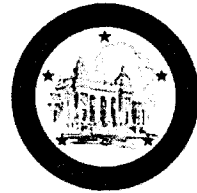


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.17  
(ID # 11559)**

**MEETING DATE:**

**Tuesday, January 28, 2020**

**FROM: ECONOMIC DEVELOPMENT AGENCY (EDA) AND FIRE DEPARTMENT:**

**SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA):** Approval of Exercise of Option to Extend Lease with DIG ROP Market Street, LLC - Riverside County Fire Department, One Year Extension, CEQA Exempt, District 2, [\$295,617] General Fund 39%, Development Fees 61% (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, CIP**

Robert Field, Assistant County Executive Officer/ECD

12/23/2019

Shawn Newman, Chief Cal Fire Riverside County

1/2/2020

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Spiegel 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 28, 2020  
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>	\$0	\$272,759	\$295,617	N/A
<b>NET COUNTY COST</b>	\$0	\$106,376	\$115,291	N/A
<b>SOURCE OF FUNDS:</b> General Fund 39%, Development Fees 61%			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 2020/21 - 2021/22	

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

**BACKGROUND:**

**Summary**

The County of Riverside has been leasing office space located at 2300 Market Street, Suite 150, Riverside from DIG ROP Market Street, LLC ("Lessor"), as successor-in-interest to the original lessor, since December 2006 pursuant to that certain Lease dated August 29, 2006 (M.O. 3.36) between the County and Market Street Corporate Center, LLC. The office is occupied by Riverside County Fire Department ("County Fire") and continues to meet the needs of County Fire. The County approved a Fourth Amendment to Lease, dated July 25, 2017 (M.O. 3.26), to extend the Lease term for three years with two one (1) year options to extend the Lease term and increases to the monthly rent to reflect current market conditions. The current Lease term expires on July 31, 2020. Pursuant to Section 3.2 of the Fourth Amendment, the County must deliver written notice to Lessor at least one hundred eighty (180) days prior to the expiration of the Lease term in order to exercise an option to extend.

County Fire intends to relocate to the 10<sup>th</sup> Floor of the County Administrative Center in the year 2021 (Project). The current term of the Lease will expire before the completion of the Project. Therefore, County Fire desires to exercise the first one (1) year option and give formal notice the County is exercising its first option to extend the Lease term by one year.

Pursuant to the California Environmental Quality Act (CEQA), the attached exercise of option to extend notice was reviewed and determined to be categorically exempt from State CEQA Guidelines Section 15301, Class 1 – Existing Facilities exemption, and Section 15061(b)(3) "Common Sense" exemption. The proposed project, the approval of the attached exercise of option to extend notice, is the letting of property involving existing facilities. No expansion of an existing use will occur. A summary of the Lease is as follows:

Lessor:                   DIG ROP Market Street  
                                  P.O. Box 96145  
                                  Las Vegas, NV 89193

Premises:               2300 Market Street  
                                  Suite 150  
                                  Riverside, CA 92501

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

Size: 8,772 square feet

Term: One year extension commencing August 1, 2020

Rent:	<u>Current</u>	<u>New</u>
	\$2.31 per sq. ft.	\$2.37 per sq. ft.
	\$20,275.38 per month	\$20,782.26 per month
	\$ 243,304.56 per year	\$ 249,387.12 per year

Rent Adjustment: Two and one half percent

Option to Terminate: Due to loss of funding or if any law, rule, or regulation precludes, prohibits or material adversely impairs County's ability to use the Premises for the use permitted in the Lease, and with sixty days' notice

Option to Extend: One – One year option

Utilities: Lessor

Custodial: Lessor

Interior/Exterior  
Maintenance: Lessor

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

**Impact on Citizens and Businesses**

This Lease extension will allow the Riverside County Fire Department to continue to provide beneficial public safety services to the residents and businesses of the County.

**SUPPLEMENTAL:  
Additional Fiscal Information**

All associated costs for this exercise of option to extend notice will be fully funded through County Fire's budget. County Fire has budgeted these costs in FY 2020/21. The Economic Development Agency (EDA) will pay the Lease costs to the Lessor, and County Fire will reimburse EDA for all associated Lease costs. County Fire and EDA are not requesting budget adjustments at this time.

**Attachments:**

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

- Notice of Exercise of Option to Extend
- Exhibits A and B
- Aerial Image
- Notice of Exemption

  
Steven Atkeson

1/14/2020

  
Gregory V. Priamos, Director County Counsel

1/3/2020

# Exhibit A

FY 2020/21

## Fire Department Lease Cost Analysis

2300 Market Street, Suite 150, Riverside, California

### **ESTIMATED AMOUNTS**

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

Current Office:	8,772 SQFT	
Approximate Cost per SQFT (July)	\$ 2.31	
Approximate Cost per SQFT (Aug - June)	\$ 2.37	
Lease Cost per Month (July)	\$ 20,275.38	
Lease Cost per Month (Aug - June)	\$ 20,782.26	
Total Lease Cost (July)		\$ 20,275.38
Total Lease Cost (Aug - June)		\$ 228,604.86
<b>Total Estimated Lease Cost for FY 2020/21</b>		<b>\$ 248,880.24</b>

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

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month		\$ 1,052.64
Total Estimated Utility Cost		\$ 12,631.68
EDA Lease Management Fee - 4.92%		\$ 11,247.36

<b>TOTAL ESTIMATED COST FOR FY 2020/21</b>		<b>\$ 272,759.28</b>
<b>TOTAL COUNTY COST FOR FY 2020/21</b>	<b>39%</b>	<b>\$ 106,376.12</b>

# Exhibit B

**FY 2021/22**  
**Fire Department Lease Cost Analysis**  
**2300 Market Street, Suite 150, Riverside, California**

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 8,772

**FY 2021/22**

Approximate Cost per SQFT (July) \$ 2.37

Lease Cost per Month (July) \$ 20,782.26

Total Lease Cost (July) \$ 20,782.26

**Total Estimated Lease Cost for FY 2021/22** \$ **20,782.26**

**Estimated Additional Costs:**

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month \$ 1,052.64

Total Estimated Utility Cost \$ 1,052.64

EDA Lease Management Fee - 4.92% \$ 1,022.49

**TOTAL ESTIMATED COST FOR FY 2021/22** \$ **22,857.39**

**TOTAL COUNTY COST FOR FY 2021/22** 39% \$ **8,914.38**

F11: Cost - Total Cost \$ 295,616.67  
F11: Net County Cost - Total Cost \$ 115,290.50



January 14, 2020

Dornin Realty Advisors CA, Inc. and DIG ROP Market Street, LLC  
Amy Harris – Asst. Portfolio Manager  
P.O. Box 96145  
Las Vegas, NV 89193

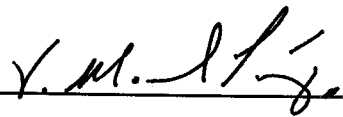
RE: Exercise of Option to Extend – Lease Agreement between County of Riverside and DIG ROP Market Street, LLC, as successor in interest to Market Street Corporate Center, LLC, dated August 29, 2006, 2300 Market Street, Suite 150; Riverside County Fire Department

Dear Ms. Harris,

Please consider this letter formal written notice to DIG ROP Market Street, LLC (as Lessor), pursuant to Section 3 of the Fourth Amendment of the above-referenced lease agreement, that the County of Riverside formally exercises its first option to extend the term of said lease one (1) year, commencing August 1, 2020 through July 31, 2021.

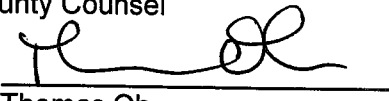
We look forward to our continued tenancy with DIP ROP Market Street, LLC.

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

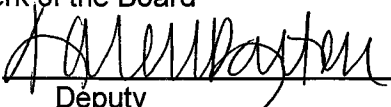
By: 

Chairman, Board of Supervisors  
**V. MANUEL PEREZ**

Approved as to Form:  
Gregory P. Priamos  
County Counsel

By:   
Thomas Oh  
Deputy County Counsel

Attest:  
Kecia R. Harper  
Clerk of the Board

By:   
Deputy

COA:ar/121319/RV345/20.926

JAN 28 2020 3.17



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

1/28/2020  
Date

VP  
Initial

## NOTICE OF EXEMPTION

December 17, 2019

**Project Name:** County of Riverside, Economic Development Agency (EDA) Fire Department Option of Extension to Fourth Amendment to Lease Agreement – Market Street, Riverside, County of Riverside

**Project Number:** FM042611034500

**Project Location:** 2300 Market Street, Suite 150, south of State Route 60, Riverside, California 92501; APN 207-120-050; (See Attached Exhibit)

**Description of Project:** The County of Riverside (County) entered into a Lease Agreement on August 29, 2006 for the County Fire Department to occupy 8,772 square feet of office space located at 2300 Market Street, Suite 150 in Riverside, California. Three previous amendments modified the lease and/or extended the term of the lease. A Fourth Amendment to the Lease was approved on July 25, 2017. The Fourth Amendment Lease has two, one-year options to extend. The County Fire Department desires to exercise the first, one-year option. The approval of the Option to extend the lease is identified as the proposed project under the California Environmental Quality Act (CEQA). The proposed project would involve the continuation of the letting of office space and no expansion of the existing office building will occur. The operation of the facility will continue to provide fire administrative services and 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 DIG ROP Market Street

**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 exercise of the Option to extend the Fourth Amendment to the Lease Agreement.

JAN 28 2020

3.17

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

[www.rivcoeda.org](http://www.rivcoeda.org)

Administration  
Aviation  
Business Intelligence  
Cultural Services  
Community Services  
Custodial

Housing  
Housing Authority  
Information Technology  
Maintenance  
Marketing

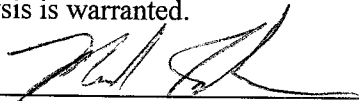
Economic Development  
Edward-Dean Museum  
Environmental Planning  
Fair & National Date Festival  
Foreign Trade  
Graffiti Abatement

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 an extension of an existing Lease Agreement to an existing facility. The use of the facility by the County Fire Department as administrative office space 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 exercise of the Option to extend Fourth Amendment to the Lease Agreement is limited a contractual transaction and the indirect effects would be limited to continued use of an existing office building. The execution of the option to extend 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: 12/17/19

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

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name:** Fire Department Fourth Amendment to Lease Agreement - Market Street, City of Riverside

**Accounting String:** 528500-47220-7200400000- FM042611034500

DATE: December 17, 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: Craig Olsen, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: December 17, 2019

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 # FM042611034500**  
Fire Department Fourth Amendment to Lease Agreement Market Street, Riverside, Riverside  
County, California

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,**

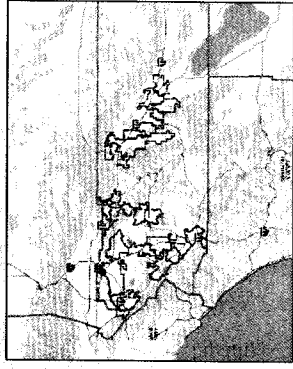
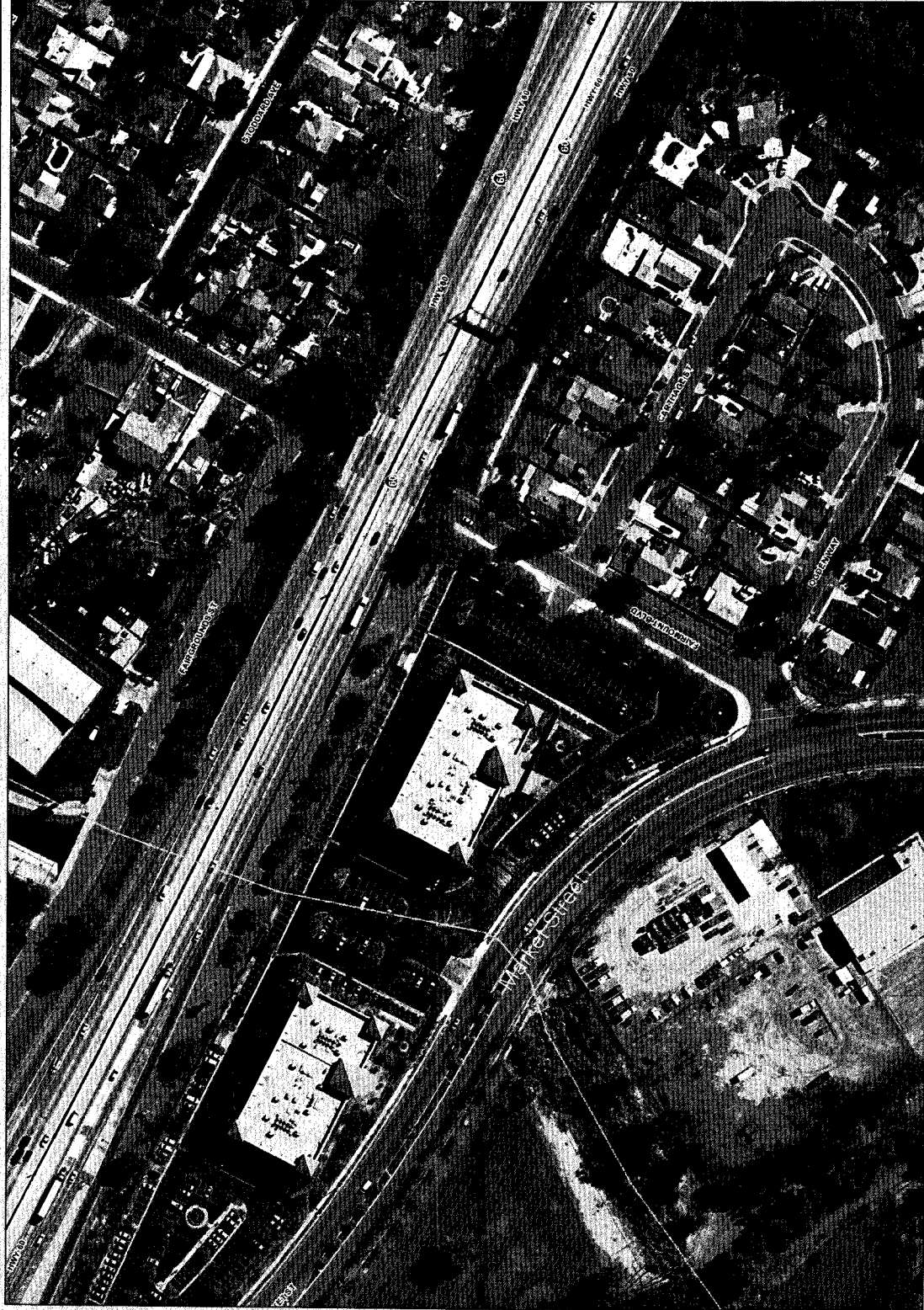
**3403 10<sup>th</sup> Street, Suite 400, Riverside, CA 92501**

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

Attachment

cc: file

**Riverside County Fire Department**  
 2300 Market Street, Suite 150, Riverside CA. 92501



**Legend**

- roadsanno
- highways
- HWY
- INTERCHANGE
- INTERSTATE
- OFFRAMP
- ONRAMP
- USHWY
- counties
- cities
- hydrographylines
- waterbodies
- Lakes
- Rivers

**Notes**

\*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.



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