

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



ITEM: 3.15
(ID # 23019)

MEETING DATE:

FROM : FACILITIES MANAGEMENT:

Tuesday, January 23, 2024

SUBJECT: FACILITIES MANAGEMENT - REAL ESTATE (FM-RE) AND ASSESSOR-COUNTY CLERK-RECORDER & TREASURER TAX COLLECTOR: Ratification and Approval the First Amendment to Lease with AP Palm Desert Cerrito, LLC, a California limited liability company, c/o Armed Air Forces Mutual Aid Association, a Virginia non-profit association, Seven-Year Lease Extension, California Environmental Quality Act Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 4. [Total cost: \$4,295,520 - ACR - Department Revenue Fund 100% (TTC - Department Revenue Fund 94%; County 6%)] (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;

Continued on Page 2

ACTION:Policy, CIP


Matthew Jennings, Treasurer-Tax Collector 12/21/2023



Kan Wang, Assistant Assessor-County-Clerk Recorder 12/27/2023


Rose Salgado, Director of Facilities Management 1/3/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, 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, Perez and Gutierrez
Nays: None
Absent: None
Date: January 23, 2024
xc: FM, Recorder

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

2. Ratify and Approve the attached First Amendment to Lease and authorize the Chair 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 and the State Clearinghouse within five (5) working days of approval by the Board.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$375,502	\$573,903	\$4,295,520	N/A
NET COUNTY COST	\$3,830	\$5,854	\$43,814	N/A
SOURCE OF FUNDS: ACR – Dept Revenue Fund 100% (TTC – Dept. Revenue Fund 94%; 6% County)			Budget Adjustment: No	
			For Fiscal Year: 23/24-30/31	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside has been under lease at 38-686 El Cerrito Road, Palm Desert, since October 22, 2013 (Lease), as a co-location of the Assessor-County Clerk-Recorder (ACR) and Treasurer-Tax Collector (TTC). This 21,372 square foot office facility continues to meet the needs for servicing the desert community. The ACR and TTC have requested the lease be extended for 7 years commencing November 1, 2023, under a First Amendment to Lease (First Amendment). Certain tenant improvements, including paint, flooring and lobby counter repairs shall be completed at Lessor's sole cost and expense.

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

A summary of the First Amendment is as follows:

Premises Location: 38-686 El Cerrito Road
 Palm Desert, CA 92211

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

Lessor: AP Palm Desert Cerrito, LLC
c/o Armed Air Forces Mutual Aid Association
1856 Old Reston Ave.
Reston, VA 20190

Size: 21,372 square feet

Term: Seven (7) years commencing November 1, 2023, and expiring
October 31, 2030.

Rent:	<u>Current</u>	<u>New</u>
	\$1.85 per sq. ft.	\$1.98 per sq. ft.
	\$39,435.88 per mo.	\$42,316.56 per mo.
	\$473,230.56 per yr.	\$507,798.72 per yr.

Rent Adjustments: Commencing November 1, 2024, rent shall be adjusted 3% annually.

Option to Extend: One Extension Option for a period of five (5) years.

Utilities: County pays for all utility services. Trash removal provided by Lessor.

Custodial: Provided by Lessor

Interior/Exterior
Maintenance: Provided by Lessor

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

Impact on Residents and Businesses

ACR/TTC will continue to provide services to accommodate the needs of the desert community.

Additional Fiscal Information

See attached Exhibits A, B and C. ACR/TTC will budget their proportionate share of costs in FY 23/24 through FY 30/31 and will reimburse Facilities Management – Real Estate Division (FM-RE) for all associated lease costs.

Contract History and Price Reasonableness

The lease rate is favorable based on current market rates.

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

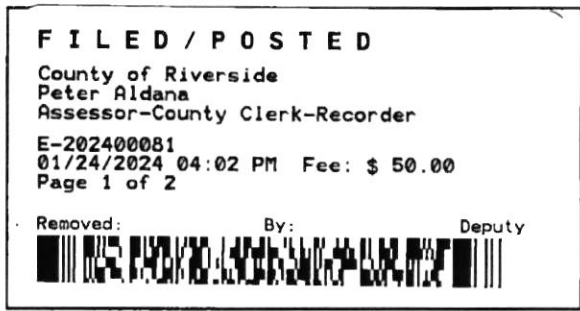
Attachments:

- First Amendment
- Exhibit A, B & C
- Notice of Exemption
- Aerial Map

Veronica Santillan
Veronica Santillan, Principal Management Analyst 1/18/2024

Aaron Gettis
Aaron Gettis, Deputy County Counsel 1/18/2024

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



NOTICE OF EXEMPTION

October 6, 2023

Project Name: Approval of First Amendment to the Lease Agreement with AP Palm Desert Cerrito, LLC for Office of Assessor County Clerk-Recorder (ACR) & Treasurer Tax Collector (TTC), Palm Desert

Project Number: FM042551001100

Project Location: 38-686 El Cerrito Road, west of Washington Street, Palm Desert, California 92221, Assessor's Parcel Number (APN) 626-420-002

Description of Project: The County of Riverside has been under lease at 38-686 El Cerrito Road, Palm Desert (Lease), since October 22, 2013, located at 38-686 El Cerrito Road, Indio, California as a co-location of the ACR and TTC. The 21,372 square-foot office continues to meet the needs for servicing the desert community and the ACR and TTC have requested the lease be extended with the First Amendment. The First Amendment would extend the Lease for a seven-year term and includes one option to extend the term for five years under the same terms and conditions. Minor tenant improvements would also occur. The First Amendment to the Lease Agreement will commence on November 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 **FIRST AMENDMENT TO LEASE**

2 **38-686 El Cerrito Road**

3 **Palm Desert, California**

4
5 This **FIRST AMENDMENT TO LEASE** ("First Amendment") is made as of
6 January 23, 2024 by and between the COUNTY OF RIVERSIDE, a
7 political subdivision of the State of California ("County"), as Lessee, and **AP PALM**
8 **DESERT CERRITO LLC** a California Limited Liability Company ("Lessor") successor-in-
9 interest to DBP Office II, LLC, and sometimes collectively referred to as the "Parties".

10 **RECITALS**

11 A. DBP Office II, LLC a California limited liability company, ("Lessor") and
12 County entered into that certain Lease dated October 22, 2013 ("Original Lease")
13 pursuant to which Lessor agreed to lease to County and County agreed to lease from
14 Lessor, a portion of that certain building located at 38-686 El Cerrito, Palm Desert,
15 California, as more particularly described in the Original Lease, and also referred to as
16 the "Premises." The Premises is co-occupied by Assessor-County Clerk-Recorder
17 (ACR) and Treasurer-Tax Collector (TTC). ACR occupies 83% and TTC occupies 17%
18 of the rentable square footage.

19 B. County and Lessor desire to amend the Original Lease with this First
20 Amendment to extend the term, amend the base rent, modify the option to extend, add
21 tenant improvements, and update the Notice section.

22 C. The Original Lease, together with this First Amendment, shall be collectively
23 referred to as the "Lease".

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

26 1. **Term.** Section 4.1 of the Original Lease is hereby amended by the
27 following: The term of the Lease shall be extended for a period seven (7) years
28 commencing November 1, 2023, and expiring October 31, 2030 (the "Term").

1 2. **Rent.** Section 5.1 of the Original Lease is hereby amended by the
2 following: County shall pay the sum of Forty-two Thousand, Three Hundred Sixteen
3 Dollars, and 56/100 (\$42,316.56) per month to Lessor as rent for the Premises.

4 3. **Tenant Improvement.** Section 5.4 will be added to Section 5 as follows:
5 Lessor, at its sole cost and expense, shall construct certain tenant improvements, as
6 set forth in Exhibit I, attached hereto and incorporated herein. Lessor's responsibility
7 shall include lifting of workstations utilizing Shaw furniture jacks or jacks approved in
8 advance by County, removal of existing carpet, and installation of carpet tiles and base.

9 County's responsibility for hard-walled offices shall include packing and
10 moving files, removal of personal property, file cabinets, chairs, computer, and other
11 electronics and telephones. Desk furniture shall be dismantled and either removed or
12 relocated within the hard-walled offices for further movement by carpet vendor.
13 County's responsibility for cubicles shall include packing and moving freestanding
14 pedestal files, chairs, personal property, and lifting any wiring off the floor for clear
15 access. Computers and telephones to remain on cubicle surfaces.

16 4. **Option to Extend.** Section 6.1 of the Original Lease is hereby amended
17 by the following: Lessor grants to County one (1) option to extend the Lease term
18 ('Extension Option'). The Extension Option shall be for a period of five (5) years
19 ("Terms"), subject to the conditions described in this Section 6.1.

20 5. **Exercise of Option.** Section 6.1.1 of the Original Lease is hereby
21 amended by the following: The Extension Option shall be exercised by County
22 delivering to Lessor written notice thereof no later than ninety (90) days prior to the
23 expiration of the Extended Term.

24 6. **Notice.** Section 19.17 of the Original Lease shall be amended as follows:
25 Except as expressly provided elsewhere in this Lease, all notices and other
26 communication required under this Lease shall be in writing and delivered by: (a)
27 Certified Mail, postage prepaid, return receipt requested, in the United States mail; or
28 (b) via an overnight courier that provides written evidence of delivery and addressed to

1 the Party hereto to whom the same is directed at the addresses set forth in this Section.
2 Either Party hereto may from time to time change its mailing address by written notice to
3 the other Party.

4 **County's Notification Address:**

5 County of Riverside
6 Department of Facilities Management
7 345 14th St., Suite 200
8 Riverside, California 92501
9 Attention: Deputy Director of Real Estate
10 FM-Leasing@Rivco.org
11 (951) 955-4820

12 **Lessor's Notification Address:**

13 AP Palm Desert Cerrito LLC
14 1856 Old Reston Avenue
15 Reston, VA 20190

16 7. **FIRST AMENDMENT TO PREVAIL**. The provisions of this First Amendment
17 shall prevail over any inconsistent or conflicting provisions of the Original Lease. Any
18 capitalized terms shall have the meaning defined in the Original Lease, unless defined
19 herein or the context requires otherwise.

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

1 either Lessor or County. Neither this First Amendment nor the Lease shall be recorded
2 by the County.

3 8. **EFFECTIVE DATE**. This First Amendment to Lease shall not be binding or
4 consummated until its approval by the Riverside County Board of Supervisors and fully
5 executed by the Parties.

6 9. **AUTHORITY TO ENTER INTO AGREEMENT**. Each of the parties to this
7 Agreement hereby represents and warrants to the other that it is duly authorized and
8 empowered to execute, deliver and perform this Agreement and that such action does
9 not conflict with or violate any provision of law, regulation, policy, contract, deed of trust
10 or other instrument to which it is a party or by which it is bound and that this Agreement
11 constitutes a valid and binding obligation of it enforceable in accordance with its terms.

12 (Signatures on the following Page)

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

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

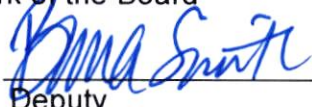
LESSEE:
COUNTY OF RIVERSIDE,
a political subdivision of the
State of California

LESSOR:
AP Palm Desert Cerrito LLC
a California limited liability company

By: 
CHUCK WASHINGTON, Chair
Board of Supervisors

By: 
Charles B. Betancourt
Chief Operating Officer

ATTEST:
Kimberly Rector
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
County Counsel

By: 
Braden Holly
Deputy County Counsel

JG:kt/09062023/PD021/30.988

JAN 23 2024

3.15

EXHIBIT I
TENANT IMPROVEMENTS
38-686 El Cerrito Road
Palm Desert, California

Tenant Improvements:

First Floor

TTC – New carpet tile throughout including hard surface flooring in breakroom, but excluding stairwells. Patch and paint throughout using same colors.

ACR – Repair or replace damaged P-lam countertops in public area. New carpet tile throughout (excluding lobby area and stairwells). Patch and paint throughout using same colors.

Second Floor

ACR – New carpet tile in boardroom only. Patch and paint throughout using same colors.

Assessor-Clerk Recorder/Treasurer Tax Collector

38-686 El Cerrito Road, Palm Desert, CA



Legend

County Centerline Names



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
Location outlined in black
APN: 626420002

0 94 188 Feet

REPORT PRINTED ON... 10/5/2023 1:05:34 PM

© Riverside County GIS

Exhibit A

FY 2023/24

Assessor-Clerk Recorder/Treasurer Tax Collector
38-686 El Cerrito Road, Palm Desert

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	21,372 SQFT	
Approximate Cost per SQFT (Jul-Oct)	\$ -	
Approximate Cost per SQFT (Nov-Jun)	\$ 1.98	
Lease Cost per Month (Jul-Oct)	\$ -	
Lease Cost per Month (Nov-Jun)	\$ 42,316.56	
Total Lease Cost (Jul-Oct)		\$ -
Total Lease Cost (Nov-Jun)		\$ 338,532.48
Total Estimated Lease Cost for FY 2023/24		\$ 338,532.48

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 2,564.64
Total Estimated Utility Cost (Jul-Oct)		\$ -
Total Estimated Utility Cost (Nov-Jun)		\$ 20,517.12
		\$ 20,517.12
FM Lease Management Fee as of 07/01/2023	4.86%	\$ 16,452.68
TOTAL ESTIMATED COST FOR FY 2023/24		\$ 375,502.28
Total ASSESSOR-CLERK RECORDER COST FOR FY 2023/24	83%	\$ 311,666.89
Total TREASURER TAX COLLECTOR COST FOR FY 2023/24	17%	\$ 63,835.39
TOTAL COUNTY COST	6% of TTC	\$ 3,830.12

Exhibit B

FY 2024/25

Assessor-Clerk Recorder/Treasurer Tax Collector
38-686 El Cerrito Road, Palm Desert

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	21,372 SQFT	
Approximate Cost per SQFT (Jul-Oct)	\$ 1.98	
Approximate Cost per SQFT (Nov-Jun)	\$ 2.04	
Lease Cost per Month (Jul-Oct)		\$ 42,316.56
Lease Cost per Month (Nov-Jun)		\$ 43,586.06
Total Lease Cost (Jul-Oct)		\$ 169,266.24
Total Lease Cost (Nov-Jun)		\$ 348,688.45
Total Estimated Lease Cost for FY 2024/25		\$ 517,954.69

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 2,564.64
Total Estimated Utility Cost		\$ 30,775.68
		\$ 30,775.68
FM Lease Management Fee as of 07/01/2023	4.86%	\$ 25,172.60
TOTAL ESTIMATED COST FOR FY 2024/25		\$ 573,902.97
Total ASSESSOR-CLERK RECORDER COST FOR FY 2024/25	83%	\$ 476,339.47
Total TREASURER TAX COLLECTOR COST FOR FY 2024/25	17%	\$ 97,563.51
TOTAL COUNTY COST	6% of TTC	\$ 5,853.81

Exhibit C

FY 2025/26 to 2030/31
Assessor-Clerk Recorder/Treasurer Tax Collector
38-686 El Cerrito Road, Palm Desert

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

21,372 SQFT

Current Office:

	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Approximate Cost per SQFT (Jul-Oct)	\$ 2.04	\$ 2.10	\$ 2.16	\$ 2.23	\$ 2.30	\$ 2.36
Approximate Cost per SQFT (Nov-Jun)	\$ 2.10	\$ 2.16	\$ 2.23	\$ 2.30	\$ 2.36	\$ -
Lease Cost per Month (Jul-Oct)	\$ 43,586.06	\$ 44,893.64	\$ 46,240.45	\$ 47,627.66	\$ 49,056.49	\$ 50,528.19
Lease Cost per Month (Nov-Jun)	\$ 44,893.64	\$ 46,240.45	\$ 47,627.66	\$ 49,056.49	\$ 50,528.19	\$ -
Total Lease Cost (Jul-Oct)	\$ 174,344.23	\$ 179,574.55	\$ 184,961.79	\$ 190,510.64	\$ 196,225.95	\$ 202,112.74
Total Lease Cost (Nov-Jun)	\$ 359,149.11	\$ 369,923.58	\$ 381,021.29	\$ 392,451.93	\$ 404,225.49	\$ -
Total Estimated Lease Cost for FY 2025/26 to 2030/31	\$ 533,493.34	\$ 549,498.14	\$ 565,983.08	\$ 582,962.57	\$ 600,451.45	\$ 202,112.74

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 2,564.64	\$ 2,564.64	\$ 2,564.64	\$ 2,564.64	\$ 2,564.64	\$ 2,564.64
Total Estimated Utility Cost	\$ 30,775.68	\$ 30,775.68	\$ 30,775.68	\$ 30,775.68	\$ 30,775.68	\$ 10,258.56
Lease Management Fee as of 7/1/2023	\$ 25,927.78	\$ 26,705.61	\$ 27,506.78	\$ 28,331.98	\$ 29,181.94	\$ 9,822.68
TOTAL ESTIMATED COST FOR FY 2025/26 to 2030/31	\$ 590,196.79	\$ 606,979.42	\$ 624,265.54	\$ 642,070.23	\$ 660,409.07	\$ 222,193.98
Total ASSESSOR-CLERK RECORDER COST FOR FY 25/26-30/31	\$ 489,863.34	\$ 503,792.92	\$ 518,140.40	\$ 532,918.29	\$ 548,139.53	\$ 184,421.00
Total TREASURER TAX COLLECTOR COST FOR FY 25/26-30/31	\$ 100,333.45	\$ 103,186.50	\$ 106,125.14	\$ 109,151.94	\$ 112,269.54	\$ 37,772.98

F11 Total Cost \$ 4,295,520.28
TOTAL ACR Cost \$ 3,565,281.83
TOTAL TTC Cost \$ 730,238.45
F11 Total County Cost \$ 43,814.31
83%
17%
6% of TTC