

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



ITEM: 3.31
(ID # 24893)

MEETING DATE:
Tuesday, July 30, 2024

FROM : FACILITIES MANAGEMENT

SUBJECT: FACILITIES MANAGEMENT - REAL ESTATE (FM-RE) AND DEPARTMENT OF ENVIRONMENTAL HEALTH (DEH): Approval of the Second Amendment to Lease with Sanderson Building, LLC - DEH, Hemet, 2-Year Lease Extension, California Environmental Quality Act (CEQA) Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 5. [Total Cost: \$746,871 (Permit Fees 100%)] (Clerk of the Board 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

Jeff Johnson
Jeff Johnson, Director Environmental Health

7/8/2024

Vincent Yzaguirre
Vincent Yzaguirre

7/8/2024

Rose Salgado
Rose Salgado, Director of Facilities Management

7/10/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Perez 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: July 30, 2024
xc: FM-RE, E.H., Recorder/State Clearinghouse

Kimberly A. Rector
Clerk of the Board

By: *Mary A. Rector*
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

2. Approve the attached Second Amendment to Lease between the County of Riverside and Sanderson Building, LLC, a California limited liability company, and authorize the Chair of the Board to execute the same on behalf of the County;
3. Authorize the Director of Facilities Management, or their 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 Option to Extend pursuant to Section 4 of the Lease; and
5. 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	\$306,925	\$376,852	\$746,871	\$0
NET COUNTY COST	\$0	\$0	\$ 0	\$0
SOURCE OF FUNDS: Permit Fees 100%			Budget Adjustment:	No
			For Fiscal Year:	24/25-26/27

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside has been under a lease at 800 S. Sanderson Avenue, Hemet, since August 2016 (Lease). On August 30, 2022 (M.O. 3.20), the Board approved the First Amendment to Lease, which extended the term of the Lease. The facility occupied by the Department of Environment Health (DEH), continues to meet the needs of the department. DEH now desires to extend the lease two (2) years under a Second Amendment to Lease (Second Amendment).

Pursuant to the California Environmental Quality Act (CEQA), this Second Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301, Class 1 – Existing Facilities Exemption and Section 15061 (b)(3) “Common Sense” Exemption. The proposed project, the Second Amendment, is the continuation of the letting of property involving existing facilities with no significant physical changes, and no expansion of existing use occurring.

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

This Second Amendment is summarized below:

Lessor: Sanderson Building, LLC, a California limited liability company
29826 Haun Road. Suite 305
Menifee, California 92586

Premises Location: 800 S. Sanderson Avenue
Hemet, California 92543

Size: 13,482 square feet

Term: Two (2) years from August 24, 2024 to August 23, 2026

Rent:	<u>Current</u>		<u>New</u>
	\$ 1.96 per sq. ft.		\$ 2.01 per sq. ft.
	\$ 26,369.04 per month		\$ 27,160.11 per month
	\$316,428.48 per year		\$ 325,921.32 per year

Storage Rent: \$600.00 per month

Annual Increase: Three Percent (3%) commencing August 24, 2025

Utilities: County pays for electricity and phone. Landlord pays for all other utilities.

Custodial Services: Lessor to provide.

Maintenance: Lessor to provide.

Option to Terminate: Any time after one (1) year with sixty (60) days written notice.

Impact on Residents and Businesses

This facility will continue to provide important Environmental Health services for citizens and businesses in this region of the County.

Additional Fiscal Information

See attached Exhibits A, B & C. DEH will budget these costs in FY 24/25 – 26/27 and will reimburse (FM-RE) for all associated Lease costs.

Contract History and Price Reasonableness

The Lease has previously been amended for rent adjustments, extensions to the term, and storage needs. The associated rents are aligned with the current real estate market.

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

Lease & Amendments:

Lease
First Amendment

Date and M.O.:

August 23, 2016 (M.O. 3.25)
August 30, 2022 (M.O. 3.20)

ATTACHMENTS:


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

MH:il/06142024/HM029/40.083


Stacy Orton _____ 7/17/2024


Aaron Gettis, Chief of Deputy County Counsel _____ 7/16/2024

County of Riverside
Facilities Management
3450 14th St, Riverside, CA

FILED / POSTED		
County of Riverside Peter Aldana Assessor-County Clerk-Recorder		
E-202400823 07/31/2024 10:26 AM Fee: \$ 50.00 Page 1 of 2		
Removed:	By:	Deputy
		

NOTICE OF EXEMPTION

May 6, 2024

Project Name: Riverside County Department of Environmental Health (DEH) Approval of Second Amendment to Lease with Sanderson Building, LLC, Hemet

Project Number: FM04213100026900

Project Location: 800 South Sanderson Avenue, north of West Stetson Avenue, Hemet, CA 92543, California; Assessor's Parcel Number (APN) 456-060-005

Description of Project: The County of Riverside has been under lease at 800 South Sanderson, CA 92543, (Premises) since 2000 (Lease). The office building, occupied by DEH, continues to meet the needs of the department and the County desires to extend the Lease term for an additional two years commencing August 24, 2024 and terminating August 23, 2026 under a Second Amendment. The Second Amendment to the Lease Agreement is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is the continuation of an existing lease, and no physical effects would occur as a result of the extension. No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: Riverside County

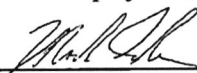
Name of Person or Agency Carrying Out Project: Riverside County Facilities Management

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 Second 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 the extension of term for a lease agreement. The extension of term 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 Second Amendment to the Lease Agreement will not result in any direct or indirect physical environmental impacts. No change will occur to the ongoing use of the facility and no new environmental impacts to the surrounding area 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: 5-6-2024
Mike Sullivan,
County of Riverside, Facilities Management

1 The term of the Lease shall be extended for two (2) years commencing on August
2 24, 2024 and terminating on August 23, 2026.

3 **2. Rent.** Section 5.1 of the Lease is hereby amended as follows:
4 County shall pay to Lessor the following monthly sums as rent for the leased premises
5 during the term of this Lease Extension:

<u>Monthly Amount:</u>	<u>Year:</u>
\$27,160.11	August 24, 2024 through August 23, 2025
\$27,974.91	August 24, 2025 through August 23, 2026

7 **3. Storage Space.** County shall continue to lease for \$600.00 a month the
8 adjacent space as shown on Exhibit "G", attached herein, for the purpose of housing a
9 storage container.

10 **4. Option to Terminate.** Sections 13.3 and 3.4 of the Lease are hereby
11 deleted in their entirety and Section 13.1 is hereby replaced with the following:
12 County shall have the right to terminate this Lease any time after one (1) year into the
13 Extension Term by providing sixty (60) days prior written notice.

14 **5. Notices.** Section 15 of the Lease shall be amended as follows:
15 Any notices required or desired to be served by either party upon the other shall be
16 addressed to the respective parties as set forth below:

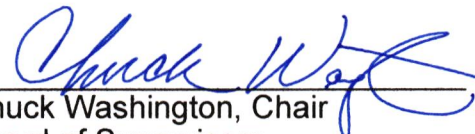
COUNTY:	LESSOR:
County of Riverside	Sanderson Building, LLC
Facilities Management	29826 Haun Road, Suite 305
Real Estate Division	Menifee, CA 92586
3450 14 th Street, Suite 200	Attn: Steve Gibson
Riverside, California 92501	951-301-8835
ATTN: Deputy Director of Real Estate	
(951) 955-4820	
Additional Notification/Inquiries: FM-leasing@rivco.org	

1 **In Witness Whereof**, the Parties have executed this Second Amendment as of
2 the date written below.

3 Dated: July 30, 2024

4 COUNTY:
5 County of Riverside, a political
6 subdivision of the State of California

LESSOR:
Sanderson Building LLC, a California
limited liability company

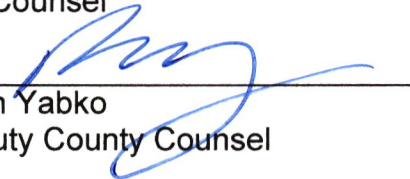
7 By: 
8 Chuck Washington, Chair
9 Board of Supervisors

By: 
Lynette Gibson, Manager

10 ATTEST:
11 Kimberly A. Rector
12 Clerk of the Board

By: 
Deputy

13 APPROVED AS TO FORM:
14 Minh C. Tran
15 County Counsel

By: 
Ryan Yabko
Deputy County Counsel

17 MH:ii/06202024/HM029/40.083



JUL 30 2024 3.31

Environmental Health - Storage

Exhibit "G"



Legend

-  County Boundary
-  City Boundaries



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.

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Notes

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:
COST	\$ 306,925	\$ 376,852	\$ 746,871
NET COUNTY COST	\$ -	\$ -	\$ -

*Complete all yellow highlighted fields.

Last updated on 6/12/2019

Current Fiscal Year:	7/1/2024 through 6/30/2026	
Name:	Department of Environmental Health	
Premises:	800 S. Sanderson Avenue, Hemet, CA	
Term:	2 years [] months	
Effective Date	8/24/2024	
Termination Date	8/23/2026	
Fiscal Year Split:	(July - Aug) 2 (Sept - June) 10 <hr/> 12 months	
Size:	13,482 SQFT	
Rent:	Current \$ 1.96 SQFT \$ 26,369.04 per month \$ 316,428 per year	New \$ 2.01 SQFT \$ 27,160.11 per month \$ 325,921 per year
Rental Adjustment %:	3.00%	
Estimated Additional Costs:		
Utility Cost per SQFT	\$ 0.12	
Storage Rent	\$ 600 Total	
Lease Management Fee	4.84%	
Total County Cost %	[]	

Exhibit A

FY 2024/25

Department of Environmental Health
800 S. Sanderson Avenue, Hemet, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	13,482 SQFT		
Approximate Cost per SQFT (July - Aug)	\$ -		
Approximate Cost per SQFT (Sept - June)	\$ 2.01		
Lease Cost per Month (July - Aug)	\$ -		
Lease Cost per Month (Sept - June)	\$ 27,160.11		
Total Lease Cost (July - Aug)		\$	-
Total Lease Cost (Sept - June)		\$	271,601.10
Total Estimated Lease Cost for FY 2024/25		\$	271,601.10

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month	\$ 1,617.84		
Total Estimated Utility Cost (July - Aug)		\$	-
Total Estimated Utility Cost (Sept - June)		\$	16,178.40
Total Estimated Utility Cost for FY 2024/25		\$	16,178.40
Storage Rent Cost per Month	\$ 600.00		
Total Storage Rent Cost (Jul-Aug)		\$	-
Total Storage Cost (Sep-Jun)		\$	6,000.00
Total Storage Rent Cost for FY 2024/25		\$	6,000.00
FM Lease Management Fee as of 07/01/2024	4.84%	\$	13,145.49
TOTAL ESTIMATED COST FOR FY 2024/25		\$	306,924.99
TOTAL COUNTY COST	0.00%	\$	-

Exhibit B

FY 2025/26

Department of Environmental Health
800 S. Sanderson Avenue, Hemet, CA

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	13,482 SQFT		
Approximate Cost per SQFT (July - Aug)	\$ 2.01		
Approximate Cost per SQFT (Sept - June)	\$ 2.07		
Lease Cost per Month (July - Aug)	\$ 27,160.11		
Lease Cost per Month (Sept - June)	\$ 27,974.91		
Total Lease Cost (July - Aug)		\$	54,320.22
Total Lease Cost (Sept - June)		\$	279,749.10
Total Estimated Lease Cost for FY 2025/26		\$	334,069.32

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month	\$ 1,617.84		
Total Estimated Utility Cost		\$	19,414.08
Total Estimated Utility Cost for FY 2025/26		\$	19,414.08
Storage Rent Cost per Month	\$ 600.00		
Total Storage Rent Cost		\$	7,200.00
Total Storage Rent Cost for FY 2025/26		\$	7,200.00
FM Lease Management Fee as of 07/01/2024	4.84%	\$	16,168.96
TOTAL ESTIMATED COST FOR FY 2025/26		\$	376,852.36
TOTAL COUNTY COST	0.00%	\$	-

Exhibit C

FY 2026/27

**Department of Environmental Health
800 S. Sanderson Avenue, Hemet, CA**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 13,482

	FY 2026/27
Approximate Cost per SQFT (July - Aug)	\$ 2.07
Approximate Cost per SQFT (Sept - June)	
Lease Cost per Month (July - Aug)	\$ 27,974.91
Lease Cost per Month (Sept - June)	\$ -
Total Lease Cost (July - Aug)	\$ 55,949.82
Total Lease Cost (Sept - June)	\$ -
Total Estimated Lease Cost for FY 2026/27	\$ 55,949.82

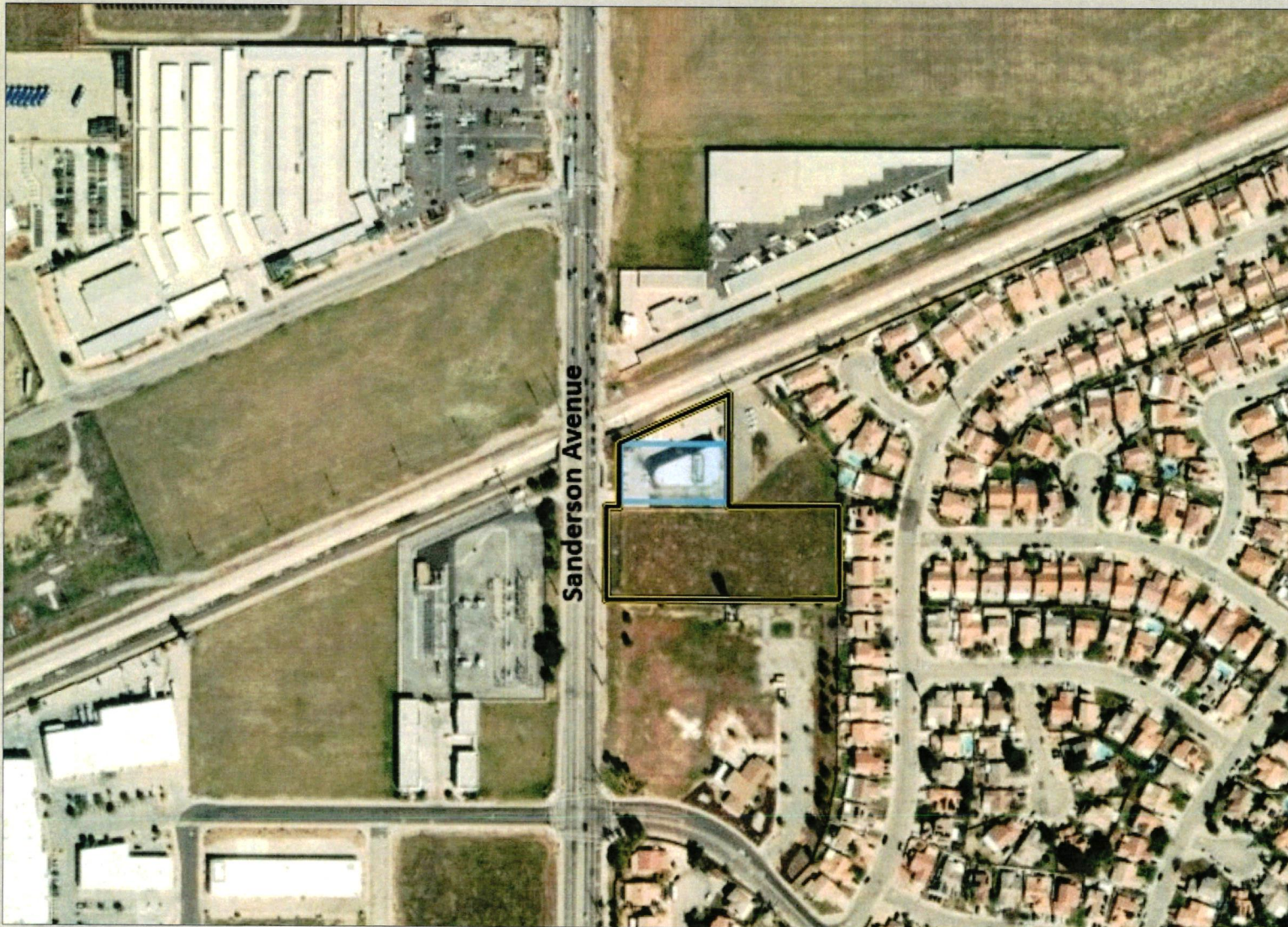
Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12
Estimated Utility Costs per Month	\$ 1,617.84
Total Estimated Utility Cost	\$ 3,235.68
Storage Rent Cost per Month	\$ 600.00
Total Storage Rent Cost	\$ 1,200.00
Total Storage Rent Cost for FY 2026/27	\$ 1,200.00
FM Lease Management Fee as of 07/01/2024	4.84% \$ 2,707.97
TOTAL ESTIMATED COST FOR FY 2026/27	\$ 63,093.47

F11 Total Cost \$ 746,870.82
F11 Total County Cost 0.00%

Department of Environmental Health

800 S. Sanderson Avenue, Hemet, CA 92545



Legend

World Street Map



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Notes

District 5
Leased area outlined in blue.
APN 456-060-005

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