

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

945



FROM: Economic Development Agency

SUBMITTAL DATE:
June 9, 2016

SUBJECT: Exercise of Option to Extend Lease Five Years - PSEC - North Mountain, CEQA Exempt, District 3. [\$186,929]; PSEC Operating Budget 100%

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 15061 (b)(3) "Common Sense" Exemption, and direct the Clerk of the Board to file the Notice of Exemption;
2. Approve the attached letter, Exercise of Option to Extend Lease, and authorize the Chairman of the Board to execute the same on behalf of the County; and
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.

BACKGROUND:

Summary
(Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Esteban Hernandez 6/9/16

Robert Field
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 | \$ 26,294 | \$ 35,897 | \$ 186,929 | \$ 0 | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |

| | |
|--|---|
| SOURCE OF FUNDS: PSEC Operating Budget 100% | Budget Adjustment: |
| | For Fiscal Year: 2016/17-2021/22 |

C.E.O. RECOMMENDATION:

APPROVE
BY: Rohini Dasika
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: June 21, 2016
xc: EDA, Recorder

KeCIA Harper-Ihem
Clerk of the Board
BY: KeCIA Harper-Ihem
Deputy

FORM APPROVED COUNTY COUNSEL
BY: GREGORY P. PRIAMOS DATE: 6/9/16

By: Steve Reneker 6/9/16
Steve Reneker, Chief Information Officer
Riverside County Information Technology

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

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

Economic Development Agency

FORM 11: Exercise of Option to Extend Lease Five Years - PSEC - North Mountain, CEQA Exempt, District 3, [\$186,929]; PSEC Operating Budget 100%

DATE: June 9, 2016

PAGE: 2 of 3

BACKGROUND:

Summary

On October 1, 2006, Riverside County Information Technology (RCIT) entered into a ground lease for a telecommunications site located at 40480 Soboba Road, San Jacinto, California (commonly known to the County as North Mountain). The agreement gave RCIT the authorization to build, operate, and maintain an 800 MHz radio system on the site, in support of the Public Safety Radio System.

The North Mountain site has improved the radio coverage for the Hemet and San Jacinto communities, and is one of the many critical sites that make up the Public Safety Enterprise Communication network. The initial agreement was established as a ten year term with three options to extend, each option represents a five year period. However, the agreement stipulates that each option shall be exercised by providing the Lessor with a notice of its election to extend the Lease, in writing, at least ninety days prior to the expiration of the initial term.

The attached letter represents the notice to exercise the first option; the extended term shall commence on October 1, 2016 and conclude on September 30, 2021. The extension term shall be under the same terms and conditions set forth on the initial term, including the annual rent escalation of 4%. At the start of the extension period, the County will pay a monthly fee of two thousand, two hundred twenty dollars, and thirty seven cents (\$2,220.37).

The term extension has been reviewed and determined to be categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b) (3) and Section 15301 Class 1, Existing Facility, 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. The County's approval of the activity does not create any reasonably foreseeable physical change to the environment for this transaction; it merely involves an option to extend the initial term.

Impact on Citizens and Businesses

This facility will continue to provide important communications coverage for RCIT PSEC and enhances public safety communications for the benefit of residents and businesses in the Hemet and San Jacinto communities.

SUPPLEMENTAL:

Additional Fiscal Information

RCIT will budget these costs in FY 2016/17 thru FY 2021/22 and will reimburse EDA for all lease costs on a monthly basis.

Lessor: Meltel II Winthorpe LLC
d/b/a Melody Telecom Infrastructure

Premises Location: 40480 Soboba Road
San Jacinto, California

| | <u>Current</u> | <u>New</u> |
|--------------------|--------------------------------------|--------------------------------------|
| Term: | October 1, 2006 – September 30, 2016 | October 1, 2016 – September 30, 2021 |
| Options to Extend: | Three consecutive five year terms | Two consecutive five year terms |

(Continued)

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Economic Development Agency

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DATE: June 9, 2016

PAGE: 3 of 3

| | <u>Current</u> | <u>New</u> |
|------------------|--|------------|
| Monthly Rent: | \$2,134.97 | \$2,220.37 |
| Escalation Rate: | 4% annually | No change |
| Utilities: | Electricity only, paid by the County directly. Approximately \$591.90 per month, but is subject to change. | |

Attachments:

Exhibit A, B & C

Exercise of Option to Extend Lease

CEQA Notice of Exemption

Aerial Image

Exhibit A

FY 2016/17

**North Mountain Communication Site Lease Cost Analysis
40480 Soboba Road, San Jacinto, California**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

| | | |
|--|-----------|------------------|
| Lease Cost per Month (July - Sep) | \$ | - |
| Lease Cost per Month (Oct - June) | \$ | 2,220.37 |
| Total Lease Cost (July - Sep) | \$ | - |
| Total Lease Cost (Oct - June) | \$ | 19,983.33 |
| Total Estimated Lease Cost for FY 2016/17 | \$ | 19,983.33 |

Estimated Additional Costs:

| | | |
|--|-----------|-------------------------|
| Estimated Utility Costs per Month | \$ | 591.90 |
| Total Estimated Utility Cost | \$ | <u>5,327.10</u> |
| Total EDA Lease Management Fee 4.92% | \$ | 983.18 |
| TOTAL ESTIMATED COST FOR FY 2016/17 | \$ | <u>26,293.61</u> |

Exhibit B

FY 2017/18

North Mountain Communication Site Lease Cost Analysis

40480 Soboba Road, San Jacinto, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

| | | | |
|--|----|----------|---------------------|
| Lease Cost per Month (July - Sep) | \$ | 2,220.37 | |
| Lease Cost per Month (Oct - June) | \$ | 2,309.18 | |
| Total Lease Cost (July - Sep) | | | \$ 6,661.11 |
| Total Lease Cost (Oct - June) | | | \$ 20,782.66 |
| Total Estimated Lease Cost for FY 2017/18 | | | \$ 27,443.77 |

Estimated Additional Costs:

| | | | |
|--|----|--------|---------------------|
| Estimated Utility Costs per Month | \$ | 591.90 | |
| Total Estimated Utility Cost | | | \$ 7,102.80 |
| Total EDA Lease Management Fee 4.92% | | | \$ 1,350.23 |
| TOTAL ESTIMATED COST FOR FY 2017/18 | | | \$ 35,896.81 |

Exhibit C

FY 2018/19 to FY 2021/22

North Mountain Communication Site Lease Cost Analysis

40480 Soboba Road, San Jacinto, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

| | FY 2018/19 | FY 2019/20 | FY 2020/21 to FY 2021/22 |
|--|---------------------|---------------------|-----------------------------|
| Lease Cost per Month (July - Sep) | \$ 2,309.18 | \$ 2,401.55 | \$ 5,095.13 |
| Lease Cost per Month (Oct - June) | \$ 2,401.55 | \$ 2,497.61 | \$ 2,597.52 |
| Total Lease Cost (July - Sep) | \$ 6,927.55 | \$ 7,204.66 | \$ 15,285.40 |
| Total Lease Cost (Oct - June) | \$ 21,613.97 | \$ 22,478.53 | \$ 23,377.67 |
| Total Estimated Lease Cost for FY 2018/19 to FY 2021/22 | \$ 28,541.52 | \$ 29,683.19 | \$ 38,663.07 |

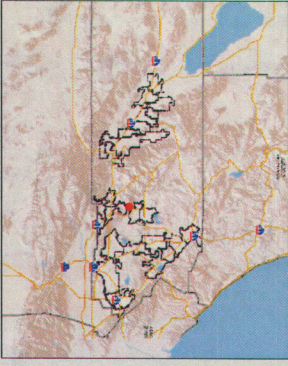
Estimated Additional Costs:

| | | | |
|--|---------------------|---------------------|---------------------|
| Estimated Utility Costs per Month | \$ 591.90 | \$ 591.90 | \$ 591.90 |
| Total Estimated Utility Cost | \$ 7,102.80 | \$ 7,102.80 | \$ 8,878.50 |
| EDA Lease Management Fee - 4.92% | \$ 1,404.24 | \$ 1,460.41 | \$ 1,902.22 |
| TOTAL ESTIMATED COST FOR FY 2018/19 to FY 2021/22 | \$ 37,048.57 | \$ 38,246.40 | \$ 49,443.79 |

F11: Cost - Total Cost \$ 186,929.18

Exercise Option to Extend Lease - PSEC- North Mountain

40480 Soboba Road, San Jacinto, California



Legend



0 599 1,199 Feet



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.

REPORT PRINTED ON... 4/26/2016 11:38:09 AM

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Notes

APN: 430-030-028



June 1, 2016

Attn: David N. Bacino
Melody Telecom Infrastructure
27201 Puerta Real, Suite 300
Mission Viejo, CA 92691

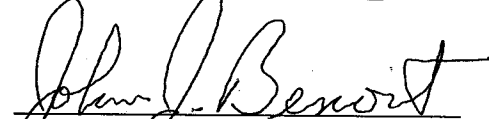
RE: Exercise of Option to Extend Lease
County of Riverside – North Mountain SJ018

Dear Mr. Bacino:

In accordance with the option granted to the County of Riverside, Section 4 of the Lease dated November 28, 2006, between Surgery Associates Medical Group, predecessor in interest to Meltel II Winthorpe LLC, d/b/a Melody Wireless Infrastructure, as Lessor, and COUNTY OF RIVERSIDE, as Lessee. This letter is to notify you that the undersigned hereby exercises its option to extend the term of said Lease through September 30, 2021, upon the same terms and conditions provided in said Lease.

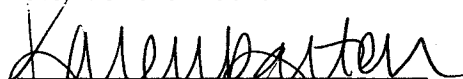
Respectfully,

COUNTY OF RIVERSIDE


By: John J. Benoit, Chairman
Board of Supervisors

ATTEST:

Kecia Harper-Ihem
Clerk of the Board


Deputy

FORM APPROVED COUNTY COUNSEL

BY:  R. TODD FRAHM DATE: 6/6/16

JUN 21 2016 326

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

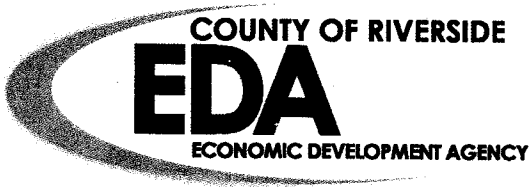
www.rivcoeda.org

Administration
Aviation
Business Intelligence
Community Services
Custodial
County Library System

Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Film & Television
Foreign Trade

Graffiti Abatement
Housing
Housing Authority
Maintenance
Marketing
Military & Defense Services

Parking
Project Management
Real Property
Workforce Development



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

6/21/16 Date kb Initial

NOTICE OF EXEMPTION

January 21, 2016

Project Name: PSEC North Mountain Lease Extension, City of San Jacinto, County of Riverside

Project Number: FM042642001800

Project Location: 40480 Soboba Road, east of Gilman Springs Road, approximately one mile north of Soboba Road, San Jacinto, County of Riverside, California; Assessor's Parcel Numbers (APNs): 430-030-028 (See attached exhibit)

Description of Project: The County of Riverside (County) entered into a ground lease on October 1, 2006, for a telecommunications site located at 40480 Soboba Road, San Jacinto, California (commonly known to the County as North Mountain). The agreement gave Riverside County Information Technology (RCIT) the authorization to build, operate, and maintain an 800 MHz radio system on the site, in support of the Public Safety Radio System. The North Mountain site has improved the radio coverage for the Hemet and San Jacinto communities, and is one of the many critical sites that make up the Public Safety Enterprise Communication network. The initial agreement was established as a ten-year term with three options to extend, each option represents a five-year period. The agreement stipulates that each option shall be exercised by providing the Lessor with a notice of its election to extend the Lease, in writing, at least ninety days prior to the expiration of the initial term.

A letter shall be submitted to the Lessor prior to June 1, 2016 to conform with the noticing requirements of the extension. This letter represents the notice to exercise the first option; the extended term shall commence on October 1, 2016 and conclude on September 30, 2021. The extension term shall be under the same terms and conditions set forth on the initial term, including the annual rent escalation of 4 percent.

The extension of the lease agreement is identified as the proposed Project under the California Environmental Quality Act (CEQA). It is assumed and reasonably foreseeable that improvements or maintenance of on-site operational equipment may occur during the term of the lease. This activity would be consistent with the existing use and no expansion of an existing use will occur. The operation of the facility will continue to provide public safety communications services and will not result in an expansion of existing use. 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

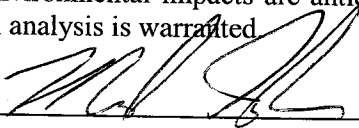
JUN 21 2016 3-26

- Administration, Aviation, Business Intelligence, Cultural Services, Community Services, Custodial, Housing, Housing Authority, Information Technology, Maintenance, Marketing, Economic Development, Edward-Dean Museum, Environmental Planning, Fair & National Date Festival, Foreign Trade, Graffiti Abatement, Parking, Project Management, Purchasing Group, Real Property, Redevelopment Agency, Workforce Development

to an environmental resource of hazardous or critical concern nor would the Project include an unusual circumstance that would 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 Lease and maintenance or improvements to the existing on-site equipment.

- **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 the existing Lease Agreement. The extension of the Lease Agreement would be consistent with the land use, and 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 extension of the Lease Agreement 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 alterations and 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.

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: 1/21/16

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: PSEC North Mountain Lease Extension, San Jacinto, County of Riverside

Accounting String: 524830-47220-7200400000- FM042642001800

DATE: January 21, 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: Jose Ruiz, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____



Date: January 21, 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 # FM042642001800**
PSEC North Mountain Lease Extension, San Jacinto

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