

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



**ITEM: 3.25
(ID # 24988)**

MEETING DATE:
Tuesday, June 25, 2024

FROM : FACILITIES MANAGEMENT

SUBJECT: FACILITIES MANAGEMENT (FM-RE) AND DEPARTMENT OF PUBLIC SOCIAL SERVICES (DPSS): Approval of Third Amendment to Lease with Bel Air Plaza, LTD - Department of Public Social Services, Moreno Valley, California Environmental Quality Act Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 5. [Total Cost \$3,193,643, Federal 34%, State 8%, County 6%, Realignment 52%] (Clerk of the Board to file Notice of Exemption with County Clerk and State Clearinghouse)

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. Approve the attached Third 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;
4. Authorize the Director of Facilities Management, or designee, to exercise the Options to Extend pursuant to Section 3 of the Third Amendment to Lease; and,
5. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk and State Clearinghouse within five (5) working days of approval by the Board.

ACTION:Policy, CIP


Rose Salgado, Director of Facilities Management 6/10/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Gutierrez 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: June 25, 2024
xc: FM, DPSS, Recorder/State Clearinghouse

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	\$ 0	\$ 556,791	\$3,193,643	\$ 0
NET COUNTY COST	\$ 0	\$ 33,408	\$ 191,619	\$ 0
SOURCE OF FUNDS: Federal 34%; State 8%; County 6%; Realignment 52%			Budget Adjustment: No	
			For Fiscal Year: 24/25 – 29/30	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Since 1995, the County of Riverside has been under a lease for office space at 23119 Cottonwood Avenue, Bldg. A, Moreno Valley, and under the most current lease since September 2010 (Lease). This leased facility is occupied by the Department of Public Social Services (DPSS) and continues to meet the needs of the Department for use by the Children's Services Division.

DPSS now desires to continue the Lease and will be amending the Lease through this Third Amendment to Lease (Third Amendment). Approval of the attached Third Amendment by the Board of Supervisors will extend the Lease term through November 30, 2029, and at a negotiated and reduced lease rate as summarized below.

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

A summary of the Third Amendment is as follows:

Lessor: Bel Air Plaza, LTD
9150 Wilshire Blvd. #210
Beverly Hills, CA 90212

Premises: 23119 Cottonwood Ave., Bldg. A
Moreno Valley, CA 92553

Size: 17,495 square feet

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

Term: Five-year and Five-month extension commencing July 1, 2024

Rent:	<u>Current</u>	<u>New</u>
	\$2.42 per sq. ft.	\$2.15 per sq. ft.
	\$42,378.15 per month	\$37,614.25 per month
	\$508,537.80 per year	\$451,371.00 per year

Rent Adjustment: Three percent (3%) annually commencing July 1, 2025

Day Porter: \$4,865.04 per month

Option to Terminate: For any reason with ninety (90) days' written notice after completion of the 2nd year of the extended term.

Utilities: Electricity paid by County. All others paid by Lessor.

Custodial: Provided by Lessor

Interior/Exterior
Maintenance: Provided by Lessor

County Counsel has approved the Third Amendment as to form.

Impact on Residents and Businesses

This Lease extension will allow the DPSS and Children Services Division to continue to provide beneficial services to the community. The occupancy of this facility by DPSS will benefit the residents and businesses in this region of the County.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B & C

DPSS will budget these costs in FY24/25 through FY29/30 and will reimburse Facilities Management – Real Estate (FM-RE) for all associated lease costs.

Contract History and Price Reasonableness

The lease rate is reasonable and consistent with current fair market real estate lease rates.

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

ATTACHMENTS:

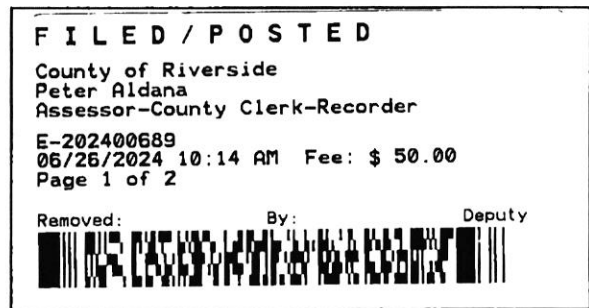
- Exhibits A, B & C
- Third Amendment to Lease
- Notice of Exemption
- Aerial Map

AN:sc/05132024/MV013/40.xxx

Veronica Santillan
Veronica Santillan, Principal Management Analyst 6/18/2024

Aaron Gettis
Aaron Gettis, Chief of Deputy County Counsel 6/12/2024

County of Riverside
Facilities Management
3450 14th Street, Riverside, CA 92501



NOTICE OF EXEMPTION

May 16, 2024

Project Name: Department of Public Social Services (DPSS) Approval of Third Amendment to the Lease Agreement with Bel Air Plaza, LTD, Moreno Valley

Project Number: FM042462001300

Project Location: 23119 Cottonwood Avenue, Building A, Moreno Valley, California; 92553, Assessor's Parcel Number (APN) 296-151-029

Description of Project: The County of Riverside has been under a lease at 23119 Cottonwood Avenue, Bldg. A, Moreno Valley, since September 2010 (Lease). The office, occupied by DPSS, continues to meet the needs of the Department for use by the Children's Services Division. The second option to extend term expires June 30, 2024. DPSS desires to continue the Lease and will be amending the Lease with a third amendment, which will extend the term through November 30, 2029. The Third Amendment to the Lease is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is the letting of property involving existing facilities; no substantial expansion of the existing facility will occur. The operation of the facility will continue to provide public services. No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: Riverside County

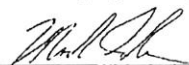
Name of Person or Agency Carrying Out Project: Riverside County Facilities Management

Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "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 Third 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 Lease Agreement regarding continued lease of an existing facility. The Third Amendment will not substantially increase or expand the use of the site and the lease extension would result in 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 proposed Third Amendment to the Lease will not result in any direct or indirect physical environmental impacts. 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: 5-18-2024
Mike Sullivan
County of Riverside, Facilities Management

1 **THIRD AMENDMENT TO LEASE**

2 (Department of Public Social Services)

3 23119 Cottonwood Ave Suite 200, Building A, Moreno Valley, California

4
5 This THIRD AMENDMENT to Lease ("Third Amendment"), dated as of
6 June 25, 2024, is entered by and between the **COUNTY OF**
7 **RIVERSIDE**, a political subdivision of the State of California ("County"), as Lessee, and
8 **BEL AIR PLAZA, LTD**, a California limited partnership, ("Lessor") and, sometimes
9 collectively referred to as the Parties.

10 **RECITALS**

11 **A.** Bel Air Plaza LTD, and County, entered into that certain Lease dated
12 September 14, 2010, ("Original Lease") pertaining to the premises located at 23119
13 Cottonwood Ave., Building A Suites 100, 105 and 200 as more particularly described in
14 the Lease.").

15 **B.** The Original Lease has been amended by:

16 **1.** That certain First Amendment to Lease dated May 12,
17 2015, by and between Bel Air Plaza, Ltd., a California limited partnership and County
18 of Riverside, a political subdivision of the State of California (the "First Amendment")
19 whereby the Parties amended the Lease to extend the Term to June 30, 2020, adjust
20 the Rent, amend provisions for Custodial services, and provide for Tenant
21 Improvements.

22 **2.** That certain Second Amendment to Lease dated March 7,
23 2017, by and between Bel Air Plaza, Ltd, a California limited partnership and County of
24 Riverside, a political subdivision of the State of California (the "Second Amendment")
25 whereby the Parties amended the Lease to adjust the Rent and decrease the square
26 footage to occupy Suite 200 only.

27 **C.** The Original Lease contained an option to extend its term twice, which
28 options were exercised as follows:

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1 1. The Original Lease was extended as of April 7, 2020, when
2 the County exercised an option to extend the Original Lease for two years through
3 June 30, 2022.

4 2. The Original Lease was extended as of March 8, 2022,
5 when the County exercised an option to extend the Original Lease for two years
6 through June 30, 2024.

7 **D.** The Original Lease, together with the Amendments, are collectively
8 referred to as the "Lease."

9 **E.** The Parties now desire to amend the Lease by extending the term,
10 modifying the rent, adding a new option to extend the term of the lease, and modifying
11 the option to terminate.

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

14 **1. Term.** Section 4.1 of the Original Lease is hereby amended by the
15 following: The term of this Lease shall be extended for a period of five (5) years and
16 five (5) months, effective July 1, 2024 and expiring on November 30, 2029 ("Extended
17 Term").

18 **2. Rent.** Section 5.1 of the Original Lease is hereby amended by the
19 following: County shall pay to Lessor the monthly sum of Thirty-Seven Thousand Six
20 Hundred Fourteen Dollars and Twenty-Five Cents (\$37,614.25) per month to Lessor.

21 (b) Notwithstanding the provisions of Section 5.1 herein,
22 commencing July 1, 2025, the monthly rent shall be increased annually by an amount
23 equal to three percent (3%) of such monthly rental for the preceding Lease year.

24 **3. Option to Extend.** Section 6.1 of the Original Lease is hereby amended
25 by the following: Lessor grants to County two (2) options to extend the Lease term
26 ("Extension Option"). The Extension Options shall be for a period of one (1) year
27 ("Extension Option Term") subject to the conditions described in the Section 6.1.

28

1 **6.1.1 Exercise of Option.** The Extension Option shall be exercised by
2 County delivering to Lessor written notice thereof no later than ninety (90) days prior to
3 the expiration of the Extended Term.

4 **6.1.2 Option Rent.** The monthly rent payable by County during the
5 Extension Option Term shall be increased by an amount equal to three percent (3%) of
6 such month rental for the preceding Lease year.

7 **4. Option to Terminate.** Section 6.4 of the Original Lease is hereby
8 amended as follows: County in its sole discretion and without penalty may terminate
9 the Lease and vacate the Premises any time after two (2) years into the Extended
10 Term. County must provide advance, written notice to Lessor at least ninety (90) days
11 prior to the Termination Date.

12 **5. Day Porter Services.** Section 8.3 of the Lease shall be amended as
13 follows: The cost for Day Porter services is increased to \$4,769.34 per month under
14 the terms set forth in Section 8.3 herein.

15 **6. Third Amendment to Prevail.** The provisions of this Third Amendment
16 shall prevail over any inconsistency of conflicting provisions of the Lease, as heretofore
17 amended, and shall supplement the remaining provisions thereof.


18 **7. Miscellaneous.** Except as amended or modified herein, all the terms of
19 the Original Lease shall remain in full force and effect and shall apply with the same
20 force and effect. Time is of the essence in this Amendment and the Lease and each
21 and all of their respective provisions. Subject to the provisions of the Lease as to
22 assignment, the agreements, conditions, and provisions herein contained shall apply to
23 and bind the heirs, executors, administrators, successors and assigns of the parties
24 hereto. If any provisions of this Amendment or the Lease shall be determined to be
25 illegal or unenforceable, such determination shall not affect any other provision of the
26 Lease and all such other provisions shall remain in full force and effect. The language
27 in all parts of the Lease shall be construed according to its normal and usual meaning
28 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the

1 Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be
2 recorded by Lessee.

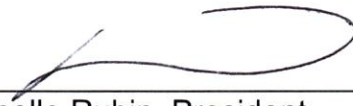
3 **8. Effective Date.** This Third Amendment to Lease shall not be binding or
4 consummated until its approval by the Riverside County Board of Supervisors and fully
5 executed by the Parties.

6 **IN WITNESS WHEREOF**, the Parties have executed this Third Amendment as
7 of the date first written above.

8 LESSEE:
9 COUNTY OF RIVERSIDE,
10 A political subdivision of the
11 State of California

11 By: 
12 Chairman **CHUCK WASHINGTON**
13 Board of Supervisors

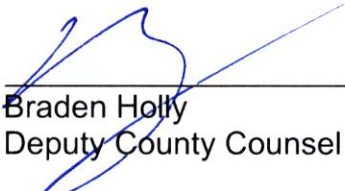
LESSOR:
BEL AIR PLAZA, LTD., a California limited
partnership

By: 
Michelle Rubin, President

15 ATTEST:
16 **KIMBERLY A. RECTOR**
17 Clerk of the Board

18 By: 
19 Deputy

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

23 By: 
24 Braden Holly
25 Deputy County Counsel

26
27
28 AN:il/04222024/MV013/40.062

Exhibit A

FY 2024/25

County of Riverside

23119 Cottonwood Avenue Building A. Moreno, Valley, CA 92553

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	17,495	SQFT		
Approximate Cost per SQFT (Jul-Jun)	\$	2.15		
Lease Cost per Month (Jul-Jun)			\$	37,614.25
Total Lease Cost (Jul-Jun)			\$	451,371.00
Total Estimated Lease Cost for FY 2024/25			\$	451,371.00

Estimated Additional Costs:

Utility Cost per SQFT	\$	0.12		
Estimated Utility Costs per Month			\$	2,099.40
Total Estimated Utility Cost for FY 2024/25			\$	25,192.80

Day Porter

Estimated Monthly Day Porter Cost			\$	4,865.04
Total Estimated Day Porter Cost for FY 2024/25			\$	58,380.48

FM Lease Management Fee as of 07/01/2024	4.84%		\$	21,846.36
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TOTAL ESTIMATED COST FOR FY 2024/25 **\$ 556,790.64**

TOTAL COUNTY COST **6%** **\$ 33,407.44**

Exhibit B

FY 2025/26

County of Riverside

23119 Cottonwood Avenue Building A. Moreno, Valley, CA 92553

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	17,495	SQFT		
Approximate Cost per SQFT (Jul-Jun)	\$	2.21		
Lease Cost per Month (Jul-Jun)		\$	38,742.68	
Total Lease Cost (Jul-Jun)			\$	464,912.13
Total Estimated Lease Cost for FY 2025/26			\$	464,912.13

Estimated Additional Costs:

Utility Cost per SQFT	\$	0.12		
Estimated Utility Costs per Month		\$	2,099.40	
Total Estimated Utility Cost for FY 2025/26			\$	25,192.80

Day Porter

Estimated Monthly Day Porter Cost		\$	4,865.04	
Total Estimated Day Porter Cost for FY 2025/26			\$	58,380.48

FM Lease Management Fee as of 07/01/2024	4.84%		\$	22,501.75
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TOTAL ESTIMATED COST FOR FY 2025/26 **\$ 570,987.16**

TOTAL COUNTY COST **6%** **\$ 34,259.23**

Exhibit C

FY 2026/27 to 2029/30

County of Riverside

23119 Cottonwood Avenue Building A. Moreno, Valley, CA 92553

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

	17,495 SQFT			
	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Approximate Cost per SQFT (Jul-Jun)	\$ 2.28	\$ 2.35	\$ 2.42	\$ 2.49
Lease Cost per Month (Jul-Jun)	\$ 39,904.96	\$ 41,102.11	\$ 42,335.17	
Lease Cost per Month (Jul 1, 2029-Nov 30, 2029)				\$ 43,605.22
Total Lease Cost (Jul-Jun)	\$ 478,859.49	\$ 493,225.28	\$ 508,022.04	
Total Lease Cost (Jul 1, 2029-Nov 30, 2029)				\$ 218,026.12
Total Estimated Lease Cost for FY 2026/27 to 2029/30	\$ 478,859.49	\$ 493,225.28	\$ 508,022.04	\$ 218,026.12

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Cost per Month	\$ 2,099.40	\$ 2,099.40	\$ 2,099.40	\$ 2,099.40
Total Estimated Utility Cost	\$ 25,192.80	\$ 25,192.80	\$ 25,192.80	\$ 10,497.00

Day Porter

Estimated Monthly Day Porter Cost	\$ 4,865.04	\$ 4,865.04	\$ 4,865.04	\$ 4,865.04
Total Estimated Day Porter cost (Jul-Jun)	\$ 58,380.48	\$ 58,380.48	\$ 58,380.48	
Total Estimated Day Porter cost (Jul 1, 2029-Nov 30, 2029)				\$ 24,325.20
Total Estimated Day Porter Cost for FY 2026/27 to 2029/30	\$ 58,380.48	\$ 58,380.48	\$ 58,380.48	\$ 24,325.20

Lease Management Fee as of 7/1/2024	4.84%	\$ 23,176.80	\$ 23,872.10	\$ 24,588.27	\$ 10,552.46
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TOTAL ESTIMATED LEASE COST	\$ 585,609.57	\$ 600,670.66	\$ 616,183.58	\$ 263,400.79
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F11 Total Cost **\$ 3,193,642.40**

F11 Total County Cost **6% \$ 191,618.54**

Department of Public Social Services

23119 Cottonwood Ave., Bldg A, Moreno Valley CA 92553



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

APN: 296-151-029
District 5
Lease Area Highlighted in Blue

0 188 376 Feet

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