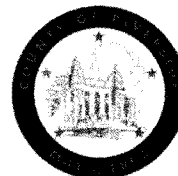


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM**  
3.7  
(ID # 6461)

**MEETING DATE:**  
Tuesday, May 1, 2018

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Exercise of Option to Extend with Grinnell Properties, LLC - Transportation Land Management Agency, Palm Desert, Lease Extension, CEQA Exempt, District 4 [\$848,568] TLMA Deposit Based Fees 80%; General Fund 20% (Clerk 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, Existing Facilities exemption and Section 15061(b)(3) "Common Sense" exemption;
2. Approve the attached Exercise of Option to Extend notice and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk within five working days of approval by the Board.

**ACTION:** Policy

Robert Field, Assistant County Executive Officer/EDA

4/16/2018

Juan C. Perez, Director of Transportation & Land Management

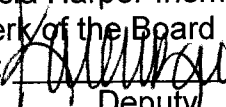
4/16/2018

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

**Ayes:** Jeffries, Tavaglione, Perez and Ashley  
**Nays:** None  
**Absent:** Washington  
**Date:** May 1, 2018  
**xc:** EDA. Recorder

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$121,929	\$163,641	\$848,568	\$ 0
<b>NET COUNTY COST</b>	\$ 24,386	\$ 32,728	\$169,714	\$ 0
<b>SOURCE OF FUNDS:</b> TLMA Deposit Based Fees 80%; General Fund 20%			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 2018/19- 23/2024	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The County of Riverside has been under lease at 77-588 El Duna Court, Palm Desert, since 2013 for use by the Transportation Land Management Agency's (TLMA) Permit Assistance Center. The lease expires September 30, 2018. The office continues to meet the permitting needs of the desert community and TLMA has requested a lease extension. The lease includes one option to extend the term for five years under the same terms and conditions, including a favorable lease rate, and the attached letter gives Lessor formal notice that County is exercising its option to extend for five years.

Pursuant to the California Environmental Quality Act (CEQA), the Lease 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 is the letting of property involving existing facilities.

A summary is as follows:

Lessor: Grinnell Properties, LLC  
IFC California Corporation  
77-885 Las Montanas Road  
Palm Desert, CA 92211

Premises Location: 77-588 El Duna Court  
Palm Desert, CA 92211

Size: 10,000 square feet

Term: Five years commencing October 1, 2018

Rent: Current New  
\$1.13 per sq. ft. \$1.16 per sq. ft.  
\$11,255.09 per mo. \$11,592.74 per mo.

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

\$135,061.08 per yr.    \$139,112.88 per yr.

Rent Adjustments:    3% annually

Option to Terminate: For reduced funding with 120-days' notice.

Utilities:                    County pays all utilities. Lessor pays for trash removal.

Custodial:                    Included in rent and provided by Lessor.

Interior/Exterior

Maintenance:                Included in rent and provided by Lessor.

County Counsel has approved the Option to Extend notice as to form.

**Impact on Residents and Businesses**

TLMA will continue to provide permitting services to the desert community. The benefit from the local presence of the office will assist those developers, residents, and others with permitting processes provided locally by the County.

**Additional Fiscal Information**

See attached Exhibits A, B, & C

TLMA will budget these costs in FY2018/19 and will reimburse EDA for all associated lease costs.

**Contract History and Price Reasonableness**

The lease rate is at or below current market.

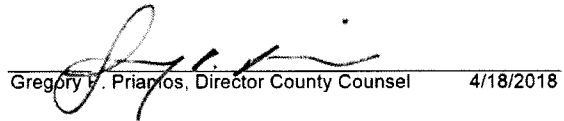
Attachments:

- Exhibits A, B & C
- Exercise of Option to Extend notice
- Notice of Exemption
- Aerial Map

RF:HM:VY:HR:tg PD020 13788 19.702  
Minute Traq ID 6461

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

  
Nehni Basma, Principal Management Analyst 4/23/2018

  
Gregory H. Priamos, Director County Counsel 4/18/2018

# Exhibit A

FY 2018/19

## TLMA Lease Cost Analysis

77-588 El Duna Court, Palm Desert, California

### **ESTIMATED AMOUNTS**

#### **Total Square Footage to be Leased:**

Current Office: 10,000 SQFT

Approximate Cost per SQFT (Jul - Sept)	\$	1.13	
Approximate Cost per SQFT (Oct-June)	\$	1.16	
Lease Cost per Month (Jul - Sept)	\$	11,255.09	
Lease Cost per Month (Oct-June)	\$	11,592.74	
Total Lease Cost (Jul - Sept)	\$		33,765.27
Total Lease Cost (Oct-June)	\$		104,334.68
<b>Total Estimated Lease Cost for FY 2018/19</b>	<b>\$</b>		<b>138,099.95</b>

#### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	1,200.00
Total Estimated Utility Cost			\$ 14,400.00
EDA Lease Management Fee - 3.89%			\$ 1,313.47
EDA Lease Management Fee - 4.92%			\$ 6,794.52
TOTAL ESTIMATED COST FOR FY 2018/19			\$ 160,607.94
Previously approved amount for FY1819			\$ 38,678.74
<b>AMOUNT FOR 2018/19</b>			<b>\$ 121,929.20</b>
<b>TOTAL COUNTY COST 20.00%</b>			<b>\$ 24,385.84</b>

# Exhibit B

**FY 2019/20**  
**TLMA Lease Cost Analysis**  
**77-588 El Duna Court, Palm Desert, California**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office:	10,000	SQFT	
Approximate Cost per SQFT (July - Sept)	\$	1.16	
Approximate Cost per SQFT (Oct-June)	\$	1.19	
Lease Cost per Month (July - Sept)		\$	11,592.74
Lease Cost per Month (Oct - June)		\$	11,940.52
Total Lease Cost (July - Sept)		\$	34,778.23
Total Lease Cost (Oct-June)		\$	107,464.72
<b>Total Estimated Lease Cost for FY 2019/20</b>		<b>\$</b>	<b>142,242.95</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	1,200.00
Total Estimated Utility Cost		\$	14,400.00
EDA Lease Management Fee - 4.92%		\$	6,998.35
<b>TOTAL ESTIMATED COST FOR FY 2019/20</b>		<b>\$</b>	<b>163,641.31</b>
<b>TOTAL COUNTY COST 20.00%</b>		<b>\$</b>	<b>32,728.26</b>

# Exhibit C

**FY 2020/21 to FY 2023/24  
TLMA Lease Cost Analysis  
77-588 El Duna Court, Palm Desert, California**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 10,000 SQFT

	FY2020/21	FY 2021/22	FY2023/24	FY2022/23 -2023/24		
Approximate Cost per SQFT (July-Sept)	\$ 1.19	\$ 1.23	\$ 1.30			
Approximate Cost per SQFT (Oct-June)	\$ 1.23	\$ 1.27				
Lease Cost per Month (July-Sept)	\$ 11,940.52	\$ 12,298.74	\$ 13,047.73			Annual increase %
Lease Cost per Month (Oct-June)	\$ 12,298.74	\$ 12,667.70				3.0%
Total Lease Cost (July-Sept)	\$ 35,821.57	\$ 36,896.22	\$ 39,143.20	\$ 77,146.31		# of Months
Total Lease Cost (Oct-June)	\$ 110,688.67	\$ 114,009.33	\$ 117,429.61			3
<b>Total Estimated Lease Cost for FY 2020/21 to FY 2023/24</b>	<b>\$ 146,510.24</b>	<b>\$ 150,905.55</b>	<b>\$ 39,143.20</b>	<b>\$ 194,575.92</b>		9
<b>Estimated Additional Costs:</b>						
Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12		
Estimated Utility Costs per Month	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00		
Total Estimated Utility Cost	\$ 14,400.00	\$ 14,400.00	\$ 3,600.00	\$ 18,000.00		Make sure to update this cell w
EDA Lease Management Fee - 4.92%	\$ 7,208.30	\$ 7,424.55	\$ 1,925.85	\$ 9,573.14		4.92%
<b>TOTAL ESTIMATED COST FOR FY 2020/21 to FY 2023/24</b>	<b>\$ 168,118.55</b>	<b>\$ 172,730.10</b>	<b>\$ 44,669.05</b>	<b>\$ 222,149.05</b>		
<b>TOTAL COUNTY COST 20.00%</b>	<b>\$ 33,623.71</b>	<b>\$ 34,546.02</b>	<b>\$ 8,933.81</b>	<b>\$ 44,429.81</b>		20.00%
F11: Cost - Total Cost	\$ 848,568.21					
F11: Net County Cost - Total Cost	\$ 169,713.64					



May 1, 2018

Ms. Marsha Vincelette  
Grinnell Properties, LLC  
77-885 La Montanas Road, Suite A  
Palm Desert, CA 92211


RE: Exercise of Option to Extend – Lease Agreement between County of Riverside and Grinnell Properties, LLC, dated July 16, 2013, 77-588 El Duna Court, Palm Desert; Transportation Land Management Agency

Dear Ms. Vincelette,

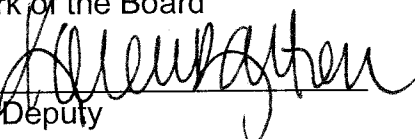
Please consider this letter formal written notice, pursuant to Section 6 of the above-referenced lease agreement by and between the County of Riverside ("County") and Grinnell Properties, LLC ("Lessor"), that the County of Riverside formally exercises its option to extend the term of said lease five (5) years, commencing October 1, 2018, through September 30, 2023.

We look forward to our continued tenancy with Grinnell Properties, LLC.

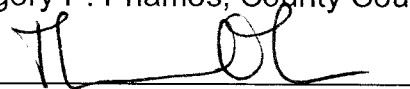
County of Riverside, a political subdivision  
of the State of California

By:   
Chuck Washington, Chairman  
Board of Supervisors

Attest:  
Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

Approved as to Form:  
Gregory P. Priamos, County Counsel

By:   
Thomas Oh  
Deputy County Counsel

cc: IFC Corporation

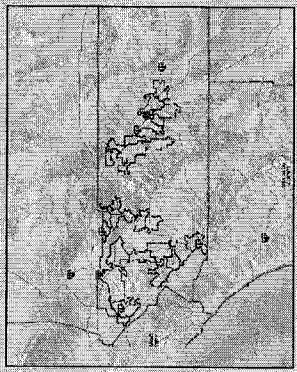
HR:ra/PD020/19.795

MAY 01 2018 3.7





# TLMA

77-588 El Duna Court, Palm Desert



## Legend

-  City Boundaries
-  Cities



0 615 1,230 Feet



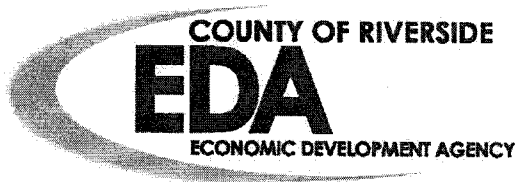
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© Riverside County RCIT GIS

**\*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.

## Notes

District 4  
APN 626-420-051



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

NOTICE OF EXEMPTION 5/1/18 KB  
Date Initial

March 2, 2018

**Project Name:** Transportation Land Management Agency Lease Extension, El Duna Court, Palm Desert

**Project Number:** FM042611023300

**Project Location:** 77-588 El Duna Court, west of Washington Street, Palm Desert, California 92211; Assessor's Parcel Number (APN) 626-420-051 (See attached exhibits)

**Description of Project:** The County of Riverside (County) has been under lease at 77-588 El Duna Court, Palm Desert, California (APN 626-420-051) with Grinnell Properties, LLC (Lessor) since 2013 for use by the Transportation Land Management Agency's (TLMA) Permit Assistance Center. The Lease Agreement expires September 30, 2018 and includes one option to extend the term of the lease for five years under the same terms and conditions. The office and location continues to meet the needs of TLMA and is seeking to exercise the option to extend the lease. The extension of Lease Agreement is identified as the proposed Project under California Environmental Quality Act (CEQA). The lease extension will commence October 1, 2018 and terminate on September 30, 2023. The operation of the facility will continue to provide public services for the TLMA Permit Assistance Center and will not result in an increase in the intensity of the use or expansion of the site. 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, Grinnell Properties, LLC

**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 would the Project include a reasonable possibility of having a significant effect on the environment due to unusual circumstances. 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 extension of 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 an existing Lease Agreement. The Project will not increase or expand the use of the site, and 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 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 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: 3/2/18

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: Transportation Land Management Agency Lease Extension, El Duna Court, Palm Desert**

**Accounting String: 524830-47220-7200400000 - FM042611023300**

DATE: March 2, 2018

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: 

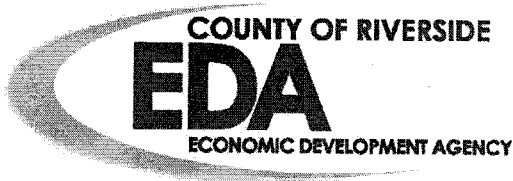
PRESENTED BY: Heidi Rigler, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: March 2, 2018

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 # FM042611023300**  
Transportation Land Management Agency Lease Extension, El Duna Court, Palm Desert

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 10<sup>th</sup> Street, Suite 400, Riverside, CA 92501**

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

Attachment

cc: file