

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

366



FROM: Economic Development Agency

SUBMITTAL DATE:
August 23, 2016

SUBJECT: Termination of Lease Agreement with Temecula Park, L.L.C., Economic Development Agency, Murrieta, 5-year lease, CEQA Exempt, District 3 [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Option to Terminate the Lease agreement dated October 6, 2009, between the County of Riverside and Temecula Park, L.L.C. for leasing property located at 30135 Technology Drive, Murrieta, California;
2. Finds that the termination of the Lease is exempt from CEQA pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3), as it can be seen with certainty that there is no possibility the activity in question may have a significant impact on the environment;
3. Authorizes the Economic Development Agency on behalf of the County of Riverside to effect the Option to Terminate; and

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FORM APPROVED COUNTY COUNSEL
BY: Marsha L. Victor 8/10/16
DATE
MARSHA L. VICTOR

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: 2016/17	

C.E.O. RECOMMENDATION:

APPROVE

BY: Rohini Dasika
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: 3.12 of 10/6/09; 3-11 of 12/9/14

District: 3

Agenda Number:

3-20

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

Economic Development Agency

FORM 11: Termination of Lease Agreement with Temecula Park, L.L.C., Economic Development Agency, Murrieta, 5-year lease, CEQA Exempt, District 3 [\$0]

DATE: August 23, 2016

PAGE: 2 of 2

RECOMMENDED MOTION: (Continued)

4. Directs the Clerk of the Board to file the Notice of Exemption with the County Clerk within five working days of approval by the Board.

BACKGROUND:

Summary

The County of Riverside entered into a five-year lease on October 9, 2009, to occupy 26,105 square feet located at 30135 Technology Drive, Murrieta for use by the Economic Development Agency (EDA) Workforce Development Center. The lease was extended for five years in 2014 and will expire January 31, 2020.

The Workforce Development Division has experienced a steady reduction in program funding, which is caused by several factors. The key funding source for the Workforce Development Division of EDA previously was the Workforce Investment Act (WIA). This Act was terminated effective June 30, 2015, and all funding under that Act ended. The Workforce Innovation and Opportunity Act (WIOA) became effective July 1, 2015, and includes many changes and mandates which modify service delivery. More funding is now required to be spent on direct client services, resulting in a reduced need for physical office space. Additionally, the improvement in the economy has impacted the Department of Labor's funding formulas and reduced federal funding of Workforce Development programs.

In an effort to reduce costs and remain in operation in this location, EDA's Real Estate Division sent the Lessor a proposal on March 3, 2016, to downsize the County's leasehold, but the proposal was rejected. A revised proposal was submitted on June 28, 2016, but this too was declined by the Lessor. Therefore, it is recommended that the Board of Supervisors approve the termination of this Lease based on the County's contractual right to do so, which would help the WDC to conform operational costs to available funding. The potential savings is approximately \$340,000 annually.

The proposed project, the termination of the Lease, was reviewed and determined to be exempt from CEQA pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. This is a mere termination of an agreement resulting in no further action or changes and does not cause significant changes in the land. The Parties have no further obligations to one another upon termination of the Lease.

Impact on Citizens and Businesses

An effort will continue by the Workforce Development Division to provide services to the community as Federally mandated under the Workforce Innovation and Opportunity Act

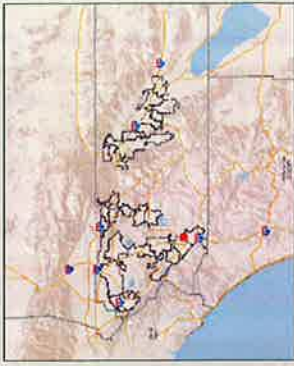
Attachments:

Aerial Image

Notice of Exemption

Notice to Terminate Lease letter

Economic Development Agency Workforce Development Center



Legend



Notes
30135 Technology Drive, Murrieta
District 3

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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REPORT PRINTED ON... 7/20/2016 4:23:09 PM

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NOTICE OF EXEMPTION

July 28, 2016

Project Name: County of Riverside, Economic Development Agency (EDA) Technology Drive Termination of Lease Agreement with Temecula Park, LLC, Murrieta

Project Number: FM042464002000

Project Location: 30135 Technology Drive, east of Sky Canyon Drive, Murrieta, California 92563; Assessor's Parcel Number (APN) 957-330-015 (See Attached Exhibit)

Description of Project: On October 9, 2009, the Board of Supervisors approved a Lease Agreement between the County of Riverside and Temecula Park, LLC, as "Lessor", whereby the County occupied 26,105 square feet of building space for use by the EDA Workforce Development Center. The lease was extended for five years in 2014 and will expire on January 31, 2020.

The Workforce Development Division has experienced a steady reduction in program funding and a recent review indicates a severe cash shortage is imminent. In an effort to reduce costs and remain in operation in this location, the Real Estate Division sent the Lessor a proposal in March 3, 2016, to downsize the occupied space by the County. A subsequent proposal which would be financially and operationally viable for the WDC was proposed on June 28, 2016, but was declined by the Lessor. Therefore, it is recommended that the Board of Supervisors approve the termination of this Lease based on the County's contractual right to do so. This termination would enable the WDC to streamline operational costs in line with available funding with a potential savings of approximately \$340,000 annually. The termination of the Lease is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Project is a mere termination of an agreement resulting in no further action or changes and does not cause significant physical changes in the land. No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency

Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

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 does the Project include unusual circumstances which could have the possibility of 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 termination of the Lease Agreement.

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686

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- **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 termination of a lease agreement. The termination of the lease agreement 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 proposed termination of the Lease Agreement will not result in any direct or indirect physical environmental impacts. The direct effects from the termination of the Lease Agreement will result in the vacation of the building by the County. Any subsequent tenant occupation of the space would continue to use the building as office space and no changes to the existing use would occur. The County is streamlining operational costs by downsizing due to funding shortages and the indirect effects of the consolidation of workforce development services and/or staff into other existing County facilities would be negligible and would not increase capacity such that new impacts would result. 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.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency 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: 7/28/16

Mike Sullivan, Senior Environmental Planner
 County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

**Project Name: Technology Drive Termination of Lease with Temecula Park LLC,
Murrieta**

Accounting String: 524830-47220-7200400000 - FM042464002000

DATE: July 28, 2016

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: Mike Sullivan, Senior Environmental Planner, Economic Development Agency

Signature: 

PRESENTED BY: Heidi Rigler, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: July 28, 2016

To: Mary Ann Meyer, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM042464002000**
Technology Drive Termination of Lease with Temecula Park LLC, Murrieta

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to:

Mail Stop #1330

Attention: Mike Sullivan, Senior Environmental Planner,
Economic Development Agency,
3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009.

Attachment

cc: file



August 23, 2016

Ms. Macy Lai
Temecula Park, LLC
600 St. Paul Ave., Suite 250
Los Angeles, CA 90017

RE: County of Riverside, 30135 Technology Drive, Murrieta

Dear Ms. Lai:

As you are well aware, the Murrieta Workforce Development Center (“WDC”) has experienced a significant and steady reduction in program funding. Increasing the effects of this decline, the restructure of the Federal legislation governing the program have placed additional funding limitations on the WDC.

As previously discussed, Paragraph 6.4 of the Lease provides the County an option to terminate the Lease: (a) should funding be reduced or otherwise become unavailable; or (b) if any law, rule or regulation materially, adversely impair the County’s ability to use the Premises. Both of these eventualities have occurred.

Accordingly, notice is given that the Lease is hereby terminated on the date one hundred and twenty (120) days after the date of this letter pursuant to Paragraph 20.1. Following that date, the County will owe you no further obligation.

Please feel free to contact this office should you have any questions.

Sincerely,

Robert Field, Assistant County Executive Officer
Economic Development Agency

HR:tg

FORM APPROVED COUNTY COUNSEL
BY: 8/10/16
R. TODD FRAHM DATE