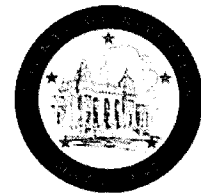


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM  
3.10  
(ID # 9830)

**MEETING DATE:**

Tuesday, July 23, 2019

**FROM:** ECONOMIC DEVELOPMENT AGENCY (EDA) AND Treasurer/Tax Collector :

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of Fourth Amendment to Lease with PREG Temecula, LLC, for the Department of Treasurer-Tax Collector, 40935 County Center Drive, Suite C, Temecula, 2-Year Lease Extension, CEQA Exempt, District 3. [\$105,314] Treasurer-Tax Collector Budget-93.19%, NCC-6.81%, (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- Class 1, Existing Facilities and 15061(b)(3) "common sense" exemption;
2. Approve the attached Fourth Amendment to Lease between the County of Riverside and PREG Temecula, 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 five (5) days of approval by the Board.

**ACTION:Policy**

Robert Field, Assistant County Executive Officer/ECD

6/18/2019

Jon Christensen, Treasurer-Tax Collector

6/21/2019

---

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Perez 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: July 23, 2019  
xc: EDA

Kecia R. Harper  
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>	\$44,603	\$45,445	\$105,314	\$
<b>NET COUNTY COST</b>	\$3,037	\$3,095	\$7,172	\$
<b>SOURCE OF FUNDS:</b> Treasurer/Tax Collector Budget-93.19%, NCC-6.81%			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2019/20-2021/22

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

**BACKGROUND**

**Summary:**

The County of Riverside entered into a lease agreement with Temecula Highlands, LLC, on August 27, 2002, Minute Order 3.34. The facility was for the Treasurer-Tax Collector located at 40935 County Center Drive, Suite C, in Temecula. This Fourth Amendment to Lease will extend the Lease for a period of two (2) years effective as of November 1, 2019. This facility continues to meet the department's office space requirements. The Real Estate Division has renegotiated the rent to stay the same at \$1.90 per square foot and lowered the annual increases from three (3%) percent to two and a half (2.5%) percent.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines Section 15301-Class 1, Existing Facilities and 15061(b)(3) "common sense" exemption. The proposed project, the Lease, is the letting of property involving existing facilities with minor tenant improvement alterations and no expansion of an existing use will occur.

The Fourth Amendment to Lease is summarized below:

**Lessor:** PREG Temecula, LLC  
11225 W. Bernardo Ct., Suite 100  
San Diego, California 92127

**Premises Location:** 40935 County Center Drive, Suite C  
Temecula, California 92591

**Size:** Approximately 1,764 square feet

**Term:** Two year lease extension effective as of  
November 1, 2019

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

Option: One (1) option to extend for one (1) year

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.90 per square foot	\$ 1.90 per square foot
	\$ 3,351.87 per month	\$ 3,351.87 per month
	\$ 40,222.44 per year	\$ 40,222.44 per year

Rental Adjustments: Two and a half (2.5%) percent annual increase starting November 1, 2020

Utilities: County pays electric

Custodial: Lessor pays for custodial services

Maintenance: Lessor pays for maintenance services

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

**Impact on Residents and Businesses**

The Treasurer-Tax Collector's continued occupancy of this office space provides a positive impact on the local residents and businesses. This facility is centrally located and provides convenience to County residents.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

See attached Exhibit A, B & C. Treasurer-Tax Collector has budgeted these costs in FY2019/20 and will reimburse EDA for all lease costs on a monthly basis.

**Contract History and Price Reasonableness**

This is a two year renewal. The lease rate is deemed competitive based upon the current market.

The Lease has been amended three times previously for rent adjustments, extensions to the term, and tenant improvements.

**Amendment**

**Date and M.O.**

First Amendment

March 11, 2008 (M.O. 3-26)

Second Amendment

September 29, 2009 (M.O. 3-33)

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

Third Amendment


August 5, 2014 (M.O. 3-15)

**Attachments**

- Fourth Amendment to Lease
- Notice of Exemption
- Aerial Map
- Exhibits A, B, and C

RF:HM:VC:VY:CD:jb TM024  
Minute Traq ID 9830

  
Rohini Dasika, Principal Management Analyst 7/15/2019

  
Gregory V. Priamos, Director County Counsel 7/10/2019

# Exhibit A

FY 2019/20

Treasurer/ Tax Collector

40935 County Center Drive, Suite C, Temecula

## **ESTIMATED AMOUNTS**

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

Current Office:	1,764 SQFT	
Approximate Cost per SQFT(July-Oct)	\$ 1.90	
Approximate Cost per SQFT(Nov-June)	\$ 1.90	
Lease Cost per Month(July-Oct)	\$ 3,351.87	
Lease Cost per Month(Nov-June)	\$ 3,351.87	
Total Lease Cost(July-Oct)		\$ 13,407.48
Total Lease Cost(Nov-June)		\$ 26,814.96
<b>Total Estimated Lease Cost for FY 2019/20</b>		<b>\$ 40,222.44</b>

### **Estimated Additional Costs:**

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month	\$ 211.68	
Total Estimated Utility Cost (July-Oct)		\$ 846.72
Total Estimated Utility Cost (Nov -June)		\$ 1,693.44
<b>Total Estimated Utility Cost for FY 2019/20</b>		<b>\$ 2,540.16</b>
EDA Lease Management Fee prior to 11/01/2019	3.89%	\$ 521.55
EDA Lease Management Fee as of 11/01/2019	4.92%	\$ 1,319.30
<b>TOTAL ESTIMATED COST FOR FY 2019/20</b>		<b>\$ 44,603.45</b>
<b>TOTAL COUNTY COST</b>	<b>6.81%</b>	<b>\$ 3,037.49</b>

# Exhibit B

FY 2020/21

Treasurer/ Tax Collector

40935 County Center Drive, Suite C, Temecula

## **ESTIMATED AMOUNTS**

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

Current Office:	1,764 SQFT	
Approximate Cost per SQFT(July-Oct)	\$ 1.90	
Approximate Cost per SQFT(Nov-June)	\$ 1.95	
Lease Cost per Month(July-Oct)	\$ 3,351.87	
Lease Cost per Month(Nov-June)	\$ 3,435.67	
Total Lease Cost(July-Oct)		\$ 13,407.48
Total Lease Cost(Nov-June)		\$ 27,485.33
<b>Total Estimated Lease Cost for FY 2020/21</b>		<b>\$ 40,892.81</b>

### **Estimated Additional Costs:**

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month	\$ 211.68	
Total Estimated Utility Cost (Jul-Jun)		\$ 2,540.16
EDA Lease Management Fee as of 11/01/2019	4.92%	\$ 2,011.93
<b>TOTAL ESTIMATED COST FOR FY 2020/21</b>		<b>\$ 45,444.90</b>
<b>TOTAL COUNTY COST</b>	<b>6.81%</b>	<b>\$ 3,094.80</b>

# Exhibit C

FY 2021/22

Treasurer/ Tax Collector

40935 County Center Drive, Suite C, Temecula

## ESTIMATED AMOUNTS

### Total Square Footage to be Leased:

Current Office: 1,764 SQFT

	FY 2020/21
Approximate Cost per SQFT(July-Oct)	\$ 1.95
Approximate Cost per SQFT(Nov-June)	
Lease Cost per Month(July-Oct)	\$ 3,435.67
Lease Cost per Month(Nov-June)	
Total Lease Cost (July - Oct)	\$ 13,742.67
Total Lease Cost (Nov - June)	
<b>Total Estimated Lease Cost for FY 2021/22</b>	<b>\$ 13,742.67</b>

### Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12
Estimated Utility Costs per Month	\$ 211.68
Total Estimated Utility Cost	<u>\$ 846.72</u>

EDA Lease Management Fee as of 11/01/2019 4.92% \$ 676.14

**TOTAL ESTIMATED COST FOR FY 2021/22** \$ 15,265.53

F11 Total Cost	\$ 105,313.88
F11 Total County Cost 6.81%	\$ 7,171.88

**FOURTH AMENDMENT TO LEASE  
40935 County Center Drive, Suite C  
Temecula, California**

5 This **FOURTH AMENDMENT TO LEASE** ("Fourth Amendment") is made as of  
6 July 23, 2019 by and between the COUNTY OF RIVERSIDE, a  
7 political subdivision of the State of California ("County"), as Lessee, and PREG  
8 TEMECULA, LLC, a California Limited Liability Company ("Lessor") successor-in-interest  
9 to Heritage Partners Temecula Properties, LLC, and, sometimes collectively referred to  
10 as the "Parties".

**RECITALS**

12 a. Temecula Highlands, LLC, a California limited liability company, ("Original  
13 Lessor") and County entered into that certain Lease dated August 27, 2002 pursuant to  
14 which Lessor agreed to lease to County and County agreed to lease from Lessor a  
15 portion (Suite C) of that certain building located at 40935 County Center Drive,  
16 Temecula, California, as more particularly described in the Lease and also referred to  
17 as the Premises.

18 b. The amendments to the Lease are summarized as follows:

19 1. The First Amendment to Lease ("First Amendment") dated March 11,  
20 2008, by and between County and Temecula Highlands, LLC, whereby County and  
21 Temecula Highlands, LLC agreed to extend the lease term, provide the County the  
22 option to extend the lease term, and modify the rent.

23 2. The Second Amendment to Lease ("Second Amendment") dated  
24 September 29, 2009, by and between County and Temecula Highlands, LLC, whereby  
25 County and Temecula Highlands, LLC agreed to extend the lease term and modify the  
26 rent.

27 3. The Third Amendment to Lease ("Third Amendment") dated August 5,  
28 2014, by and between Heritage Partners Temecula Properties, LLC, successor-in-

JUL 28 2019 3.10



1 interest to Temecula Highlands, LLC, whereby County and Heritage Partners  
2 Temecula Properties, LLC agreed to extend the lease term, modify the rent, and  
3 provide tenant improvements.

4 c. PREG Temecula, LLC, a California limited liability company, the  
5 successor-in-interest to Heritage Partners Temecula Properties, LLC, is now the  
6 Lessor under the Lease.

7 d. The Parties now desire to amend the Lease to extend the lease term,  
8 modify the rent, and provide an option for the County to extend the lease term.

9 NOW THEREFORE, for good and valuable consideration the receipt and  
10 adequacy of which is hereby acknowledged, the parties agree as follows:

11 1. **TERM.**

12 a. Section 4.1 of the Lease shall be amended as follows:

13 The term of this Lease is hereby extended for two (2) years, commencing November 1,  
14 2019 and expiring October 31, 2021.

15 2. **RENT.**

16 a. Section 5.1 of the Lease shall be amended as follows: County  
17 shall pay the sum of three thousand three hundred fifty-one dollars and eighty-seven  
18 cents (\$ 3,351.87) per month to Lessor as rent for the Leased Premises.

19 b. Section 5.2 of the Lease shall be amended as follows:

20 The monthly rent shall be increased by two and a half percent (2.5%) annually, starting  
21 November 1, 2020.

22 3. **OPTION TO EXTEND TERM.**

23 a. Section 6.1 of the Lease shall be replaced in its entirety by the  
24 following:


25 Lessor grants to County one (1) option to extend the Lease term ("Extension Option").  
26 Said Extension Option shall be for a period of one (1) year ("Extended Option Term"),  
27 subject to the conditions described in this Section 6.1.

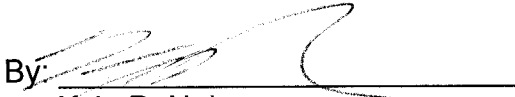


1           **IN WITNESS WHEREOF**, the Parties have executed this Fourth Amendment to  
2 Lease as of the date first written above.

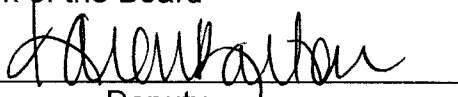
3  
4 **LESSEE:**  
5 **COUNTY OF RIVERSIDE,**  
6 a political subdivision of the  
7 State of California

**LESSOR:**  
8 **PREG TEMECULA, LLC**  
9 a California limited Liability company

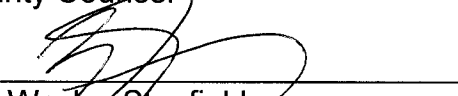
10 By:   
11 Kevin Jeffries, Chairman  
12 Board of Supervisors

By:   
13 Kyle P. Nelson  
14 Manager

15 **ATTEST:**  
16 Kecia Harper-Ihem  
17 Clerk of the Board

18 By:   
19 Deputy

20 **APPROVED AS TO FORM:**  
21 Gregory P. Priamos  
22 County Counsel

23 By:   
24 Wesley Stanfield  
25 Deputy County Counsel

26  
27  
28  
CD:jb/062519/TM024/20.562



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

7/25/19  
Date

KB  
Initial

NOTICE OF EXEMPTION

May 10, 2019

Project Name: County of Riverside, Economic Development Agency (EDA) Treasurer/Tax Collector, Fourth Amendment to Lease – County Center Drive, Temecula

Project Number: FM042670002400

Project Location: 40935 County Center Drive, Suite C, east of Ynez Road, Temecula, California 92591; Assessor’s Parcel Number (APN) 910-110-086; (See Attached Exhibit)

Description of Project: On August 27, 2002, the County of Riverside (County) entered a lease agreement with Temecula Highlands, LLC on behalf of the Treasure/Tax Collector to occupy 1,764 square feet of office space (Suite C) in a building, located at 40935 County Center Drive, Temecula, California. The lease has been amended three times previously for extensions of term, rent modifications, and a transfer in interest to Heritage Partners Temecula Properties, LLC, and subsequently to PREG Temecula, LLC. The current space continues to meet departmental needs and the Department seeks to extend their lease for an additional two years, with an option to extend for one additional year. 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 two-year extension term and will commence on November 1, 2019. The use of the facility by the Treasurer/Tax Collector 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 PREG Temecula, 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 Fourth Amendment to the Lease Agreement.

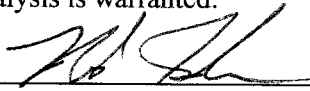
JUL 23 2019 3.10

- 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

S:\Templates\EDA-006a-Letterhead-Color.doc

- **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 Treasurer/Tax Collector 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: 5/10/19

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

Project Name: Treasurer/Tax Collector, Fourth Amendment to Lease – County Center Drive, Temecula

Accounting String: 524830-47220-7200400000- FM042670002400

DATE: May 10, 2019

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: May 10, 2019

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 # FM042670002400**  
Treasurer/Tax Collector, Fourth Amendment to Lease – County Center Drive, Temecula

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 or email at [msullivan@rivco.org](mailto:msullivan@rivco.org).**

Attachment

cc: file