities Management
12 Real Estate Division
13 3450 14th Street, Suite 200
14 Riverside, CA 92501
15 Attn: Deputy Director of Real Estate
16 FM-Leasing@RIVCO.org
17 (951)955-4820

18 **Lessor's Notification Address:**

19 Pavez Family, LLC
20 2275 S. Main Street, Suite 104
21 Corona, CA 92882

22 5. CAPTITALIZED TERMS/FOURTH AMENDMENT TO PREVAIL. Unless
23 defined herein or the context requires otherwise, all capitalized terms herein shall have
24 the meaning defined in the Lease, as heretofore amended. The provisions of this
25 Fourth Amendment shall prevail over any inconsistency or conflicting provisions of the
26 Lease, as heretofore amended, and shall supplement the remaining provisions thereof.

27 6. MISCELLANEOUS. Except as amended or modified herein, all the terms of the
28 Lease shall remain in full force and effect and shall apply with the same force and
effect. Time is of the essence in this Fourth 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

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

9 7. EFFECTIVE DATE. This Fourth Amendment to Lease shall not be binding or
10 consummated until its approval by the Riverside County Board of Supervisors and it is
11 fully executed by the Parties.

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13 [Signatures on following page]
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1 IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment as
2 of the date first written above.

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4 Dated: 11/28/2023

5
6 LESSEE:
7 COUNTY OF RIVERSIDE

LESSOR:
PAVEZ FAMILY, LLC

8
9 By: [Signature]
10 Kevin Jeffries, Chairman
Board of Supervisors

By: [Signature]
Joyce Pavez, President

11
12 ATTEST:
13 Kimberly Rector
Clerk of the Board

14 By: [Signature]

15
16 APPROVED AS TO FORM:
17 Minh C. Tran, County Counsel

18 By: [Signature]
19 Braden Holly,
20 Deputy County Counsel

21 JG:kt/07182023/CR019/30.955

NOV 28 2023 3.15

FOURTH AMENDMENT EXHIBIT J
TENANT IMPROVEMENTS
2275 South Main Street, Suite 204
Corona, California 92882

Tenant Improvements:

1. Hard surface flooring to be replaced in lobby, test area, lunchroom, IT room and storage room.
2. Replace carpet
3. Full patch and paint