

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



ITEM: 3.29  
(ID # 19108)

**MEETING DATE:**

Tuesday, May 24, 2022

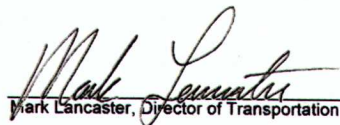
**FROM :** TLMA - AVIATION AND TLMA - TRANSPORTATION :

**SUBJECT:** TRANSPORTATION AND LAND MANAGEMENT AGENCY/AVIATION: Approval of the License Agreement between the County of Riverside and Pierer Immoreal North America, LLC, a California Limited Liability Company – French Valley Airport, French Valley, CEQA Exempt, District 3. [\$0] (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 License Agreement 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 (5) working days of approval by the Board.

**ACTION:Policy**

  
Mark Lancaster, Director of Transportation

5/12/2022

  
Charissa Leach, TLMA Director

5/16/2022

  
Aaron Gettis, Deputy County Counsel

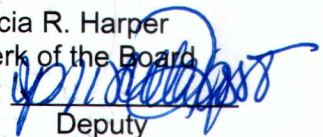
5/17/2022

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Spiegel, 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: May 24, 2022  
xc: TLMA Aviation, Recorder

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	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment:</b>	<b>No</b>
			<b>For Fiscal Year:</b>	<b>2021/22</b>

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

**BACKGROUND:**

**Summary**

On November 5, 2019, the Riverside County Board of Supervisors conditionally approved Plot Plan No. 180022 by applicant Pierer Immoreal North America, LLC, a California Limited Liability Company (“KTM Motorsports”), and through the recommendation of the Transportation and Land Management Agency (“TLMA”), Planning Department. Plot Plan No. 180022 consists of the construction of a 47,675 square foot KTM headquarters building, a 60,860 square foot motorsports building, a 17,917 square foot storage building, a 26,696 square foot truck parking area and an 8,602 square foot intake area that includes truck bays and a washing area for motorcycles (“KTM Project”). The proposed KTM Project is located west of Winchester Road (State Route 79), east of Sky Canyon Drive, and south of Sparkman Way, on the parcels identified by 963-030-012, 963-030-019, and 963-030-020.

Sky Canyon Drive contains two portions of road identified as Sky Canyon Drive North and Sky Canyon Drive South. Sky Canyon Drive North is part of the TLMA – Transportation Department’s (“Transportation”) public road system and Sky Canyon Drive South is the entrance road to the French Valley Airport and is owned and operated by the TLMA – Aviation Division (“Aviation”). KTM Motorsports has requested non-exclusive access to Sky Canyon Drive South to accommodate truck and vehicle traffic for customers, guests, employees, and suppliers to the KTM Project.

On March 2, 2022, Aviation submitted a Section 163 request pursuant to the FAA Reauthorization Act of 2018 seeking approval of the Federal Aviation Administration (FAA) to designate Sky Canyon Drive South as a public road or to alternatively approve the grant of an easement from Aviation to KTM to allow non-airport traffic on Sky Canyon Drive South.

In the interim, Aviation and Transportation entered into a fifty (50) year Memorandum of Understanding dated May 17, 2022, for use of Sky Canyon Drive South by Transportation in exchange for road maintenance. The MOU also provides Transportation the ability to allow non-exclusive road access to KTM Motorsports for Sky Canyon Drive South.



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

Transportation has negotiated the attached License Agreement to effectuate KTM Motorsports' use of Sky Canyon Drive South. The term of the License Agreement will be for fifty (50) years coterminous with the MOU. In exchange for non-exclusive road access, KTM Motorsports will provide significant improvements to Sky Canyon Drive South. The improvements will consist of a road realignment of Sky Canyon Drive South to create a parallel connection to Sky Canyon Drive North, and the installation of new sidewalks, gutters, signage, curbs, landscaping and storm water drain lines. The total cost for the improvements will be approximately \$1.6 million dollars. Transportation and Aviation staff recommend approval of the attached License Agreement.

Pursuant to the California Environmental Quality Act (CEQA), the License Agreement 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 License Agreement has been reviewed and approved by County Counsel. Both the MOU and License Agreement will terminate if the FAA approves the designation of Sky Canyon Drive South as a public road or approves the grant of an easement from Aviation to KTM to allow non-airport traffic on the road.

**Impact on Residents and Businesses**

KTM Motorsports is a subsidiary of KTM Group which is Europe's largest motorcycle manufacturer and generates approximately 1.5 billion in revenue globally. In 2009 KTM Motorsports relocated their North American headquarters from Ohio to the Temecula Valley. KTM Motorsports has outgrown their current headquarters facility that is located between Technology Drive and Innovation Court in the unincorporated area of French Valley.

Providing non-exclusive use of Sky Canyon Drive South allows access by customers, guests, employees, and suppliers to the KTM Project. The KTM Project will help maintain KTM Motorsports' operations in Temecula Valley, and provide sufficient space for future growth. Residents and Businesses in the Temecula Valley benefit from the jobs and positive economic activity borne through KTM Motorsport's operation in the area.

**Attachments:**

- License Agreement
- Notice of Exemption
- Aerial Map

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



Jason Farin, Principal Management Analyst 5/19/2022



## LICENSE AGREEMENT

THIS LICENSE AGREEMENT (Agreement), dated as of May 24, 2022, is made by and between Pierer Immoreal North America, LLC, a California limited liability company (PINA), and County of Riverside, a political subdivision of the State of California, on behalf of its Transportation and Land Management Agency – Transportation Department (Transportation Department).

### RECITALS

A. Riverside County Transportation and Land Management Agency's Aviation Division (Aviation Division) operates and maintains French Valley Airport (Airport), located in Murrieta, California, for the benefit of the Southern California economy and the users of the Airport.

B. Sky Canyon Drive is a road located on the Airport property, owned by the Airport, and is used for Airport access to auto parking and aircraft hangars. Sky Canyon Drive may be referred to herein as the "Road".

C. Pierer Immoreal North America, LLC, (PINA) on behalf of Pierer Mobility GmbH, an international motorcycle company, and its subsidiary, KTM North America, Inc., an Ohio corporation (collectively, KTM), is developing an office building complex that consists of a main headquarters building, a motorsport building, and storage buildings (KTM Project) at the property adjacent to the Airport, located between Sparkman Way and Borel Road on the real property identified by Assessor's Parcel Numbers 963-030-019 and 963-030-020 (KTM Property) and has requested the use of a portion of Sky Canyon Drive for KTM employees, customers, guests, contractors, suppliers of materials, furnishers of services, and invitees to access the KTM Property. PINA is concurrently marketing for sale certain adjacent property identified by Assessor Parcel Number 963-030-012 (Adjacent Property) which Adjacent Property will likely be developed as a mixed use commercial, retail and industrial project (the Adjacent Project). The KTM Property and the Adjacent Property may be referred to collectively as the "Property".

D. On March 2, 2022, the County submitted a request pursuant to Section 163 of the FAA Reauthorization Act of 2018 seeking approval of the Federal Aviation Administration (FAA) to designate the relevant portion of Sky Canyon Drive as a public road or in the alternative, for approval to grant an easement to allow non-airport traffic to operate on the relevant portion of Sky Canyon Road concurrently with airport traffic (the 163 Request). Pending the FAA's response to the 163 Request, KTM has asked the County to allow interim non-exclusive use of the Road pursuant to this Agreement.

E. KTM conducted a traffic study to determine the number of daily trips that its operations would generate on Sky Canyon Drive. The traffic study estimated that KTM operations would generate up to 112 peak hour trips and no more than 1,400 daily trips by KTM employees, customers, guests, contractors, suppliers of materials, furnishers of services, and invitees. To

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accommodate increased traffic, before the completion of the KTM Project on the KTM Property, KTM will make substantial improvements to Sky Canyon Drive in accordance with plans and specifications reviewed and approved by Transportation Department.

F. In order to facilitate a license of Sky Canyon Road to KTM for the KTM Project, the Transportation Department and Aviation Division entered into a Memorandum of Understanding (MOU), dated \_\_\_\_\_, 2022, to allow Transportation Department to use the Road for a term of 50 (fifty) years.

G. Transportation Department, as the party to the MOU, desires to allow KTM's owner's employees, customers, guests, contractors, suppliers of materials, tenants, furnishers of services, and invitees to use the Road, for a term commencing on the Effective Date, as defined below, and terminating on the Expiration Date, as defined below, unless terminated earlier as provided herein. The Road that is the subject of the MOU and this Agreement is depicted on **Exhibit A** attached hereto.

H. County Ordinance No. 861 allows the term of agreements involving County property to exceed 10 (ten) years with approval by the Board Of Supervisors (Board). Because this Agreement has a term that exceeds 10 (ten) years and runs concurrently with the 50-year term of the MOU, Transportation Department shall obtain the approval of this Agreement by the Board and this Agreement will not have any legal effect without such approval. The Effective Date of this Agreement is the date on which the Board approves it.

I. In the event the 163 Request is granted by the FAA, and the FAA permits the designation of Sky Canyon Drive as a public road or the grant of an easement and any associated conditions or requirements, this Agreement shall terminate and be superseded upon the dedication of Sky Canyon Drive as a public road or the grant of any easement. The Parties have agreed to execute such additional documents as may be mutually agreed upon to memorialize the termination of this Agreement upon the FAA's approval of the 163 Request.

NOW, THEREFORE, for and in consideration of the premises, covenants, and agreements of the parties set forth herein and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows:

## **ARTICLE I THE TERM AND NO RECORDING**

1.1 This Agreement shall become effective upon the Effective Date and shall continue until the Expiration Date, which is the date when the 50 (fifty) year term of the MOU expires (Agreement Term), unless earlier terminated as provided herein. This Agreement and the License provided herein are personal to KTM. This Agreement shall not be recorded in the County Records.



## **ARTICLE II THE USE**

2.1 During the Agreement Term and subject to the provisions of this Agreement, Transportation Department hereby grants to KTM the non-exclusive right (License Rights) to use the Road for employees, customers, guests, contractors, suppliers of materials, furnishers of services, and invitees, for the purpose of ingress to and egress from the Property (Permitted Use). This Permitted Use shall be limited to 1,400 daily traffic trips or 112 peak hour trips on the Road and shall not impede Airport access; provided, however, that such use right shall be subject to this Agreement and the Airport Rules and Regulations. If the Permitted Use exceeds these specified traffic trips and impedes Airport access, then the Parties shall amend this Agreement to address the increased use. The License Rights are personal and may be assigned by KTM to KTM's successors in interest, subject to the consent of the County, which consent shall not be unreasonably withheld or delayed.

2.2 The use of the Road shall be subject to the Airport Rules and Regulations for the safe and efficient operation of the Airport.

2.3 KTM's employees, customers, guests, contractors, suppliers of materials, tenants, licensees, furnishers of services, and invitees are prohibited from obstructing aerial approaches to the Airport, including erecting or permitting to be erected any building or structure on the Road.

2.4 KTM shall not use the Road for any other use but the Permitted Use and shall not expand the use of the Road beyond the Permitted Use. KTM shall obtain Transportation Department's prior written approval, and the Agreement shall be amended accordingly, to expand the use by KTM employees, customers, guests, contractors, suppliers of materials, furnishers of services, and invitees of the Road beyond the 1,400 daily traffic use, or 112 peak hour trips, if the increased use has a risk of impeding Airport access, which approval Transportation Department may withhold at its sole discretion.

2.5 It is understood that the Road is the main access points for ingress and egress into the Airport; KTM shall not close, obstruct, or temporarily limit access to the Road without the written consent of Transportation Department that can be withheld at Transportation Department's sole discretion. At no point during the Agreement Term, shall KTM cause a closure of the Road without first providing an alternate means of ingress and egress into the Airport.

2.6 KTM shall defend, indemnify, and hold Transportation Department and its directors, officers, employees, agents, and authorized volunteers (Indemnitees) harmless from any and all claims, liability, losses, demands, damages, or injury of any kind, in law or equity, to property or persons, including wrongful death by or on behalf of any person, arising out of, resulting from, or relating to the use of the Road by KTM or its employees, customers, guests, contractors, suppliers of materials, tenants, furnishers of services, and invitees. It is the express intent of the parties that the defense and indemnity obligations imposed in this Agreement are binding, valid, and enforceable even if it is claimed or proved that Transportation Department or its Indemnitees were actively or passively negligent, strictly liable in tort, or otherwise responsible for any such claims, damages, injury, loss, liability, and/or expense with one exception: KTM shall not be obligated to defend, indemnify or hold Transportation Department and its Indemnitees



harmless under the terms of this provision for claims, damages, injury, loss, liability, and/or expense to the extent caused by the gross negligence or willful misconduct of Transportation Department or its Indemnitees.

2.7 KTM shall comply with all laws, statutes, regulations, ordinances and rulings of all governmental authorities having jurisdiction over the Airport or the Road that are applicable to its use of the Road, and the Aviation Division's Airport Rules and Regulations as they may be amended from time to time. KTM shall at all times also use the Road in strict compliance with any and all rules and regulations that may be imposed by the FAA with respect to the Road or the Airport.

2.8 Nothing contained in this Agreement shall limit the County's rights to review any development application on the Property. KTM acknowledges that future development shall require a potential owner to mitigate its traffic impacts in accordance with applicable law and that the County may require additional mitigation and improvements to the Road as a condition to the granting of a discretionary land use approval in the event a traffic study concludes that airport users and airport tenants do not retain adequate access to the Road.

2.9 This Agreement is not intended to affect or impair the ownership of the Road and the title thereto.

2.10 This Agreement and the exercise of License Rights for the Permitted Use shall not be construed to affect or impair any assurance the Airport is required to provide to the FAA pursuant to Section 47107 of Title 49 of the United States Code.

### **ARTICLE III ROAD MAINTENANCE AND CLOSURE**

3.1 As consideration for Transportation Department allowing KTM to use the Road for the Permitted Use, KTM shall make substantial improvements to the Road in accordance with plans and specifications reviewed and approved by Transportation Department (Initial Improvements). During the Agreement Term, Transportation Department shall maintain the Road, or cause the Road to be maintained, in good condition at its sole cost and expense (Road Maintenance), except as provided in this Article. Transportation Department shall provide a 24-hour prior notice to KTM of any Road Maintenance or closure of the Road, except in the case of emergency, including but not limited to a security, police or fire emergency, where no prior notice shall be required.

3.2 KTM shall be responsible for all costs and expenses associated with Initial Improvements, including but not limited to all environmental and land use approvals required for the Initial Improvements.

3.3 KTM shall defend, indemnify and hold Transportation Department and its Indemnitees harmless from any and all claims, injuries, liability, losses, demands, damages, costs or expenses of any nature (including reasonable attorneys' fees, expert fees, consultant fees, and executive and administrative expenses) arising out of or related to the Initial Improvements.



3.4 During and when performing the Initial Improvements, KTM shall comply with all applicable federal, state and local laws, rules, and regulations, including but not limited to Federal Regulation Title 14 Part 77. KTM is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as Title 8, Section 16000 et seq. of the California Code of Regulations, which require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects.

3.5 KTM covenants that, during the Agreement Term, it will not create, or permit there to be created or to remain, and it will promptly discharge, any Lien on the Road that arises by virtue of, or in connection with, Initial Improvements by any of its employees, agents, contractors, or other invitees, and that it will pay or cause there to be paid in full, as and when the same shall become due and payable, all costs, charges and expenses that may become due for or purport to be due for any labor, services, materials, supplies, utilities, furnishings, machinery or equipment alleged to have been furnished or to be furnished to or for KTM in, upon or about the Road. KTM will cause any Lien securing the payment of the foregoing sums, and any other Liens, upon the Road or the interests of Transportation Department or KTM therein to be fully discharged and released at the time the performance of any obligation secured by any such Lien matures or becomes due.

#### **ARTICLE IV TERMINATING EVENTS**

4.1 This Agreement will terminate upon the expiration of the Agreement Term or the earlier termination of the Agreement as set forth in Recital I of this Agreement. If the Agreement is not terminated pursuant to Recital I, the Parties covenant and agree to meet and confer one year prior to the date of expiration of the Term of this Agreement in order to provide sufficient time to negotiate an extension of this Agreement and the MOU. KTM shall initiate the meet and confer efforts.

4.2 If KTM subleases to or allows use of the Road by any other individual, entity, or agency, other than or in addition to KTM, without Transportation Department’s prior written approval, which Transportation Department may withhold at its sole discretion, Transportation Department has the right to terminate the Agreement after providing KTM with a thirty-day notice of termination.

4.3 In the event of a material default or breach of this Agreement, this Agreement shall not terminate automatically, but the non-defaulting party may provide the defaulting party with written notice specifically identifying the nature of such default or breach. Defaulting party shall have thirty (30) days from receipt of the notice of default to cure the default or breach, provided that if the nature of the breach or default reasonably requires more than thirty (30) days to cure such breach or default, the defaulting party shall not be deemed in default if the defaulting party commences to cure within such thirty (30) day period and thereafter diligently and in good faith prosecutes the cure to completion pursuant to the mutually agreed-to plan.



## **ARTICLE V MISCELLANEOUS**

5.1 This Agreement and the rights and obligations of the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the State of California in Riverside County, or of the United States for the Central District of California.

5.2 If a court of competent jurisdiction determines that any provision of this Agreement is invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

5.3 This Agreement sets forth the entire Agreement and understanding of the parties with regard to the subject matter hereof, and supersedes all prior and contemporaneous representations, agreements and understandings, oral or otherwise, between the parties with respect to such subject matter. No representation, agreement, arrangement, or understanding, oral or written, exists among the parties relating to the subject matter hereof that is not fully expressed herein. Except as otherwise expressly provided herein, no amendment or modification of this Agreement shall be effective unless approved in writing by all parties to this Agreement. Any amendment to this Agreement shall also obtain written approval of Aviation Division and the Board, if required.

5.4 The parties shall take and perform (or refrain from taking or performing) such further acts and deeds, provide all information, and execute, acknowledge, and deliver such other documents and instruments, as may be necessary, advisable or proper from time to time to further evidence, confirm or carry out the provisions, intent and/or purposes hereof or to comply with any applicable laws, rules or regulations.

5.5 Any waivers of terms or conditions hereunder shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby.

5.6 If any legal action or other proceeding is brought for the enforcement or interpretation of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees and court costs, in addition to any other relief to which such party may be entitled.

5.7 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one and the same instrument.



5.8 Language for Use of Electronic (Digital) Signatures. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement as of the date first written above.

COUNTY OF RIVERSIDE, on behalf of its Transportation and Land Management Agency – Transportation Department, a Political subdivision of the State of California

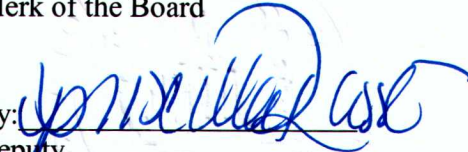
Pierer Immoreal North America, LLC, a California limited liability company

By:   
Name: Jeff Hewitt


Title: Chair, Board of Supervisors

Date: MAY 24 2022

**ATTEST:**  
Kecia R. Harper  
Clerk of the Board

By:   
Deputy

**APPROVED AS TO FORM:**  
County Counsel

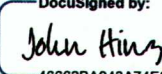
By:   
Ryan Yabko  
Deputy County Counsel

DocuSigned by:  
  
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Name: Diane Roth

Title: Authorized Agent

Date: May 12, 2022

DocuSigned by:  
  
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Name: John Hinz

Title: Authorized Agent

Date: May 12, 2022



Exhibit A





County of Riverside  
3450 14<sup>th</sup> St.  
Riverside, CA 92501

FOR COUNTY CLERK USE ONLY

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

5/25/22  
Date

PR  
Initial

### NOTICE OF EXEMPTION

May 16, 2022

**Project Name:** Approval of License Agreement with Pierer Immoreal North America, LLC for use of Sky Canyon Drive South, French Valley Airport

**Project Number:** FM05191011913

**Project Location:** Sky Canyon Drive South, south of Sparkman way and east of State Route 79, Assessor's Parcel Number (APN) 963-030-010, Murrieta, Riverside County, California, 92563

**Description of Project:** On November 5, 2019, the Riverside County Board of Supervisors conditionally approved Plot Plan No. 180022 by applicant Pierer Immoreal North America, LLC, a California Limited Liability Company (KTM Motorsports), and through the recommendation of the Transportation and Land Management Agency (TLMA), Planning Department. Plot Plan No. 180022 consists of the construction of a 47,675 square foot KTM headquarters building, a 60,860 square foot motorsports building, a 17,917 square foot storage building, a 26,696 square foot truck parking area and an 8,602 square foot intake area that includes truck bays and a washing area for motorcycles (KTM Project).

Sky Canyon Drive contains two portions of road identified as Sky Canyon Drive North and Sky Canyon Drive South. Sky Canyon Drive North is part of the TLMA – Transportation Department's public road system and Sky Canyon Drive South is the entrance road to the French Valley Airport and is owned and operated by the TLMA – Aviation Division (Aviation). KTM Motorsports has requested non-exclusive access to Sky Canyon Drive South to accommodate truck and vehicle traffic for customers, guests, employees, and suppliers to the KTM Project.

Aviation and Transportation entered into a 50 year Memorandum of Understanding dated May 17, 2022, for use of Sky Canyon Drive South by Transportation in exchange for road maintenance. The MOU also provides Transportation the ability to allow non-exclusive road access to KTM Motorsports for Sky Canyon Drive South. Transportation has negotiated the attached License Agreement to effectuate KTM Motorsports' use of Sky Canyon Drive South. The term of the License Agreement will be for 50 years coterminous with the MOU. In exchange for non-exclusive road access, KTM Motorsports will provide significant improvements to Sky Canyon Drive South. The improvements will consist of a road realignment of Sky Canyon Drive South to create a parallel connection to Sky Canyon Drive North, and the installation of new sidewalks, gutters, signage, curbs, landscaping and storm water drain lines. The License Agreement with Pierer Immoreal North America, LLC for the use and maintenance of Sky Canyon Drive South for a 50-year term is identified as the proposed project under the California Environmental Quality Act (CEQA). The approval of the License Agreement is limited to a contractual obligation and will not result in any direct effects on the environment. The indirect effects of the License Agreement were previously approved and adopted through an Initial Study/Mitigated Negative Declaration (IS/MND) by the Board of Supervisors on November 5, 2021, through the KTM Project. The current License Agreement would result in the use of Sky Canyon Drive South at French Valley Airport and no significant impacts would occur.

**Name of Public Agency Approving Project:** Riverside County

**Name of Person or Agency Carrying Out Project:** Riverside County TLMA Aviation

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**Exempt Status:** State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or “Common Sense” Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

**Reasons Why Project is Exempt:** The proposed 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 involve any unusual circumstances that could potentially 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. The consent to the agreements would have no direct effects on the environment and the indirect effects would result in continuing use of the site in a similar capacity. No significant environmental impacts would occur with the License Agreement.

- **Section 15301 –Existing Facilities:** This Class 1 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 use and maintenance of Sky Canyon Drive South Pierer Immoreal North America, LLC at the French Valley Airport. The License Agreement will result in the same purpose and substantially similar capacity on the existing facilities at the airport and would be consistent with the existing land use and contractual requirements for the use of the site. Therefore, the project is exempt as it meets the scope and intent of the Categorical 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 License Agreement is an administrative function, that memorializes the terms of an MOU between the County and Pierer Immoreal North America, LLC regarding access, use, and maintenance of Sky Canyon Drive South. The improvements to Sky Canyon Drive South were previously approved through an IS-MND by the County Board of Supervisors as part of the KTM Project. This project identified roadway access and improvements that would represent the baseline condition of the License Agreement. The License Agreement would result in the continued operation of the airport on the leased premises under the proposed contractual responsibilities. No significant direct or indirect environmental impacts 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 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:** 5-16-2022  
Mike Sullivan, Senior Environmental Planner  
County of Riverside

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: Approval of License Agreement with Pierer Immoreal North America,  
LLC, for use of Sky Canyon Drive South, French Valley Airport**

**Accounting String: 525440-40710-1910700000- FM05191011913**


DATE: May 16, 2022

AGENCY: Riverside County

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**

Signature: 

PRESENTED BY: **Jose Ruiz, Senior Real Property Agent, Transportation Land  
Management Agency-Aviation**

**-TO BE FILLED IN BY COUNTY CLERK-**

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



County of Riverside  
Facilities Management  
3450 14<sup>th</sup> St., 2<sup>nd</sup> Floor, Riverside, CA 92501

Date: May 16, 2022

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

From: Mike Sullivan, Senior Environmental Planner

**Subject: County of Riverside Facilities Management Project # FM05191011913**  
Approval of License Agreement with Pierer Immoreal, North America, LLC for  
use of Sky Canyon Drive South, French Valley Airport

Riverside County 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 #2600

Attention: Mike Sullivan, Senior Environmental Planner  
3450 14<sup>th</sup> Street, 2<sup>nd</sup> Floor, 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



State of California - Department of Fish and Wildlife  
**2022 ENVIRONMENTAL DOCUMENT FILING FEE**  
**CASH RECEIPT**  
 DFW 753.5a (REV. 01/01/22) Previously DFG 753.5a

RECEIPT NUMBER: <b>22-210769</b>
STATE CLEARINGHOUSE NUMBER (if applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY <b>RIVERSIDE OFFICE OF ECONOMIC DEVELOPMENT</b>	LEAD AGENCY EMAIL	DATE <b>06/01/2022</b>
COUNTY/STATE AGENCY OF FILING <b>RIVERSIDE</b>	DOCUMENT NUMBER <b>E-202200502</b>	

PROJECT TITLE  
**APPROVAL OF LICENSE AGREEMENT WITH PIERER IMMOREAL NORTH AMERICA, LLC. FOR USE OF SKY CANYON DRIVE SOUTH, FRENCH VALLEY AIRPORT**

PROJECT APPLICANT NAME <b>RIVERSIDE OFFICE OF ECONOMIC</b>	PROJECT APPLICANT EMAIL	PHONE NUMBER <b>(951) 955-8009</b>
PROJECT APPLICANT ADDRESS <b>3450 14TH ST 2ND FLOOR,</b>	CITY <b>RIVERSIDE</b>	STATE <b>CA</b>
		ZIP CODE <b>92501</b>

PROJECT APPLICANT (Check appropriate box)

Local Public Agency     School District     Other Special District     State Agency     Private Entity

CHECK APPLICABLE FEES:

<input type="checkbox"/> Environmental Impact Report (EIR)	\$3,539.25	\$ _____
<input type="checkbox"/> Mitigated/Negative Declaration (MND)(ND)	\$2,548.00	\$ _____
<input type="checkbox"/> Certified Regulatory Program (CRP) document - payment due directly to CDFW	\$1,203.25	\$ _____
<input checked="" type="checkbox"/> Exempt from fee		
<input checked="" type="checkbox"/> Notice of Exemption (attach)		
<input type="checkbox"/> CDFW No Effect Determination (attach)		
<input type="checkbox"/> Fee previously paid (attach previously issued cash receipt copy)		

<input type="checkbox"/> Water Right Application or Petition Fee (State Water Resources Control Board only)	\$850.00	\$ _____
<input checked="" type="checkbox"/> County documentary handling fee		\$ <u>50.00</u>
<input type="checkbox"/> Other		\$ _____

PAYMENT METHOD:


Cash     Credit     Check     Other

TOTAL RECEIVED    \$ 50.00

SIGNATURE <b>X <i>W. Smedley</i></b>	AGENCY OF FILING PRINTED NAME AND TITLE <b>Deputy</b>
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County of Riverside  
3450 14<sup>th</sup> St.  
Riverside, CA 92501

FOR COUNTY CLERK USE ONLY		
<b>FILED / POSTED</b>		
County of Riverside Peter Aldana Assessor-County Clerk-Recorder		
E-202200502 06/01/2022 03:12 PM Fee: \$ 50.00 Page 1 of 2		
Removed:	By:	Deputy
		

## NOTICE OF EXEMPTION

May 16, 2022

**Project Name:** Approval of License Agreement with Pierer Immoreal North America, LLC for use of Sky Canyon Drive South, French Valley Airport

**Project Number:** FM05191011913

**Project Location:** Sky Canyon Drive South, south of Sparkman way and east of State Route 79, Assessor's Parcel Number (APN) 963-030-010, Murrieta, Riverside County, California, 92563

**Description of Project:** On November 5, 2019, the Riverside County Board of Supervisors conditionally approved Plot Plan No. 180022 by applicant Pierer Immoreal North America, LLC, a California Limited Liability Company (KTM Motorsports), and through the recommendation of the Transportation and Land Management Agency (TLMA), Planning Department. Plot Plan No. 180022 consists of the construction of a 47,675 square foot KTM headquarters building, a 60,860 square foot motorsports building, a 17,917 square foot storage building, a 26,696 square foot truck parking area and an 8,602 square foot intake area that includes truck bays and a washing area for motorcycles (KTM Project).

Sky Canyon Drive contains two portions of road identified as Sky Canyon Drive North and Sky Canyon Drive South. Sky Canyon Drive North is part of the TLMA – Transportation Department's public road system and Sky Canyon Drive South is the entrance road to the French Valley Airport and is owned and operated by the TLMA – Aviation Division (Aviation). KTM Motorsports has requested non-exclusive access to Sky Canyon Drive South to accommodate truck and vehicle traffic for customers, guests, employees, and suppliers to the KTM Project.

Aviation and Transportation entered into a 50 year Memorandum of Understanding dated May 17, 2022, for use of Sky Canyon Drive South by Transportation in exchange for road maintenance. The MOU also provides Transportation the ability to allow non-exclusive road access to KTM Motorsports for Sky Canyon Drive South. Transportation has negotiated the attached License Agreement to effectuate KTM Motorsports' use of Sky Canyon Drive South. The term of the License Agreement will be for 50 years coterminous with the MOU. In exchange for non-exclusive road access, KTM Motorsports will provide significant improvements to Sky Canyon Drive South. The improvements will consist of a road realignment of Sky Canyon Drive South to create a parallel connection to Sky Canyon Drive North, and the installation of new sidewalks, gutters, signage, curbs, landscaping and storm water drain lines. The License Agreement with Pierer Immoreal North America, LLC for the use and maintenance of Sky Canyon Drive South for a 50-year term is identified as the proposed project under the California Environmental Quality Act (CEQA). The approval of the License Agreement is limited to a contractual obligation and will not result in any direct effects on the environment. The indirect effects of the License Agreement were previously approved and adopted through an Initial Study/Mitigated Negative Declaration (IS/MND) by the Board of Supervisors on November 5, 2021, through the KTM Project. The current License Agreement would result in the use of Sky Canyon Drive South at French Valley Airport and no significant impacts would occur.

**Name of Public Agency Approving Project:** Riverside County

**Name of Person or Agency Carrying Out Project:** Riverside County TLMA Aviation

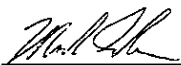
MAY 24 2022 3.29

**Exempt Status:** State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

**Reasons Why Project is Exempt:** The proposed 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 involve any unusual circumstances that could potentially 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. The consent to the agreements would have no direct effects on the environment and the indirect effects would result in continuing use of the site in a similar capacity. No significant environmental impacts would occur with the License Agreement.

- **Section 15301 –Existing Facilities:** This Class 1 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 use and maintenance of Sky Canyon Drive South Pierer Immoreal North America, LLC at the French Valley Airport. The License Agreement will result in the same purpose and substantially similar capacity on the existing facilities at the airport and would be consistent with the existing land use and contractual requirements for the use of the site. Therefore, the project is exempt as it meets the scope and intent of the Categorical 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 License Agreement is an administrative function, that memorializes the terms of an MOU between the County and Pierer Immoreal North America, LLC regarding access, use, and maintenance of Sky Canyon Drive South. The improvements to Sky Canyon Drive South were previously approved through an IS-MND by the County Board of Supervisors as part of the KTM Project. This project identified roadway access and improvements that would represent the baseline condition of the License Agreement. The License Agreement would result in the continued operation of the airport on the leased premises under the proposed contractual responsibilities. No significant direct or indirect environmental impacts 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 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: 5-16-2022  
Mike Sullivan, Senior Environmental Planner  
County of Riverside