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



ITEM: 3.22 (ID # 25882)

MEETING DATE:

FROM: FACILITIES MANAGEMENT

Tuesday, October 01, 2024

SUBJECT: FACILITIES MANAGEMENT-REAL ESTATE (FM-RE) AND DEPARTMENT OF PUBLIC SOCIAL SERVICES (DPSS): Approval of the First Amendment to Lease with SIC/Leed Civic Plaza, LLC, 5-Year Extension, DPSS, Hemet, California Environmental Quality Act Exempt per State CEQA Guidelines Sections 15301 and 15601(b)(3); District 5. [Total Cost: \$7,360,271 - 41% Federal, 21% State, 28% Realignment, 10% County (DPSS Dept. Budget) Fund 10000] (Clerk of the Board to file Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

- 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:
- Approve the First Amendment to Lease with SIC/Leed Civic Plaza LLC, 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 State Clearinghouse within five (5) working days of approval by the Board.

ACTION:Policy, CIP

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Aves:

Jeffries, Spiegel, Washington, Perez and Gutierrez

Nays: Absent: None

None

Date:

October 1, 2024

XC:

FM-RE, DPSS, Recorder/State Clearinghouse

3.22

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:	То	tal Cost:	Ongoing	Cost
COST	\$0	\$0		\$7,360,271		\$0
NET COUNTY COST	\$0	\$0		\$736,027		\$0
SOURCE OF FUNDS: 41% Federal, 21% State, 28% Realignment, 10% County (DPSS Dept. Budget) Fund 10000				Budget Adju	stment:	No
,	•	0 ,		For Fiscal Ye	ear: 29/30	- 34/35

C.E.O. RECOMMENDATION: [Approve]

BACKGROUND:

Summary:

The Department of Public Social Services (DPSS) has operated its Adult and Children's Services Divisions at 547-561 N. San Jacinto Street, Hemet, since July 27, 2004. The current lease expires December 31, 2029 and SIC/Leed Civic Plaza, LLC, a Delaware limited liability company (Lessor) has proposed extending the lease through the First Amendment to Lease (Amendment). DPSS is agreeable to exercise the option to extend for five additional years. The Lessor will include and pay for \$500,000 in parking lot improvements as consideration for an earlier than typical renewal.

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

The Amendment is summarized as follows:

Location: 547-561 N. San Jacinto Street, Hemet, CA, 92543

Lessor: SIC/Leed Civic Plaza, LLC

9663 Santa Monica Blvd., #1266, Beverly Hills, CA 90210

Size: 43,125 Square Feet

Option Term: Five (5) years commencing January 1, 2030, and terminating December

31, 2034.

Option Rent: Commencing January 1, 2030

\$2.45 per sq. ft.

\$105,546.28 per month \$1,266,555.00 per year

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

Annual

Escalator: Commencing January 1, 2031, a three percent (3%) rent increase will

commence on each anniversary of the Lease and per the schedule

provided in Lease.

Second Extension

Option: Included is one additional option to extend the term for five years, the

"Second Extension Option"

Option to Terminate: Due to funding providing one hundred eighty (180) days-notice prior to

date of termination.

RCIT: None

Maintenance: Lessor provides Maintenance

Utilities: County pays electrical, telephone services including internet. Lessor

responsible for water, natural gas, trash, and sewer services

Custodial: Lessor provides Custodial Service

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

Impact on Citizens and Businesses

This Amendment will allow the Department of Public Social Services to continue to provide beneficial services to the community.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B & C. DPSS will budget these costs in FY 2029/30 – 2034/35 and will reimburse Facilities Management Real Estate for all associated Lease costs.

Contract History and Price Reasonableness

The Lease rate is aligned and consistent with the current fair market rates.

ATTACHMENTS:

- · First Amendment to Lease
- Notice of Exemption
- Exhibits A, B & C

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

Aerial Image

Statey Orton

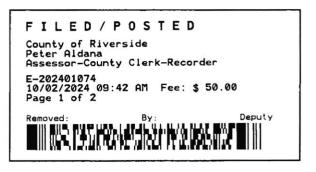
Statey Orton

9/23/2024

Statey Orton

9/23/2024

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



NOTICE OF EXEMPTION

August 29, 2024

Project Name: Approval of First Amendment to Lease Agreement with SIC/LEED Civic Plaza, LLC, Department of Public Social Services (DPSS), Hemet

Project Number: FM042310002800

Project Location: 541 North San Jacinto Street, north of East Oakland Avenue, Hemet, California 92543, Assessor's Parcel Number (APN) 445-090-011

Description of Project: DPSS has operated its Self Sufficiency Division at 541 N. San Jacinto, Hemet, since 5/11/1999. The current lease expires December 31, 2030 and SIC/Leed Civic Plaza, LLC, a Delaware limited liability company (Lessor) has proposed extending the lease through 2029. DPSS is agreeable to exercise the option to extend for five years commencing January 1, 2030. The Lessor will include \$540,000.00 in parking lot and interior tenant improvements as consideration for an earlier than typical renewal.

The First Amendment to the Lease Agreement is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is limited to the continued use of an existing building and no 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), "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 First Amendment to the Lease Agreement, permitting use of an existing facility.

- 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 continued use of an existing building. The project would not increase or expand the use of the site; and the use is limited to 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 First Amendment to the Lease Agreement is an administrative action to renew the Lease. 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.

Date: 8-29-2024

Signed:

Mike Sullivan,

County of Riverside, Facilities Management

Approval of First Amendment to Lease Agreement with SIC/LEED Civic Plaza, LLC, Department of Public Social Services (DPSS), Hemet

Summary

SCH Number

2024100092

Public Agency

Riverside County

Document Title

Approval of First Amendment to Lease Agreement with SIC/LEED Civic Plaza, LLC, Department of Public Social Services (DPSS), Hemet

Document Type

NOE - Notice of Exemption

Received

10/2/2024

Posted

10/2/2024

Document Description

DPSS has operated its Self Sufficiency Division at 541 N. San Jacinto, Hemet, since 5/11/1999. The current lease expires December 31, 2030 and SIC/Leed Civic Plaza, LLC, a Delaware limited liability company (Lessor) has proposed extending the lease through 2029. DPSS is agreeable to exercise the option to extend for five years commencing January 1, 2030. The Lessor will include \$540,000.00 in parking lot and interior tenant improvements as consideration for an earlier than typical renewal.

The First Amendment to the Lease Agreement is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is limited to the continued use of an existing building and no 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.

Contact Information

Name

Michael Sullivan

Agency Name

County of Riverside Facilities Management

Job Title

Facilities Operations Manager

Contact Types

Lead/Public Agency

Address

3450 14th Street Riverside, CA 92501

Phone

(951) 955-8009

Email

MSullivan@rivco.org

Location

Cities

Hemet, San Jacinto

Counties

Riverside

Regions

Southern California

Zip

92543

Parcel

445-090-011

Other Location Info

541 North San Jacinto Street; North of East Oakland Avenue

Notice of Exemption

Exempt Status

Categorical Exemption

Type, Section or Code

Section 15301

Reasons for 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 continued use of an existing building. The project would not increase or expand the use of the site; and the use is limited to 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. 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 First Amendment to the Lease Agreement, permitting use of an existing facility. 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.

Exempt Status

Other

Type, Section or Code

Section 15061 (b) (3)

Reasons for 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 CEOA 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 First Amendment to the Lease Agreement is an administrative action to renew the Lease. 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 CEOA analysis. 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 CEOA 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 First Amendment to the Lease Agreement, permitting use of an existing facility. 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.

County Clerk

Riverside

Attachments

Notice of Exemption

NOE (2) Approval of First Amendment to Lease Agreement PDF 449 K

Disclaimer: The Governor's Office of Planning and Research (OPR) accepts no responsibility for the content or accessibility of these documents. To obtain an attachment in a different format, please contact the lead agency at the contact information listed above. For more information, please visit OPR's Accessibility Site.

FIRST AMENDMENT TO LEASE

This First Amendment to Lease (this "<u>Amendment</u>") is made and entered into as of September _____, 2024, by and between SIC/Leed Civic Plaza, LLC, a Delaware limited liability company ("<u>Lessor</u>"), and the County of Riverside, a political subdivision of the State of California ("<u>County</u>").

RECITALS

- a. Lessor and County are parties to that certain Lease dated as of November 29, 2022 (the "Original Lease").
- b. Pursuant to the Original Lease, Lessor leases to County, and County leases from Lessor, certain space (the "<u>Premises</u>") consisting of approximately 43,125 square feet commonly known as 547-561 N. San Jacinto, located in the City of Hemet, County of Riverside, State of California, also identified as Assessor Parcel Number 445-090-011.
- c. Pursuant to the Original Lease, Section 5.2, the County has one option to extend the term of the Original Lease for a period of five (5) years by providing written notice to Lessor.
- d. County desires to exercise the Extension Option to extend the Term and the Lessor and County further desire for Lessor to provide certain construction allowances and to clarify starting Additional Improvements and Lessor desire to grant County a second extension option, all in accordance with the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and County hereby agree as follows:

- 1. <u>Defined Terms</u>. All capitalized terms used herein but not specifically defined in this Amendment shall have the meanings ascribed to such terms in the Original Lease. The term "<u>Lease</u>" where used in the Original Lease and this Amendment shall hereafter refer to the Original Lease, as amended by this Amendment.
- 2. <u>County's Exercise of Extension Option.</u> Notwithstanding anything to the contrary contained in Section 5.2 of the Lease, the County hereby exercises the Extension Option to extend the Original Term, and Lessor acknowledges and accepts the County's exercise of the Extension Option. Pursuant to Section 5.2 of the Lease, the Extended Term is an additional five (5) year period commencing January 1, 2030 and ending December 31, 2034. The monthly and annual rent during the Extended Term is in accordance with Section 5.2.2 of the Lease.

Repairs and Restorations.

(a) <u>Parking Lot Repair.</u> Lessor agrees to perform certain parking lot repairs at the Project, including but not limited to resurfacing, sealcoating, restriping, and/or repaving work (the "<u>Parking Lot Repair Work</u>"), provided that Lessor's financial obligation shall not exceed the sum of Five Hundred Thousand and no/100 Dollars (\$500,000.00) (the "<u>Parking Lot Cap</u>").

1

The scope and timing of the Parking Lot Repair Work will be formally set forth in a construction plan to be mutually agreed to by and between Lessor and County. Subject to force majeure delays, Lessor shall use commercially reasonable efforts to cause the Parking Lot Repair Work to be materially completed and ready for inspection by the applicable governmental authorities by December 31, 2025. If the Parking Lot Repair Work is not materially completed by December 31, 2025, this shall not constitute an event of default by Lessor; the County may elect to take over the Parking Lot Repair Work and complete the work. If the County takes over the Parking Lot Repair Work, the County shall be reimbursed by Lessor for the costs up to any remaining portion of the Parking Lot Cap.

4. Second Extension Option.

- (a) Option Right. Lessor grants to County one (1) option to extend the Term ("Second Extension Option") for a period of five (5) years ("Second Extended Term"), subject to the conditions described in Section 5.2 of the Lease.
- Option Rent. Notwithstanding the foregoing, the Rent payable by County during the Second Extended Term shall be the greater of one hundred and three percent (103%) of the Rent payable immediately prior to the Second Extend Term with three percent (3.0%) annual increases (the "Minimum Option Rent"), and the Fair Market Rent as set forth below, with three percent (3.0%) annual increases. In the event that County objects to the Fair Market Rent determination of Lessor, Lessor and County shall attempt to agree upon the Fair Market Rent using reasonable good faith efforts. If Lessor and County fail to reach agreement within thirty (30) days following County's written objection to Lessor's Fair Market Rent determination, then the Fair Market Rent of the leased premises shall be determined on an appraisal prepared by a qualified appraiser who shall be a Member of the Appraisal Institute (MAI) selected by Lessor and County. If Lessor and County are unable to agree on an appraiser within sixty (60) days following County's written objection to Lessor's Fair Market Rent determination, then Lessor and County shall each select an appraiser and the two appraisers shall agree on the Fair Market Rent, but if they are unable to agree on the Fair Market Rent, they shall mutually select a third appraiser whose decision as to any dispute with respect to Fair Market Rent shall be binding and conclusive. Each appraiser's fees and costs shall be borne and paid by the party authorized to select the appraiser, but, where an appraiser is jointly selected, the fees and costs shall be paid equally by Lessor and County. Any appraiser selected under this section shall render an opinion on the Fair Market Rent of the Premises in the manner provided above. For the purpose of this Lease, the term "Fair Market Rent" shall mean the Rent agreed to by Lessor and County or the Rent determined by the appraiser or appraisers referenced above.
- 5. <u>Estoppel</u>. County warrants, represents and certifies to Lessor that as of the date of this Amendment: (a) to County's knowledge, (i) Lessor is not in default under the Lease, and (ii) County does not have any defenses or offsets to payment of rent and performance of its obligations under the Lease as and when same becomes due. Lessor has a remaining obligation pursuant to Section 11.1.9-10 under the Original Lease to complete improvements.

- 6. <u>Severability</u>. Any provision of this Amendment which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.
- 7. <u>Authority</u>. Each of Lessor and County represents and warrants that it has full power and authority to enter into this Amendment and the person signing on behalf of such party has been fully authorized to do so by all necessary corporate or partnership action on the part of such party.
- 8. <u>Binding Effect</u>. This Amendment shall be binding upon and inure to the benefit of Lessor, its successors and assigns and County and its permitted successors and assigns.
- 9. <u>Further Assurances</u>. Each of the parties hereto agrees to execute and deliver all such further documents and to take all such further actions as may be reasonably requested by the other party hereto to effectuate fully the terms and provisions of this Amendment, provided such documents or actions do not limit, reduce or impair the rights of the party upon whom such request is made.
- 10. <u>Lease in Full Force</u>. Except for those provisions which are inconsistent with this Amendment and those terms, covenants and conditions for which performance has heretofore been completed, all other terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. Lessor and County ratify the Lease, as amended hereby. The terms of this Amendment shall prevail and control to the extent of any conflict or inconsistency between the terms of the Lease and this Amendment
- 11. <u>Effective Date</u>. This Amendment shall not be binding or consummated until its approval by the County's Board of Supervisors and fully executed by the Parties.
- 12. Counterparts; Electronic Signatures. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the parties had signed the same signature page. Each party hereto, and their respective successors and assigns, shall be authorized to rely upon the signatures of all of the parties hereto which are delivered by facsimile, email or other electronic means (e.g. DocuSign) as constituting a duly authorized, irrevocable, actual, current delivery of this Amendment with original ink signatures. Lessor and County (a) intend to be bound by the signatures (whether original or electronic) on any document sent or delivered by electronic mail or other electronic means, (b) are aware that the other party will rely on such signatures and acknowledgements, and (c) hereby waive any defenses to the enforcement of the terms of this Amendment based on the foregoing forms of signature and acknowledgement. If this Amendment has been executed by electronic signature, all parties executing this document are expressly consenting under the Electronic Signatures in Global and National Commerce Act ("E-SIGN"), and Uniform Electronic Transactions Act ("UETA"), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amendment has been executed by Lessor and County as of the date first set forth above.

LESSEE:

County of Riverside

By: Chuck Washington, Chair Board of Supervisors

ATTEST:

Kimberly A. Rector Clerk of the Board

Deputy

APPROVED AS TO FORM:

Minh C. Tran County Counsel

By: Braden Holly Braden Holly

Deputy County Counsel

LESSOR:

SIC/Leed Civic Plaza, LLC, a Delaware limited liability company

By: SIC/Leed, LLC, a Delaware limited liability company, its Sole Member

By: L2 Development Corporation, its

Manager

By: ______Elizabeth Leanse, President

HR:il/09192024/HM035/40.107

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2431447.4

IN WITNESS WHEREOF, this Amendment has been executed by Lessor and County as of the date first set forth above.

LESSEE:	LESSOR:
County of Riverside	SIC/Leed Civic Plaza, LLC, a Delaware limited liability company
By:	y company
Chuck Washington, Chair	By: SIC/Leed, LLC, a Delaware limited
Board of Supervisors	liability company, its Sole Member
	By: L2 Development Corporation, its
Visiting and	Manager
ATTEST:	- IX Uffile
Kimberly A. Rector	By: Deliver
Clerk of the Board	Elizabeth Leanse, President
By:	
Deputy	
Beputy	
APPROVED AS TO FORM:	
Minh C. Tran	
County Counsel	
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By: Braden Holly Deputy County Counsel	

HR:il/09192024/HM035/40.107