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



ITEM: 3.16 (ID # 22806)

MEETING DATE:

Tuesday, November 28, 2023

FROM:

FACILITIES MANAGEMENT AND DEPARTMENT OF ENVIRONMENTAL

HEALTH:

SUBJECT: FACILITIES MANAGEMENT-REAL ESTATE (FM-RE) AND DEPARTMENT OF DEPARTMENT OF ENVIRONMENTAL HEALTH: Ratification and Approval of Fourth Amendment to the Lease with 554 Paseo Dorotea, 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 4. [Total Cost: \$1,209,788 - 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) business days of approval by the Board.

ACTION:Policy, CIP

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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: Absent: None

None

Date:

November 28, 2023

XC:

FM-RE, D.E.H., Recorder

3.16

Kimberly A. Rector

Clerk of the Board

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	\$212,241	\$236,204	\$1,209,788	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS	3: Permit Fees 10	00%	Budget Adjus	stment: No
			For Fiscal Ye	ar: 23/24 -28/29

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside, as Lessee, entered into that certain Lease dated April 22, 2008 on behalf of the Department of Environmental Health with Garmont Enterprises, LLC, predecessor-in-interest to 554 Paseo Dorotea, LLC, a California limited liability company, for approximately 7,038 square feet of space in the facility located at 554 Paseo Dorotea in Palm Springs. This facility continues to meet the requirements of the Department, and this Fourth Amendment to Lease represents a five-year extension commencing August 1, 2023. Tenant improvements included in the renewal at Lessor's sole cost and expense are paint and flooring replacement.

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

A summary of the Fourth Amendment is as follows:

Lessor:

554 Paseo Dorotea, LLC

PO Box 1577

La Canada, California 91012

Premises:

554 Paseo Dorotea

Palm Springs, California 92264

Size:

7,038 square feet

Term:

Five (5) years commencing August 1, 2023, expiring July 31, 2028

Rent:

Current

New

\$2.49 per sq. ft.

\$2.50 per sq. ft.

\$17,493.00 per month

\$17,595 per month

\$209,921.00 per year

\$211,140.00 per year

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

Rent Increase/

Schedule: 8/1/2023-7/31/2024: \$17,595.00

8/1/2024-7/31/2025: \$17,999.69 8/1/2025-7/31/2026: \$18,413.68 8/1/2026-7/31/2027: \$18,837.19 8/1/2027-7/31/2028: \$19,270.45

Maintenance: Provided by Lessor

Custodial: Provided by Lessor

Utilities: County pays for electrical and telephone, Lessor provides all others.

Improvements: Install new hard surface flooring in restrooms, lobby and testing room on

a mutually agreeable date at Lessors sole cost and expense. Lessor shall replace carpet, patch and paint after July 31, 2025, at Lessors sole cost

and expense.

This Fourth Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

Impact on Residents and Businesses

The Department of Environmental Health will continue to provide programs that protect the health and safety of the people and the environment in the community.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, and C. All associated costs for this Lease will be budgeted in FY23/24-FY28/29 by the Department of Environmental Health. The Department of Environmental Health will reimburse Facilities Management - Real Estate (FM-RE) for all associated Lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a five-year renewal. The lease rate is deemed competitive based upon the current market. The Lease has been amended three times previously for rent adjustments, extensions to the term, and tenant improvements. 554 Paseo Dorotea, LLC is the successor-in-interest to Garmont Enterprises, LLC, and is now the lessor under the Lease.

Lease Agreement April 22, 2008 (MO# 3.15)
 First Amendment September 29, 2009 (MO# 3.32)

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

Second Amendment

July 2, 2013

(MO# 3.10)

Third Amendment

July 31, 2018

(MO# 3.14)

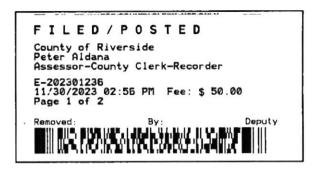
Attachments:

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

Veronica Santillan,
Veronica Santillan,
Veronica Santillan, Principal Management Analyst 11/21/2023

Haron Gettis
Aaron Gettis Deputy County Grupsel 11/14/2023

County of Riverside Facilities Management-3450 14th Street, Riverside, CA



NOTICE OF EXEMPTION

August 21, 2023

Project Name: Approval of Fourth Amendment to the Lease Agreement with 554 Paseo Dorotea, LLC for Department of Environmental Health (DEH), Palm Springs

Project Number: FM042551001100

Project Location: 554 Paseo Dorotea, south of East Ramon Road, Palm Springs, California 92264, Assessor's Parcel Number (APN) 680-075-018

Description of Project: On April 22, 2008, the County of Riverside (County) entered into a lease agreement on behalf of the Department of Environmental Health for 7,038 square feet of office space located at 554 Paseo Dorotea, in Palm Springs, California. The Lease Agreement has been amended three times previously for rental updates, term extensions, and tenant improvements. This facility continues to meet the needs and requirements of DEH. The Fourth Amendment to Lease extends the term for a five-year extension and modifies the rental amount. In addition, at Lessor's sole cost and expense, Lessor agrees to replace hard surface flooring in restrooms, lobby and testing room. Lessor shall replace carpet, patch and paint entire suite after July 31, 2025. The Fourth Amendment to the Lease Agreement will commence on August 1, 2023, and 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, which. 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 CEOA 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: Mike Sullivan, Senior Environmental Planner

County of Riverside, Facilities Management

FOURTH AMENDMENT TO LEASE

554 Paseo Dorotea, Palm Springs, California

THIS FOURTH AMENDMENT TO LEASE ("Fourth Amendment"), dated as of <u>NVEMBER 8</u>, 2023, is entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, as "County", and 554 PASEO DOROTEA, LLC, a California limited liability company, as "Lessor", collectively referred to herein as "Parties."

RECITALS

- a. Garmont Enterprises, LLC ("Original Lessor") and County entered into that certain Lease dated April 22, 2008 ("Original Lease"), pursuant to which Lessor agreed to lease to County and County agreed to lease from Original Lessor approximately 7,038 square feet ("Original Premises") located within that certain building located at 554 Paseo Dorotea, Palm Springs, California (the "Building"), as more particularly described in the Lease.
- b. 554 Paseo Dorotea, LLC, a California limited liability company, the successor-in-interest to Garmont Enterprises, LLC, is now the "Lessor" under the Lease.
 - c. The amendments of the Lease are summarized as follows:
- The First Amendment to Lease dated September 29, 2009 by and between the County of Riverside, and Garmont Enterprises, LLC to reduce the monthly rent ("First Amendment").
- 2. The Second Amendment to Lease dated July 2, 2013 by and between the County of Riverside, and Garmont Enterprises, LLC to extend the term of the Lease and provide minor tenant improvements ("Second Amendment").
- 3. The Third Amendment to Lease dated July 31, 2018 by and between the County of Riverside, and 554 Paseo Dorotea, LLC to extend the terms, adjust the monthly rent and provide tenant improvements.

- d. The Parties now desire to amend the Lease to extend the term, adjust the monthly rent and Lessor to provide certain tenant improvements at Lessors sole cost and expense.
- e. The Original Lease, as well as the First, Second, and Third Amendments, in addition to this Fourth Amendment, shall hereinafter be referred to as the "Lease."

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

- TERM. Section 3(a) of the Lease is hereby amended by the following:
 The Term of the Lease shall be extended five (5) years commencing on August 1, 2023 and expiring on July 31, 2028.
 - 2. **RENT**. Section 5 of the Lease is hereby amended by the following:

Effective August 1, 2023, the monthly rent shall be \$17,595.00. Notwithstanding the monthly rent increases set forth in Section 5(b) of the Lease and in Section 3 of the Second Amendment, the County shall pay monthly rent to the Lessor according to the rent schedule as follows:

8/1/2023-7/31/2024:	\$17,595.00
8/1/2024-7/31/2025:	\$17,999.69
8/1/2025-7/31/2026:	\$18,413.68
8/1/2026-7/31/2027:	\$18,837.19
8/1/2027-7/31/2028:	\$19,270.45

- 3. **IMPROVEMENTS BY LESSOR**. Section 9(d) of the Lease is hereby amended by the following:
- (d) At Lessor's sole cost and expense, Lessor shall complete the following improvements:

Lessor agrees to replace hard surface flooring in restrooms, lobby and testing room. Lessor shall replace carpet, patch and paint entire suite after July 31, 2025. Work to commence upon Board approval of the Fourth Amendment to Lease or a mutually agreeable date by County and Lessor. Work will be performed after work

hours or on weekends. Lessor's responsibility shall include lifting of workstations utilizing Shaw furniture jacks or jacks approved in advance by County, removal of existing carpet, and installation of carpet tiles and base.

County's responsibility for hard-walled offices shall include packing and moving files, removal of personal property, file cabinets, chairs, computers, other electronics, workstations and telephones. Desk furniture shall be dismantled and either removed or relocated within the hard-walled offices for further movement by County. County's responsibility for cubicles shall include packing, freestanding pedestal files, chairs, personal property, and lifting any wiring off the floor for clear access.

4. **NOTICES**. The notice information provided for the Parties in Section 14 of the Lease is hereby deleted in its entirety and replaced with the following:

County of Riverside:

Facilities Management
Real Estate Division
3450 14th Street, Suite 200
Riverside, CA 92501
Attn: Deputy Director of Real Estate

FM-Leasing@Rivco.org
(951) 955-4820

Lessor:
554 Paseo Dorotea, LLC
P.O. Box 1577
La Canada Flintridge, CA 91012

- 5. **FOURTH AMENDMENT TO PREVAIL**. The provisions of this Fourth Amendment shall prevail over any inconsistent or conflicting provisions of the Lease. Any capitalized terms shall have the meaning defined in the Lease, unless defined herein or the context requires otherwise.
- 6. **MISCELLANEOUS**. Except as amended or modified herein, all terms of the Lease shall remain in full force and effect. Time is of the essence in this Fourth Amendment and the Lease and each and all of 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 Fourth Amendment shall be determined to be illegal or unenforceable, such determination

shall not affect any other provision of the Lease. 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 Fourth Amendment nor the Lease shall be recorded by the County.

7. **EFFECTIVE DATE**. This Fourth 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 following page]

1	IN WITNESS WHEREOF, the Part Lease as of the date first written above.	ties have executed this Fourth Amendment to
3	COUNTY:	LESSOR:
4	COUNTY OF RIVERSIDE, a political subdivision of the State of	554 PASEO DOROTEA, LLC, a California limited liability company
5	California	a camorna irrited liability company
6	- Horan	(1.10 M)
7	By: Kevin Jeffries, Chair	By: Adams, CEO
8	Board of Supervisors	5 morjin g. 7 majino, 5,20
9		
10		
11	ATTEST: Kimberly Rector	
12	Clerk of the Board	
13 14	By: Mante	
15		
16	APPROVED AS TO FORM:	
17	MINH C. TRAN County Counsel	
18	Ву:	
19	Ryan Yabko	
20	Deputy County Counsel	
21		
22		
23		
24	JG:kt/08092023/ PG011/30.980	
25	- S 300-2020 1 G011130.700	
26		
27		

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Exhibit A

FY 2023/24

Environmental Health - Scheduled Rents 554 Paseo Dorotea, Palm Springs, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	7,038 SQFT	
Approximate Cost per SQFT (Jul) Approximate Cost per SQFT (Aug - Jun)	\$ - \$ 2.50	
Lease Cost per Month (Jul) Lease Cost per Month (Aug - Jun)	\$ - \$ 17,595.00	
Total Lease Cost (Jul) Total Lease Cost (Aug - Jun) Total Estimated Lease Cost for FY 2023/24		\$ 193,545.00 \$ 193,545.00
Estimated Additional Costs:		
Utility Cost per SQFT Estimated Utility Costs per Month Total Estimated Utility Cost (Jul) Total Estimated Utility Cost (Aug - Jun)	\$ 0.12	\$ - \$ 9,290.16 \$ 9,290.16
FM Lease Management Fee as of 07/01/2023	4.86%	\$ 9,406.29
TOTAL ESTIMATED COST FOR FY 2023/24		\$ 212,241.45
TOTAL COUNTY COST	0%	\$ -

Exhibit B

FY 2024/25

Environmental Health - Scheduled Rents 554 Paseo Dorotea, Palm Springs, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

TOTAL COUNTY COST

Current Office:	7,038 SQFT	
Approximate Cost per SQFT (Jul) Approximate Cost per SQFT (Aug - Jun)	\$ 2.50 \$ 2.56	
Lease Cost per Month (Jul) Lease Cost per Month (Aug - Jun)	\$ 17,595.00 \$ 17,999.69	
Total Lease Cost (Jul) Total Lease Cost (Aug - Jun) Total Estimated Lease Cost for FY 2024/25		\$ 17,595.00 \$ 197,996.59 \$ 215,591.59
Estimated Additional Costs:		
Utility Cost per SQFT Estimated Utility Costs per Month Total Estimated Utility Cost	\$ 0.12 \$ 844.56	\$ 10,134.72 \$ 10,134.72
FM Lease Management Fee as of 07/01/2023	4.86%	\$ 10,477.75
TOTAL ESTIMATED COST FOR FY 2024/25		\$ 236,204.06

0%

Exhibit C

FY 2025/26 to 2028/29

Environmental Health - Scheduled Rents 554 Paseo Dorotea, Palm Springs, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

7,038 SQFT

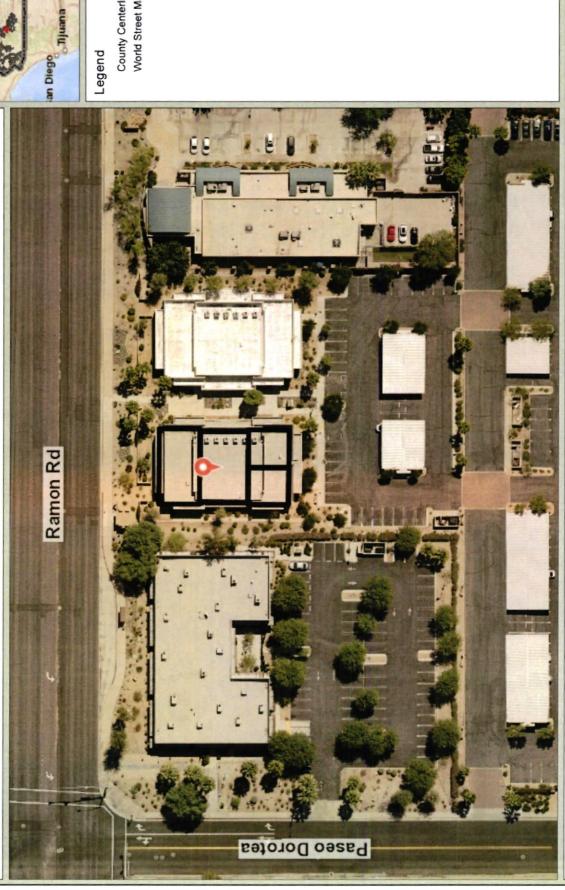
		FY 2025/26		FY 2026/27		FY 2027/28	Œ	FY 2028/29
Approximate Cost per SQFT (Jul)	69	2.56	69	2.62	€	2.68 \$		2.74
Approximate Cost per SQFT (Aug - Jun)	€9	2.62	8	2.68	8	2.74 \$		•
Lease Cost per Month (Jul)	€9	17,999.69	69	18,413.68	8	18,837.19 \$		19,270.45
Lease Cost per Month (Aug - Jun)	69	18,413.68	69	18,837.19	69	19,270.45 \$		
Total Lease Cost (Jul)	69	17,999.69	69	18,413.68	69	18,837.19 \$		19,270.45
Total Lease Cost (Aug - Jun)	s	202,550.48	€	207,209.09	s	211,974.95 \$		•
Total Estimated Lease Cost for FY 2025/26 to 2028/29	\$	220,550.17	₩.	225,622.77	₩.	230,812.14 \$		19,270.45
Estimated Additional Costs:								
Utility Cost per SQFT	69	0.12	s	0.12	↔	0.12 \$		0.12
Estimated Utility Costs per Month	s	844.56	69	844.56	G	844.56 \$		844.56
Total Estimated Utility Cost	\$	10,134.72	₩.	10,134.72	₩.	10,134.72 \$		844.56
FM Lease Management Fee as of 07/01/2023 4.86%	B	10,718.74	4	10,965.27	€	11,217.47 \$		936.54
TOTAL ESTIMATED COST FOR FY 2025/26 to 2028/29	s	241,403.63	4	246,722.76	8	252,164.33 \$		21,051.55
F11 Total Cost F11 Total County Cost 0%	.	1,209,787.78						

Department of Environmental Health

554 Paseo Dorotea, Palm Springs, CA

County Centerline Names World Street Map

Legend





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. "IMPORTANT" Maps and data are to be used for reference purposes only. Map features are approximate, and are not

Notes

District: 4 Location outlined in black APN: 680075018, 019, 020, and 021

REPORT PRINTED ON... 9/14/2023 9:00:05 AM

188 Feet

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