

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



ITEM
3.14
(ID # 6752)

MEETING DATE:

Tuesday, June 5, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA) AND PROBATION :

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA) AND PROBATION: Approval of First Amendment to Lease, Probation Department, Murrieta, 3 Year Lease Extension, CEQA Exempt, District 3, [\$863,999]; State 100% (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. Ratify and Approve the attached First Amendment to Lease between the County of Riverside and Temecula Park, LLC, 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 Notice of Exemption with the County Clerk within 5 days of approval by the Board.

ACTION: Policy

Robert Field, Assistant County Executive Officer/ECD

5/9/2018

Mark A. Hake, Chief Probation Officer

5/15/2018

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: June 5, 2018
xc: EDA, Probation, Recorder

Kecia Harper-Ihem
Clerk of the Board

By: Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$46,900	\$282,490	\$863,999	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: State 100%			Budget Adjustment: No	
			For Fiscal Year: 2017/18-2020/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On September 25, 2012, the County of Riverside entered into a Lease Agreement for the Probation Department in the City of Murrieta. The facility is located at 30123 Technology Drive, Murrieta, California, and this location continues to meet the current needs of the Probation Department. This First Amendment to Lease will extend the Lease through April 11, 2021.

Pursuant to the California Environmental Quality Act (CEQA), the First Amendment was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities, and Section 15061(b)(3) “common sense” exemption. The proposed project, the First Amendment, is the letting of property involving existing facilities and no expansion of an existing use will occur.

This First Amendment to Lease is summarized below:

Lessor: Temecula Park, LLC
600 St. Paul Ave., Ste. 250
Los Angeles, California, 90017

Premises Location: 30123 Technology Drive
Murrieta, California 92563

Size: Approximately 13,592 square feet

Term: Three years; commencing April 12, 2018

Rent:

Current:	New:
\$ 1.34 per square foot	\$ 1.53 per square foot
\$ 18,184.22 per month	\$ 20,795.76 per month
\$218,210.64 per year	\$249,549.12 per year

Rental Adjustments: Two and a-half percent annual increase

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

Options: Two options at three ears per lease term with three percent annual increases

Utilities: County pays electrical and telephone services and lessor pays for all other services. Lessor agrees to pay for all expenses to convert the electrical meter into the County's name

Custodial Services: Lessor provides

Maintenance: Lessor provides

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

Impact on Residents and Businesses

The Probation Department's continued occupancy at this location continues to provide an important public benefit to the community by serving their clients and effectively improving public safety. Remaining in this location provides consistency for clients and eliminates any impacts to area residents.

**SUPPLEMENTAL:
Additional Fiscal Information**

See attached Exhibits A, B, and C. All Associated costs for this Lease Agreement will be budgeted in FY17/18-FY20/21 by the Probation Department. The Probation Department will reimburse EDA for all associated lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a three year renewal. The lease rate is deemed competitive based upon the current market. This contract has been in place since September 2012.

Attachments:

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

RF:HM:VY:CD:tg MU023 19.774 13816
MinuteTrak: 6752

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


Rohini Lakshmi, Principal Management Analyst 5/29/2018

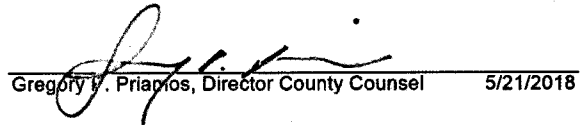

Gregory V. Priamos, Director County Counsel 5/21/2018

Exhibit A

FY 2017/18

Probation Department

30123 Technology Drive, Murrieta, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 13,592 SQFT

Approximate Cost per SQFT (July - Apr) \$ 1.34
Approximate Cost per SQFT (May-June) \$ 1.53

Lease Cost per Month (July - Apr) \$ 18,184.22
Lease Cost per Month (May-June) \$ 20,795.76

Total Lease Cost (July - Apr) \$ 181,842.20
Total Lease Cost (May-June) \$ 41,591.52
Total Estimated Lease Cost for FY 2017/18 \$ **223,433.72**

Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month \$ 1,631.04
Total Estimated Utility Cost \$ 19,572.48

EDA Lease Management Fee - 3.93% \$ 7,146.40
EDA Lease Management Fee - 4.92% \$ 2,046.30
Total EDA Lease Management Fee \$ 9,192.70

TOTAL ESTIMATED COST FOR FY 2017/18 \$ 252,198.90

Amount Approved in Previous Agreement \$205,299.00

Amount of FY 2017/18 \$ **46,899.90**

Exhibit B

FY 2018/19

Probation Department

30123 Technology Drive, Murrieta, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:		13,592 SQFT	
Approximate Cost per SQFT (July - April)	\$	1.53	
Approximate Cost per SQFT (May - June)	\$	1.57	
Lease Cost per Month (July - April)		\$	20,795.76
Lease Cost per Month (May - June)		\$	21,315.65
Total Lease Cost (July - April)			\$ 207,957.60
Total Lease Cost (May - June)			\$ 42,631.31
Total Estimated Lease Cost for FY 2018/19			\$ 250,588.91

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month		\$	1,631.04
Total Estimated Utility Cost			\$ 19,572.48
EDA Lease Management Fee - 4.92%			\$ 12,328.97
TOTAL ESTIMATED COST FOR FY 2018/19			\$ 282,490.36

Exhibit C

FY 2019/20 to FY 2020/21

Probation Department

30123 Technology Drive, Murrieta, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:

13,592 SQFT

	FY 2019/20	FY 2020/21
Approximate Cost per SQFT (July - April)	\$ 1.57	\$ 1.61
Approximate Cost per SQFT (May - June)	\$ 1.61	\$ -
Lease Cost per Month (July - April)	\$ 21,315.65	\$ 21,848.55
Lease Cost per Month (May - June)	\$ 21,848.55	
Total Lease Cost (July - Aug)	\$ 213,156.54	\$ 218,485.45
Total Lease Cost (Sept - June)	\$ 43,697.09	\$ -
Total Estimated Lease Cost for FY 2019/20 to FY 2020/21	\$ 256,853.63	\$ 218,485.45

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 1,631.04	\$ 1,631.04
Total Estimated Utility Cost	\$ 19,572.48	\$ 16,310.40
EDA Lease Management Fee - 4.92%	\$ 12,637.20	\$ 10,749.48
TOTAL ESTIMATED COST FOR FY 2019/20 to FY 2020/21	\$ 289,063.31	\$ 245,545.34

F11: Cost - Total Cost \$ 863,998.91



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

6/6/18
Date

KS
Initial

NOTICE OF EXEMPTION

April 11, 2018

Project Name: County of Riverside, Economic Development Agency (EDA) Probation Department, First Amendment to Lease - Technology Drive, Murrieta

Project Number: FM042464002300

Project Location: 30123 Technology Drive, east of Sky Canyon Drive, Murrieta, California 92563; APN 257-030-020; (See Attached Exhibit)

Description of Project: On September 25, 2012, the County of Riverside (County) entered a lease agreement with Temecula Park, LLC for the Probation Department to occupy a 13,592-square foot facility, located at 30123 Technology Drive, Murrieta, California. The current space continues to meet departmental needs and the Department seeks to extend their lease for an additional three years, with two options to extend at three years each option. The First Amendment to the Lease Agreement is identified as the proposed Project under the California Environmental Quality Act (CEQA). The First Amendment to the Lease Agreement consists of a three-year extension term, with a 2.5 percent annual increase. The First Amendment to the Lease Agreement will commence on April 12, 2018. The use of the facility by the Probation Department would continue, consistent with the existing land use. The operation of the facility will continue to provide 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, and Temecula Park, 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 does the Project have unusual circumstances that could possibility 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.

JUN 05 2018 3:14

- 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

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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 a Lease Agreement to an existing facility. The use of the facility by the Probation Department would be consistent with the current 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 First Amendment to the Lease Agreement is limited a contractual transaction and indirect effects would be limited to existing use of an office building. The Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will not differ from the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the continued use of the facility 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: 4/11/18

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Probation Department, First Amendment to Lease - Technology Drive,
Murrieta

Accounting String: 524830-47220-7200400000- FM042464002300

DATE: April 11, 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: Candice Etter, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: April 11, 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 # FM042464002300**
Probation Department, First Amendment to Lease - Technology Drive, 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

1 **FIRST AMENDMENT TO LEASE**
2 **30123 Technology Drive, Murrieta**
3

4 This **FIRST AMENDMENT TO LEASE** ("First Amendment"), dated as of
5 June 5, 2018, is entered by and between the **COUNTY OF RIVERSIDE**, a
6 political subdivision of the State of California, ("Lessee" or "County"), and **TEMECULA**
7 **PARK, L.L.C.** a California limited liability company ("Lessor"), sometimes collectively
8 referred to as the "Parties".

9 **RECITALS.**

10 a. RCI Silverhawk 13, LLC, a California Limited Liability Company, entered
11 into that certain lease dated September 25, 2012 (the "Original Lease"), pursuant to
12 which RCI Silverhawk 13, LLC, agreed to lease to Lessee and Lessee agreed to lease
13 from RCI Silverhawk 13, LLC, a portion of that certain building located at 30123
14 Technology Drive, Murrieta, California ("Building"), as more particularly described in the
15 Original Lease (the "Original Premises").

16 b. Temecula Park, LLC, a California Limited Liability Company, the
17 successor-in-interest to RCI Silverhawk 13, LLC, a California Limited Liability
18 Company, Temecula Park, LLC, is now the "Lessor."

19 c. The Original Lease together with this First Amendment are collectively
20 referred to herein as the "Lease".

21 d. The Parties now desire to amend the Original Lease with this First
22 Amendment to extend the term period, increase the annual rent, amend the option
23 terms and increase the annual rental percentage during the option period, and adjust
24 the utilities.

25 **NOW THEREFORE**, for good and valuable consideration the receipt and
26 adequacy of which is hereby acknowledged, the Parties agree as follows:

27 1. **TERM.** Section 4.1 of the Original Lease is hereby amended by the
28 following:

JUN 05 2018 3.14

1 The term of this Lease shall be extended for three years commencing on April 12, 2018
2 (the "Effective Date") and terminating on April 11, 2021 ("Extended Term").

3 **2. RENT.** Sections 5.1.1 of the Lease is hereby amended by the following:
4 For the Duration of the Extended Term, Lessee shall pay to Lessor the monthly sum of
5 \$20,795.76 as rent for the Leased Premises. The monthly rent shall be increased
6 annually on each anniversary of the Effective Date by an amount equal to two and one
7 half percent (2.5%) of the monthly rent paid during the preceding year.

8 **3. OPTIONS.**

9 a. Section 6.1 of the Lease is hereby amended by the following:

10 Lessor grants to County two (2) options to extend the term ("Extension
11 Option"). Such Extension Option shall be for a period of three (3) years.

12 b. Section 6.1.2 of the Lease is hereby amended by the following:

13 The rent shall be increased by three (3%) percent annually during the
14 Extension Option.

15 **4. UTILITIES.** Section 9 of the Original Lease is hereby amended to add
16 subsection 9.3 with the following:

17 9.3. At the Lessors expense, Lessor agrees to pay for all costs associated with
18 converting the electrical meter into the County's name. County will continue to pay for
19 telephone and electrical services within the Building.

20 **5. CAPITALIZED TERMS:** First Amendment to Prevail. Unless defined
21 herein or the context requires otherwise, all capitalized terms herein shall have the
22 meaning defined in the Lease, as heretofore amended. The provisions of this First
23 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
24 as heretofore amended, and shall supplement the remaining provision thereof.

25 **6. MISCELLANEOUS.** Except as amended or modified herein, all the terms
26 of the Lease shall remain in full force and effect and shall apply with the same force
27 and effect. Time is of the essence in this First Amendment and the Lease and each
28 and all of their respective provisions. Subject to the provisions of the Lease as to

1 assignment, the agreements, conditions and provisions herein contained shall apply to
2 and bind the heirs, executors, administrators, successors and assigns of the parties
3 hereto. If any provision of this First Amendment or the Lease shall be determined to be
4 illegal or unenforceable, such determination shall not affect any other provision of the
5 Lease and all such other provisions shall remain in full force and effect. The language
6 in all parts of the Lease shall be construed according to its normal and usual meaning
7 and not strictly for or against either Lessor or Lessee. Neither this First Amendment,
8 nor the Lease, nor any notice nor memorandum regarding the terms hereof, shall be
9 recorded by Lessee.

10 **7. EFFECTIVE DATE.** This First Amendment to Lease shall not be binding
11 or consummated until its approval by the Riverside County Board of Supervisors and
12 fully executed by the Parties.

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1 IN WITNESS WHEREOF, the parties have executed this Amendment as of the date
2 first written above.


3 Dated: JUN 05 2018

4 **LESSEE:**
5
6 **COUNTY OF RIVERSIDE,**
7 a political subdivision of the
8 State of California


LESSOR:

TEMECULA PARK, L.L.C.,
a California limited liability company

9 By: 
10 Chuck Washington, Chairman
Board of Supervisors

By: 
Macy Lai, President

11 **ATTEST:**
12 Kecia Harper-Ihem
13 Clerk of the Board

14 By: 
Deputy

16 **APPROVED AS TO FORM:**
17 Gregory P. Priamos, County Counsel

18 By: 
19 Gregory P. Priamos
Deputy County Counsel

25 CD:mc/042418/MU023/19.771