

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



ITEM
3.6
(ID # 8497)

MEETING DATE:

Tuesday, January 8, 2019

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA) AND District Attorney :

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of Fourth Amendment to Lease with Valley View Commerce Center, LLC, 30045 Technology Drive, Murrieta, District Attorney, Three-Year Term Extension, District 3, CEQA Exempt, [\$974,993] District Attorney Budget-100% General Fund, (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 15061(b)(3) "Common Sense" exemption;
2. Ratify and Approve the attached Fourth Amendment to Lease between the County of Riverside and Valley View Commerce Center, 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 attached Notice of Exemption with the County Clerk for posting within five days of approval by the Board.

ACTION: Policy

Robert Field, Assistant County Executive Officer/ECD

11/29/2018

Elaina Bentley, Assistant District Attorney

12/18/2018

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 8, 2019
xc: EDA, Recorder

Kecia Harper
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	\$ 158,258	\$ 320,715	\$ 974,993	\$
NET COUNTY COST	\$ 158,258	\$ 320,715	\$ 974,993	\$
SOURCE OF FUNDS: District Attorney Budget-100% General Fund			Budget Adjustment:	No
			For Fiscal Year:	2018/19-21/22

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On June 28, 2005 (M.O 3.16), the County entered into a Lease Agreement on behalf of the District Attorney (DA) for the facility located at 30033 Technology Drive, Murrieta. The parties have since amended the lease by revising the premises to 30045 Technology Drive, Murrieta. This facility continues to meet the needs of the DA. Landlord to provide periodic painting of the premises as needed during the extended lease term. This Fourth Amendment to Lease represents a three-year renewal which was negotiated by the Real Estate Division of the Economic Development Agency (EDA) commencing on January 1, 2019.

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

Lessor: Valley View Commerce Center, LLC
41623 Margarita Road, Suite 10
Temecula, California

Premises: 30045 Technology Drive
Murrieta, California

Term: Three years commencing January 1, 2019 expiring December 31, 2021; can be terminated with 9 months’ notice after month 15

Size: 14,482 square feet

Rent:	Current	New
	\$1.49 per sq. ft.	\$1.62 per sq. ft.
	\$21,585.56 per month	\$23,483.13 per month

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\$259,026.72 per year \$281,797.56 per year

Annual Adjustment: 3% per annum

Utilities: County pays for electricity and telephone, Lessor pays for all others.

Custodial: Provided by Lessor

Maintenance: Provided by Lessor

Improvements: Lessor to provide periodic painting of the premises as needed during the extended lease term

Impact on Residents and Businesses

This facility will continue to provide support for the Victim Witness Program in the Southwest region.

Additional Fiscal Information

The DA has budgeted for these costs in FY 2018/19 through 2021/22 and will reimburse EDA for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a three-year renewal. The lease rate has been increased due to market conditions. The lease rate is deemed to be a competitive lease rate for the Murrieta market.

The Lease has been amended three times previously for rent adjustments, extensions, and tenant improvements:

<u>Amendment</u>	<u>Date and M.O.</u>
First Amendment:	October 27, 2009 (M.O. 3-23)
Second Amendment:	December 17, 2013 (M.O. 3-7)
Third Amendment:	March 1, 2016 (M.O. 3-17)

Attachments:

- Exhibits A, B & C
- Aerial Image
- Fourth Amendment to Lease
- Notice of Exemption

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

RF:HM:VY:CD:ra MU007 20.272 13933
MinuteTrak: 8497



Gregory V. Priamos, Director County Counsel 12/27/2018

Exhibit A

FY 2018/19
District Attorney
30045 Technology Drive, Murrieta

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	14,482 SQFT	
Approximate Cost per SQFT (Jul-Dec)	\$ 1.49	
Approximate Cost per SQFT (Jan-Jun)	\$ 1.62	
Lease Cost per Month (Jul-Dec)		\$ 21,585.56
Lease Cost per Month (Jan-Jun)		\$ 23,483.13
Total Lease Cost (Jul-Dec)		\$ 129,513.36
Total Lease Cost (Jan-Jun)		\$ 140,898.78
Total Estimated Lease Cost for FY 2018/19		<u>\$ 270,412.14</u>

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		<u>\$ 1,737.84</u>
Total Estimated Utility Cost (July-Nov)		\$ 10,427.04
Total Estimated Utility Cost (Dec -June)		\$ 10,427.04
Total Estimated Utility Cost for FY 2018/19		<u>\$ 20,854.08</u>
RCIT		\$ -
Tenant Improvement		\$ -
EDA Lease Management Fee prior to 01/01/2019	4.12%	\$ 5,335.95
EDA Lease Management Fee as of 01/01/2019	4.92%	<u>\$ 6,932.22</u>
TOTAL ESTIMATED COST FOR FY 2018/19		<u>\$ 303,534.39</u>
Amount Previously Approved in Prior Agreement		\$ 145,276.35
Amount in FY 2018/19 for New Amendment		\$ 158,258.04
TOTAL COUNTY COST	100%	\$ 158,258.04

Exhibit B

FY 2019/20

District Attorney

30045 Technology Drive, Murrieta

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	14,482 SQFT	
Approximate Cost per SQFT (Jul-Dec)	\$ 1.62	
Approximate Cost per SQFT (Jan-Jun)	\$ 1.67	
Lease Cost per Month (Jul-Dec)		\$ 23,483.13
Lease Cost per Month (Jan-Jun)		\$ 24,150.12
Total Lease Cost (Jul-Dec)		\$ 140,898.78
Total Lease Cost (Jan-Jun)		\$ 144,900.72
Total Estimated Lease Cost for FY 2019/20		<u>\$ 285,799.50</u>

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 1,737.84
Total Estimated Utility Cost (Jul-Jun)		\$ 20,854.08
Tenant Improvement		\$ -
EDA Lease Management Fee as of 01/01/2019	4.92%	\$ 14,061.34
TOTAL ESTIMATED COST FOR FY 2019/20		<u>\$ 320,714.92</u>
TOTAL COUNTY COST	100%	\$ 320,714.92

Exhibit C

FY 2020/21 to 2021/22
District Attorney
30045 Technology Drive, Murrieta

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 14,482 SQFT

	FY 2020/21	FY 2021/22
Approximate Cost per SQFT (Jul-Dec)	\$ 1.67	\$ 1.72
Approximate Cost per SQFT (Jan-Jun)	\$ 1.72	
Lease Cost per Month (Jul-Dec)	\$ 24,150.12	\$ 24,837.12
Lease Cost per Month (Jan-Jun)	\$ 24,837.12	
Total Lease Cost (July - Nov)	\$ 144,900.72	\$ 149,022.72
Total Lease Cost (Dec - June)	\$ 149,022.72	
Total Estimated Lease Cost for FY 2020/21 to 2021/22	\$ 293,923.44	\$ 149,022.72

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 1,737.84	\$ 1,737.84
Total Estimated Utility Cost	\$ 20,854.08	\$ 10,427.04
Tenant Improvement	\$ -	\$ -
EDA Lease Management Fee as of 01/01/2019 4.92%	\$ 14,461.03	\$ 7,331.92
TOTAL ESTIMATED COST FOR FY 2020/21 to 2021/22	\$ 329,238.55	\$ 166,781.68

F11 Total Cost	\$ 974,993.19
F11 Total County Cost 100%	\$ 974,993.19



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

1/10/19
Date

kb
Initial

NOTICE OF EXEMPTION

November 21, 2018

Project Name: County of Riverside, Economic Development Agency (EDA) Office of the District Attorney, Fourth Amendment to Lease - Technology Drive, Murrieta

Project Number: FM042464000700

Project Location: 30045 Technology Drive, east of Sky Canyon Drive, Murrieta, California 92563; Assessor's Parcel Number 957-330-014; (See Attached Exhibit)

Description of Project: On June 28, 2005, the County of Riverside (County) entered a lease agreement with Valley View Partners, LLC on behalf of the office of the District Attorney to occupy a 14,482-square foot facility, located at 30033 Technology Drive, Murrieta, California. The lease has been amended three times previously for extensions of term, rent modifications, and a transfer in interest to Valley View Commerce Center, LLC. The current space continues to meet departmental needs and the Department seeks to extend their lease for an additional three years. The Fourth Amendment to the Lease Agreement is identified as the proposed Project under the California Environmental Quality Act (CEQA). The Fourth Amendment to the Lease Agreement consists of a three-year extension term and will commence on January 1, 2019. The use of the facility by the District Attorney would continue, consistent with the existing land use. The operation of the facility will continue to provide public 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 Valley View Commerce Center, 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 possibly 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 Fourth Amendment to the Lease Agreement.

JAN 08 2019 3.6

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

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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

- **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 office of the District Attorney 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 Fourth 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: _____

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

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Office of the District Attorney, Fourth Amendment to Lease - Technology Drive, Murrieta

Accounting String: 524830-47220-7200400000- FM042464000700

DATE: November 21, 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 Diaz, Real Property Agent II, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: November 21, 2018

To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk

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

Subject: **County of Riverside Economic Development Agency Project # FM042464000700**
Office of the District Attorney, Fourth 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 or email at msullivan@rivco.org.

Attachment

cc: file

1 **FOURTH AMENDMENT TO LEASE**

2 **30045 Technology Drive**

3 **Murrieta, California**

4
5 **THIS FOURTH AMENDMENT TO LEASE** ("Fourth Amendment"), dated as of
6 January 8, 2019, is entered into by and between the **COUNTY OF**
7 **RIVERSIDE**, a political subdivision of the State of California, "County", and **VALLEY**
8 **VIEW COMMERCE CENTER, LLC**, a California limited liability company, "Lessor,"
9 collectively referred to as the "Parties."

10 **RECITALS**

11 a. Lessor and County have entered into that certain Lease dated June 28,
12 2005, (the "Original Lease") pursuant to which Lessor has agreed to lease to County
13 and County has agreed to lease from Lessor approximately 14,482 square feet of
14 office space in those certain buildings located at 30045 Technology Drive, Murrieta, as
15 more particularly described in the Lease.

16 b. The Original Lease has been amended by:

17 1. That certain First Amendment to Lease dated October 27, 2009 by and
18 between Valley View Partners, LLC, a California limited liability company, and the
19 County of Riverside, a political subdivision of the state of California, whereby Valley
20 View Partners, LLC, transferred its interest as lessor to Valley View Commerce Center,
21 LLC, redefined the leased premises, extended the term of the lease for two years,
22 reduced the monthly rental amount, and revised the notice of termination provision;

23 2. That certain Second Amendment to Lease dated December 17, 2013 by
24 and between County and Lessor whereby the Parties extended the Lease term;
25 increased the monthly rent; and included Lessor Improvements to the leased premises;

26 3. That certain Third Amendment to Lease dated March 1, 2016 by and
27 between County and Lessor whereby the Parties extended the Lease term; and
28 increased the monthly rent. .

1 c. The Original Lease together with the Amendments are collectively
2 referred to herein as the "Lease."

3 d. The Parties now desire to amend the Lease to extend the term; revise the
4 monthly rental amount; add County termination rights; and include Lessor improvement
5 responsibilities.

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

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

10 The term of this Lease shall be extended an additional three (3) years
11 commencing on January 1, 2019 and terminating on December 31, 2021.

12 2. **RENT.** Section 5 of the Original Lease is hereby replaced in its
13 entirety by the following:

14 Effective January 1, 2019 monthly rent shall be \$23,483.13 per month.
15 Notwithstanding the monthly rent increases set forth in Section 5.2 of the Lease and in
16 Section 2 of the Second Amendment, the County shall pay monthly rent to the Lessor
17 according to the rent schedule as follows:

18 1/1/2019-12/31/2019: \$23,483.13

19 1/1/2020-12/31/2020: \$24,150.12

20 1/1/2021-12/31/2021: \$24,837.12

21 3. **OPTION.** Section 6.4 of the Original Lease is hereby amended
22 by the following:

23 County has the option to terminate the lease with a two hundred and
24 seventy (270) day written notice to Lessor after the fifteenth month of the lease term.

25 4. **IMPROVEMENTS.** Lessor to provide periodic painting of
26 the premises as needed during the extended lease term.

27 5. **FOURTH AMENDMENT TO PREVAIL.** The provisions of this
28 Fourth Amendment shall prevail over any inconsistent or conflicting provisions of the

1 Lease. Any capitalized terms shall have the meaning defined in the Lease, unless
2 defined herein or the context requires otherwise.

3 6. **MISCELLANEOUS.** Except as amended or modified herein, all
4 terms of the Lease shall remain in full force and effect. Time is of the essence in this
5 Fourth Amendment and the Lease and each and all of their respective provisions.
6 Subject to the provisions of the Lease as to assignment, the agreements, conditions
7 and provisions herein contained shall apply to and bind the heirs, executors,
8 administrators, successors and assigns of the parties hereto. If any provisions of this
9 Fourth Amendment shall be determined to be illegal or unenforceable, such
10 determination shall not affect any other provision of the Lease. The language in all
11 parts of the Lease shall be construed according to its normal and usual meaning and
12 not strictly for or against either Lessor or County. Neither this Fourth Amendment nor
13 the Lease shall be recorded by the County.

14 7. **CAPITALIZED TERMS.** Fourth Amendment to prevail. Unless
15 defined herein or the context requires otherwise, all capitalized terms herein shall have
16 the meaning defined in the Lease, as heretofore amended. The provisions of this
17 Fourth Amendment shall prevail over any inconsistency or conflicting provisions of the
18 Lease, as heretofore amended, and shall supplement the remaining provisions thereof.

19 8. **EFFECTIVE DATE.** This Fourth Amendment to Lease shall not be
20 binding or consummated until its approval by the Riverside County Board of
21 Supervisors and fully executed by the Parties.

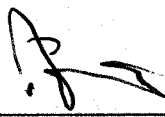
22
23 (Signatures on Following Page)
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1 IN WITNESS WHEREOF, the parties have executed this Fourth Amendment to
2 Lease as of the date first written above.

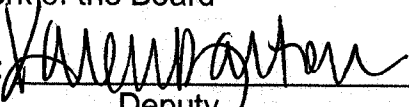
3 LESSEE:
4 COUNTY OF RIVERSIDE

LESSOR:
VALLEY VIEW COMMERCE
CENTER, LLC


5
6
7 By: 
8 Chairman **KEVIN JEFFRIES**
Board of Supervisors

By: 
Fred D. Grimes,
Managing Member

9
10 ATTEST:
11 Kecia Harper-Ihem
Clerk of the Board

12 By: 
13 Deputy

14
15 APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

16
17 By: 
18 Wesley W. Stanfield
19 Deputy County Counsel

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23
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25 CD:ra/112718/MU007/20.195