

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

347



FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
 August 27, 2014

SUBJECT: First Amendment to Lease Agreement - El Cerrito Sports Park - City of Corona, District 2/District 2, CEQA Exempt, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities and Section 15601 (b)(3) – no significant effect on the environment;
2. Approve the attached First Amendment to Lease Agreement and authorize the Chairman of the Board to execute the same on behalf of the County;
3. Authorize the Assistant County Executive Officer of the Economic Development Agency, or his designee, to execute any other documents and administer all actions necessary to complete or memorialize this transaction; and

Departmental Concurrence

(Continued)

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A	Budget Adjustment: No
	For Fiscal Year: 2014/15-2044/45

C.E.O. RECOMMENDATION: APPROVE
 BY:
 Rohini Dasika
 County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

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

Economic Development Agency/Facilities Management

FORM 11: First Amendment to Lease Agreement - El Cerrito Sports Park - City of Corona, District 2/District 2, CEQA Exempt, [\$0]

DATE: August 27, 2014

PAGE: 2 of 2

RECOMMENDED MOTION: (Continued)

4. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk.

BACKGROUND:

Summary

On July 15, 2010, the Board of Supervisors approved and executed the El Cerrito Sports Park Lease Agreement between the County of Riverside and the City of Corona (City) for a thirty year term. The City is operating and maintaining the park and is providing recreational services to the citizens of the City and the County. The park consists of approximately twenty six acres located at 7500 W. El Cerrito Road, Corona, California. Upon expiration of the term, the County is obligated to transfer this park to the City as per the Lease.

Pursuant to the attached First Amendment to Lease (First Amendment) that portion of the land already leased to various third parties for communications facilities and billboards, plus the access road leading to such area from El Cerrito Road, will be excluded from the property leased to the City as depicted on Exhibit A-1 attached to the First Amendment to Lease.

The activity described in the First Amendment was reviewed and determined to be categorically exempt from CEQA, per Section 15301, Class 1 – Existing Facilities, and Section 15061(b) (3), as it can be seen with certainty that there is no possibility that the activity in question will have a significant impact on the environment.

Through this First Amendment the City will pay the County a management fee (currently 3.86%, but subject to annual adjustments) and those fees shall be subject to pass-through to the City when the County turns over the proceeds of all rental payments collected from the billboards and communication facilities leases, as is required by the Lease Agreement now in place. Those rental proceeds shall be turned over to the City in arrears on an annual basis beginning July 2014. The first installment shall cover the period June 5, 2014 through June 30, 2014. Also, the First Amendment will provide that the County may assess and collect application fees for any new leases or contracts and those fees shall not be subject to pass through to the City.

This First Amendment to the 2010 Lease will serve to effectively provide the County with reimbursement for staff time expended in the management of the Lease Agreement by and between the City and County.

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

Impact on Citizens and Businesses

This park facility continues to provide recreational benefits to the residents of this region of the County. The park also generates an economic impact for area businesses.

Attachments:

First Amendment to Lease, Exhibit A-1 (4)

CEQA Notice of Exemption

**EL CERRITO SPORTS PARK
FIRST AMENDMENT TO LEASE AGREEMENT**

THIS **FIRST AMENDMENT TO LEASE AGREEMENT** ("First Amendment") dated as of 4/18/14, 2014 is entered by and between **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), as lessor, and, **CITY OF CORONA**, a California Municipal Corporation ("City"), as lessee. County and City are hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, the Parties entered into that certain Lease Agreement dated June 15, 2010 concerning the lease to the City of that certain land consisting of 26 acres located at 7500 El Cerrito Road, Corona, California and previously identified as Assessor Parcel Numbers 277-210-003 and 277-210-008 ("Lease");

WHEREAS, the Parties desire to amend the Lease to exclude certain land from the Lease except with respect to the revenue sharing provisions set forth in Section 7.05 of the Lease.

TERMS

1. **PROPERTY DESCRIPTION.** Section 1.01 of the Lease is deleted and replaced with the following language:

"The Property is known as the El Cerrito Sports Park, consisting of approximately 25.87 acres located at 7500 El Cerrito Road, Corona, CA 92881, as depicted on Exhibit "A," attached to the Lease. However, except for purposes of Section 7.05 of the Lease, that portion of the land depicted on Exhibit "A" of the Lease which is used by County for the purpose of leasing to various third parties for communication facilities and billboards, and any other purpose deemed necessary by County, plus the access road leading to such area from El Cerrito Road, shall be excluded from the Property ("Excluded Property"). The Excluded Property is

generally depicted by a yellow border line on Exhibit "A-1," attached to this First Amendment and incorporated by reference."

2. USE, MAINTENANCE AND REPAIR OF THE PROPERTY. Section 7.05 of the Lease is hereby deleted and replaced with the following language:

"A. The County shall retain any lease or contract related to signs, sign structures, telecommunication facilities or other facilities or concessions (including corporate sponsorship or naming rights) of any kind on the Property and/or the Excluded Property, either on the date of this Lease (a list of which have been provided to City by County), or which may be installed thereafter, and shall retain all revenues generated from said leases and contracts from the Effective Date to June 4, 2013. Commencing June 5, 2013, all revenues generated from leases and contracts associated with the Property and the Excluded Property shall be accounted for by the County and in lieu payments shall be made by the County to the City in a sum equivalent to the revenues collected from said leases and contracts, less the County's management fee described in (D) below.

B. In the event that City identifies an opportunity to enter into a new lease or contract that is covered by this Section 7.05 which would generate additional revenue, County shall cooperate with City to pursue such opportunity. Furthermore, if the contracting party to a lease or contract on the Property and/or the Excluded Property is not in compliance with the City's rules or regulations or is generally not complying with its obligations with respect to offering series or maintaining facilities located on the Property and/or the Excluded Property, the County will investigate and take action as appropriate under the relevant lease or contract. All monies received by the City from the County shall be used by City solely

for the purpose of meeting its obligations under this Lease or for making additional capital improvements to the Property.

C. In the event that County identifies an opportunity to enter into a new lease or contract that is covered by this Section 7.05 which would generate additional revenue, or if any of the existing contracts require modification, with or without any additional economic benefit, City shall cooperate with County to pursue such opportunity. In such instances, County may impose an administrative fee upon the requestor or applicant, and any such fees shall not be deemed monies that are subject to transfer to City pursuant to this Section 7.05. The intent of the administrative fee is to compensate County for costs it anticipates incurring in the processing of the requests or applications.

D. On or about July 1 of each year, County shall prepare a statement of all rental payments received under each and every lease or contract associated with the Property and the Excluded Property that is subject to this Section 7.05. The aggregate sum of all rental payments received by the County shall be the amount that is due to the City, less a County management fee to be retained by County as consideration for its administration of the lease or contract. The County's current management fee is 3.86% of the rental payments received under the leases or contracts. The County's management fee is subject to annual review and adjustment by the Riverside County Board of Supervisors on July 1st of each year based upon the County's costs applicable to its administration of the leases and/or contracts that are subject to this Section 7.05; provided, however, that the County's management fee shall not be increased by more than two percent (2%) of the immediately preceding management fee each year, rounded to the nearest hundredth of a percent, and shall in no event exceed 4.21% at any time. The first

accounting of rental payments that is subject to this Section 7.05 will be for the period commencing June 5, 2013 through June 30, 2014. All subsequent accountings will be for the fiscal period July 1 through June 30. The County shall pay the amount due to the City, less the County's management fee, prior to July 31 of each year for the preceding fiscal year period.

E. This Section 7.05 shall survive termination of the Lease and shall continue in effect after the conveyance of the Property to the City in accordance with Section 5 of this Lease. County and City agree to enter into any additional documentation or agreements necessary to preserve the rights and obligations set forth in this Section 7.05 after termination of the Lease and/or conveyance of the Property to the City."

3. **FIRST AMENDMENT TO PREVAIL.** The provisions of this First Amendment shall prevail over any inconsistency or conflicting provisions of the Lease. Any capitalized terms shall have the meaning defined in the Lease, unless defined herein or context requires otherwise.

4. **MISCELLANEOUS.** Except as amended or modified herein, all terms of the Lease shall remain in full force and effect. If any provisions of this First Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease. Neither this First Amendment nor the Lease shall be recorded by the City.

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

LESSOR:
COUNTY OF RIVERSIDE

LESSEE:
CITY OF CORONA

By: _____
Jeff Stone, Chairman
Board of Supervisors

By: Karen Spiegel
Karen Spiegel, Mayor

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

ATTEST:

By: _____
Deputy

By: Sylvia Viapra for
Lisa Mobley
Chief Deputy City Clerk

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

APPROVED AS TO FORM:

By: Patricia Munroe
Patricia Munroe
Deputy County Counsel

By: Dean Derleth
Dean Derleth
City Attorney

EXHIBIT "A-1"

DEPICTION OF EXCLUDED PROPERTY

