

**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


Jeff Johnson, Director Environmental Health

11/7/2023

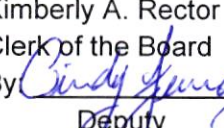

Rose Salgado, Director of Facilities Management

11/8/2023

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, D.E.H., Recorder

Kimberly A. Rector
Clerk of the Board
By 
Deputy

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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: Permit Fees 100%			Budget Adjustment: No	
			For Fiscal Year: 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

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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)

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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, Principal Management Analyst 11/21/2023

Aaron Gettis

Aaron Gettis, Deputy County Counsel 11/14/2023

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

FILED / POSTED		
County of Riverside		
Peter Aldana		
Assessor-County Clerk-Recorder		
E-202301236		
11/30/2023 02:56 PM Fee: \$ 50.00		
Page 1 of 2		
Removed:	By:	Deputy
		

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.

1 d. The Parties now desire to amend the Lease to extend the term, adjust the
2 monthly rent and Lessor to provide certain tenant improvements at Lessors sole cost
3 and expense.

4 e. The Original Lease, as well as the First, Second, and Third Amendments,
5 in addition to this Fourth Amendment, shall hereinafter be referred to as the "Lease."

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

8 1. **TERM.** Section 3(a) of the Lease is hereby amended by the following:

9 The Term of the Lease shall be extended five (5) years commencing on
10 August 1, 2023 and expiring on July 31, 2028.

11 2. **RENT.** Section 5 of the Lease is hereby amended by the following:

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

16	8/1/2023-7/31/2024:	\$17,595.00
17	8/1/2024-7/31/2025:	\$17,999.69
18	8/1/2025-7/31/2026:	\$18,413.68
19	8/1/2026-7/31/2027:	\$18,837.19
20	8/1/2027-7/31/2028:	\$19,270.45

21 3. **IMPROVEMENTS BY LESSOR.** Section 9(d) of the Lease is hereby
22 amended by the following:

23 (d) At Lessor's sole cost and expense, Lessor shall complete the
24 following improvements:

25 Lessor agrees to replace hard surface flooring in restrooms, lobby and
26 testing room. Lessor shall replace carpet, patch and paint entire suite after July 31,
27 2025. Work to commence upon Board approval of the Fourth Amendment to Lease or
28 a mutually agreeable date by County and Lessor. Work will be performed after work

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

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

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

12 County of Riverside:

13 Facilities Management

14 Real Estate Division

15 3450 14th Street, Suite 200

16 Riverside, CA 92501

17 Attn: Deputy Director of Real Estate

18 FM-Leasing@Rivco.org

19 (951) 955-4820

20 Lessor:

21 554 Paseo Dorotea, LLC

22 P.O. Box 1577

23 La Canada Flintridge, CA 91012

24 5. **FOURTH AMENDMENT TO PREVAIL.** The provisions of this Fourth
25 Amendment shall prevail over any inconsistent or conflicting provisions of the Lease.
26 Any capitalized terms shall have the meaning defined in the Lease, unless defined
27 herein or the context requires otherwise.

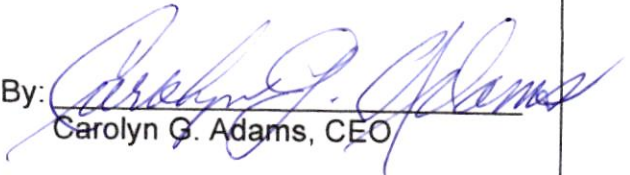
28 6. **MISCELLANEOUS.** Except as amended or modified herein, all terms of
the Lease shall remain in full force and effect. Time is of the essence in this Fourth
Amendment and the Lease and each and all of their respective provisions. Subject to
the provisions of the Lease as to assignment, the agreements, 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

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

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

LESSOR:
554 PASEO DOROTEA, LLC,
a California limited liability company


6
7 By: 
8 Kevin Jeffries, Chair
Board of Supervisors

By: 
Carolyn G. Adams, CEO

9
10
11 ATTEST:
12 Kimberly Rector
13 Clerk of the Board

14 By: 

15
16 APPROVED AS TO FORM:
17 MINH C. TRAN
County Counsel

18 By: 
19 Ryan Yabko
20 Deputy County Counsel

21
22
23
24
25 JG:kt/08092023/ PG011/30.980

NOV 28 2023 3.14

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)	\$ 193,545.00	
Total Estimated Lease Cost for FY 2023/24		\$ 193,545.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month	\$ 844.56	
Total Estimated Utility Cost (Jul)	\$ -	
Total Estimated Utility Cost (Aug - Jun)	\$ 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:

Current Office:	7,038 SQFT	
Approximate Cost per SQFT (Jul)	\$ 2.50	
Approximate Cost per SQFT (Aug - Jun)	\$ 2.56	
Lease Cost per Month (Jul)		\$ 17,595.00
Lease Cost per Month (Aug - Jun)		\$ 17,999.69
Total Lease Cost (Jul)		\$ 17,595.00
Total Lease Cost (Aug - Jun)		\$ 197,996.59
Total Estimated Lease Cost for FY 2024/25		\$ 215,591.59

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 844.56
Total Estimated Utility Cost		\$ 10,134.72
		\$ 10,134.72
FM Lease Management Fee as of 07/01/2023	4.86%	\$ 10,477.75
		\$ 10,477.75
TOTAL ESTIMATED COST FOR FY 2024/25		\$ 236,204.06
TOTAL COUNTY COST	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	FY 2028/29
Approximate Cost per SQFT (Jul)	\$ 2.56	\$ 2.62	\$ 2.68	\$ 2.74
Approximate Cost per SQFT (Aug - Jun)	\$ 2.62	\$ 2.68	\$ 2.74	\$ -
Lease Cost per Month (Jul)	\$ 17,999.69	\$ 18,413.68	\$ 18,837.19	\$ 19,270.45
Lease Cost per Month (Aug - Jun)	\$ 18,413.68	\$ 18,837.19	\$ 19,270.45	\$ -
Total Lease Cost (Jul)	\$ 17,999.69	\$ 18,413.68	\$ 18,837.19	\$ 19,270.45
Total Lease Cost (Aug - Jun)	\$ 202,550.48	\$ 207,209.09	\$ 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:

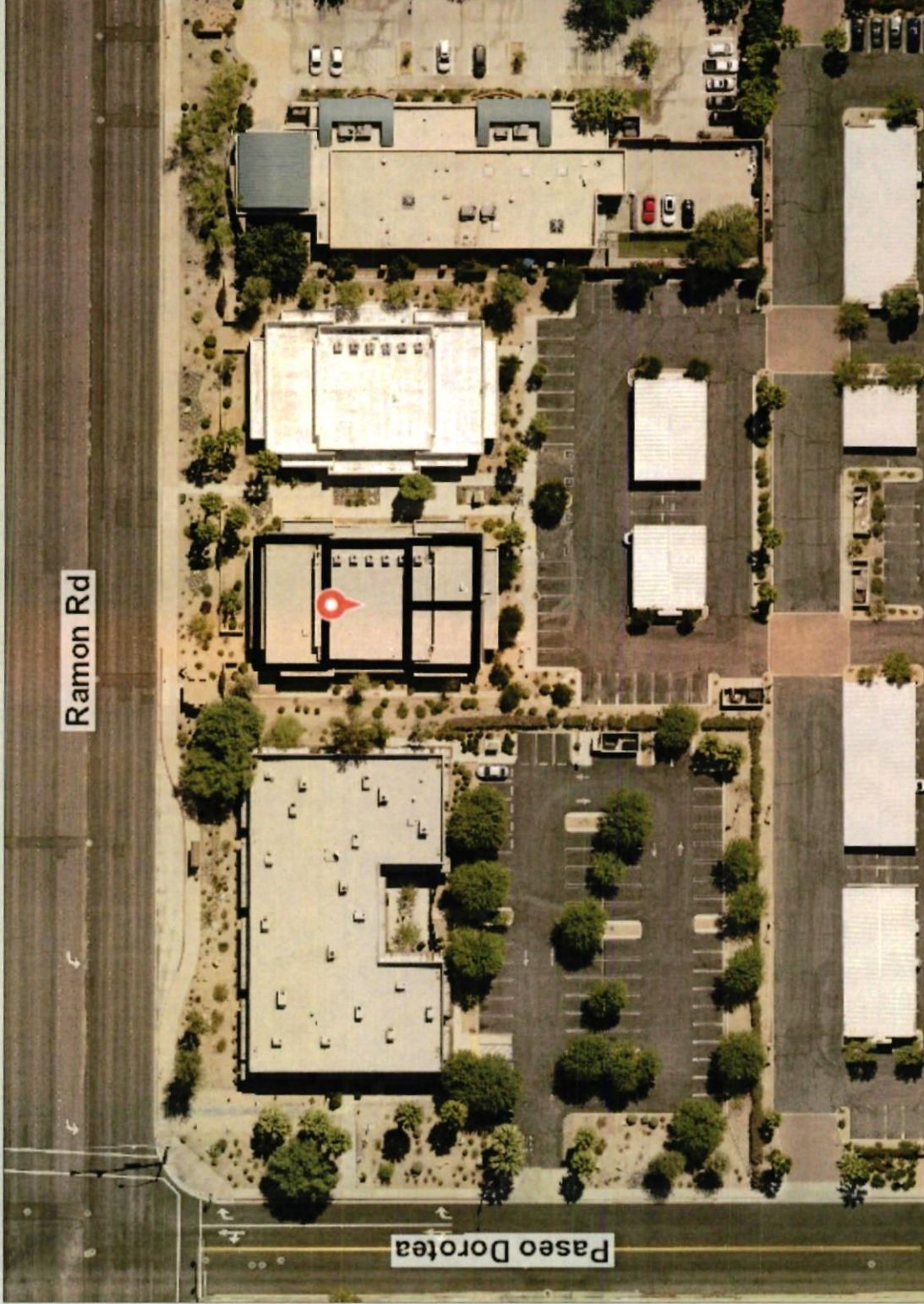
Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 844.56	\$ 844.56	\$ 844.56	\$ 844.56
Total Estimated Utility Cost	\$ 10,134.72	\$ 10,134.72	\$ 10,134.72	\$ 844.56
FM Lease Management Fee as of 07/01/2023	\$ 10,718.74	\$ 10,965.27	\$ 11,217.47	\$ 936.54
TOTAL ESTIMATED COST FOR FY 2025/26 to 2028/29	\$ 241,403.63	\$ 246,722.76	\$ 252,164.33	\$ 21,051.55

F11 Total Cost \$ 1,209,787.78
 F11 Total County Cost \$ -

0%

Department of Environmental Health

554 Paseo Dorotea, Palm Springs, CA



Legend

- County Centerline Names
- World Street Map



0 94 188 Feet

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

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