

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



ITEM: 3.37
(ID # 24148)

MEETING DATE:
Tuesday, February 27, 2024

FROM : TLMA - AVIATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/AVIATION:
Ratification and Approval of the Termination of Lease Agreement between the County of Riverside, as Lessor, and Big Dog Properties, LLC, as Lessee – Hemet Ryan Airport, CEQA Exempt per State CEQA Guidelines Section 15301 and 15061(b)(3), District 5. [\$1,050 Total Cost - TLMA Aviation Fund 100%] (Clerk to file Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. **Find** that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities exemption and Section 15061(b)(3) "Common Sense" exemption;
2. **Ratify and Approve** the attached Termination of Lease Agreement between the County of Riverside, as Lessor, and Big Dog Properties, LLC, as Lessee, and authorize the Chairman of the Board to execute the same on behalf of the County;
3. **Authorize** the Riverside County Airport Manager or her designee to execute any other related documents and administer all actions necessary to complete this matter; and
4. **Direct** the Clerk of the Board to file the attached Notice of Exemption with the County Clerk and the State Clearinghouse within five (5) working days of approval by the Board.

ACTION:Policy

Charissa Leach, TLMA Director

2/15/2024

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 Gutierrez
Nays: None
Absent: None
Date: February 27, 2024
xc: Aviation, Recorder

Kimberly A. Rector
Clerk of the Board
By:
Deputy

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STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,050	\$ 0	\$ 1,050	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: TLMA Aviation Fund 100%			Budget Adjustment: No	
			For Fiscal Year: 2023/24	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 12, 1985, the County of Riverside, a political subdivision of the State of California, as lessor, and Deutsch Electronic Components Division, a California corporation (“Deutsch Electronics”), as lessee, entered into a lease for approximately 3-acres of land at the Hemet Ryan Airport (“Property”), pursuant to which Deutsch Electronics constructed a park, parking lot and other recreational improvements (“Lease”). Since entering into the Lease, various assignments have been made whereby Big Dog Properties, LLC, a Nevada limited liability company (“Big Dog Properties”), has become the current Lessee by virtue of an Assignment to Lease dated January 25, 2022.

The recreational improvements constructed on the Property complement an adjacent industrial building and lot that is owned by Big Dog Properties, which they are currently in the process of selling. Big Dog Properties will no longer have a use for the Property and has subsequently requested to mutually terminate the Lease. The Lease was signed for a term of forty (40) years and is set to expire on January 31, 2025. The County Aviation Division (“Aviation Division”) is amenable to the request and has negotiated the attached Termination of Lease Agreement (“Termination Agreement”). In exchange for the early termination, Big Dog Properties has agreed to revert ownership of a maintenance shed that exists on the Property to the Aviation Division. Additionally, Big Dog Properties has agreed to pay the electrical utility to the maintenance shed for one year or until January 31, 2025. Per the Termination Agreement, the Lease will terminate on January 31, 2024.

The Termination Agreement has been reviewed and approved by County Counsel.

Environmental Findings

The Termination Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15301 (Class 1) and 15061(b)(3) (“Common Sense” Exemption). The Termination Agreement is exempt because it relates to the lease of existing facilities involving no expansion of existing use and it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. There is no possibility of a significant effect on the environment because the

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STATE OF CALIFORNIA**

Termination Agreement does not involve a change or increase in the intensity of the use of the site.

Impact on Residents and Businesses

This Termination Agreement will result in no impact to residents and businesses.

Additional Fiscal Information

No budget adjustment is necessary. The Aviation Division has incurred costs associated with this transaction. County Counsel and CEQA filing costs to date in the approximate amount of \$1,050 will be reimbursed from the TLMA-Aviation Revenue Fund.


County Counsel Review	\$ 1,000
CEQA NOE	\$ 50
Total	\$ 1,050

Attachments

- Termination of Lease Agreement
- Notice of Exemption
- Aerial Map



Jason Farin, Principal Management Analyst 2/20/2024



Aaron Gettis, Deputy County Counsel 2/14/2024



County of Riverside
TLMA Aviation
4080 Lemon Street, 14th Floor, Riverside, CA 92501


FOR COUNTY CLERK USE ONLY

FILED / POSTED

County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

E-202400220
02/28/2024 10:42 AM Fee: \$ 50.00
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Removed: _____ By: _____ Deputy



NOTICE OF EXEMPTION

February 5, 2024

Project Name: Approval of the Termination of Lease Agreement between the County of Riverside, as Lessor, and Big Dog Properties, LLC, as Lessee – Hemet Ryan Airport, CEQA Exempt, District 5

Project Location: Hemet Ryan Airport, Assessor Parcel Number 456-020-002 (a portion)

Description of Project: On March 12, 1985, the County of Riverside, as Lessor, and Deutsch Electronic Components Division, a California corporation (“Deutsch Electronics”), entered into a lease for approximately 3-acres of land at the Hemet Ryan Airport (“Property”), pursuant to which Deutsch Electronics constructed a park, parking lot and other recreational improvements (“Lease”). Since entering into the Lease, various assignments have been made whereby Big Dog Properties, a Nevada limited liability company, has become the current Lessee by virtue of an Assignment to Lease dated January 25, 2022.

Big Dog Properties is currently in the process of selling the property and has requested to mutually terminate the Lease. The Lease was signed for a term of forty (40) years and is set to expire on January 31, 2025. The County Aviation Division (“Aviation Division”) is amenable to the request and has negotiated the attached Termination of Lease Agreement (“Termination Agreement”). In exchange for the early termination, Big Dog Properties has agreed to revert ownership of the maintenance shed to the Aviation Division and will cover the electrical utility to the shed for a year or until January 31, 2025. Per the Termination Agreement, the Lease will terminate on January 31, 2024.

The Termination Agreement has been identified as a proposed project under the California Environmental Quality Act (CEQA) because a discretionary action is required for approval. Approval of the Termination Agreement is limited to the termination of the Lease and will not result in any direct effects on the environment. Subsequently, this Termination Agreement will not result in any significant environmental impacts or include any mitigation measures.

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Name of Public Agency Approving Project: County of Riverside

Name of Person or Agency Carrying Out Project: Riverside County Transportation and Land Management Agency – Aviation Division

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.

Reason 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 would the project involve unusual circumstances that could potentially have a significant effect on the environment. The project is limited to an expansion to the Leased Premises by Ramko and does not include a new development. Furthermore, this project would not result in any physical direct or reasonably foreseeable indirect impacts to the environment.

- **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, will be consistent with the existing land use and would not result in a physical change to the property. These improvements fall within the criteria identified in Section 15301 (c) and (d) which allow for the repair and maintenance of existing transportation facilities and rehabilitation of structures and facilities to meet standards of health and safety. 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. Approval of the First Amendment would result in the same continued operation of the Leased Premises, and will not create any new significant direct or indirect environmental impacts. 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.

Signed: Jose Ruiz Date: 02/05/2024
Jose Ruiz, Supervising Development
Specialist, County of Riverside
TLMA-Aviation Division

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**TERMINATION OF LEASE AGREEMENT
(HEMET-RYAN AIRPORT)**

THIS **TERMINATION OF LEASE AGREEMENT** (“**Termination Agreement**”), dated as of JANUARY 17, 2024, is entered by and between the **County of Riverside**, a political subdivision of the State of California (“**County**” or “**Lessor**”), and **Big Dog Properties, LLC**, a Nevada limited liability company (successor-in-interest to TE Connectivity Corporation, a Pennsylvania corporation) (“**Lessee**”). The County and Lessee are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

RECITALS

WHEREAS, the County and Lessee’s predecessor-in-interest entered into that lease dated March 12, 1985 for approximately 3.00 acres of land (“**Property**”) at the Hemet-Ryan Airport (“**Lease**”), a copy of the Lease is attached hereto as Exhibit “**A**” and incorporated herein; and

WHEREAS, the term of the Lease commenced on February 1, 1985 and is set to expire on January 31, 2025 (“**Term**”); and

WHEREAS, the Lessee no longer requires use of the Property, and has requested to terminate the Lease; and

WHEREAS, Lessee owns the adjacent property identified by Assessor Parcel Number 456-020-001, which possesses an electric meter shared with the Property; and

WHEREAS, Lessee desires to sell the adjacent property, however County requires uninterrupted electricity on the Property; and

WHEREAS, the County is amenable to the termination request, and the Parties have agreed to modify the expiration date to January 31, 2024, contingent upon Lessee’s continued payment of the electricity on the Property for twelve (12) months, regardless of its ownership of the adjacent property.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties do hereby agree as follows:

1. TERMINATION OF LEASE. The Parties agree and acknowledge that the Lease shall terminate on January 31, 2024, and no further consideration of any kind shall be required from either Party, except as stated in this Termination Agreement. Upon termination of the Lease, legal title to all improvements constructed on the Property by Lessee shall become property of the County.

2. CONSIDERATION. In consideration for the termination of the Lease, Lessee agrees to pay for, or cause to be paid, for a 12-month period commencing February 1, 2024 and ending January 31, 2025 ("Compensation Period"), the utility costs used on the Property for the activities presently carried out on the Property. Utilities used upon the Property, include, electric and water. During the Compensation Period, Lessee, or the successor owner to the adjacent property must notify the County of any outages, changes, or disruptions to the utility services.
3. BREACH. In the event Lessee fails to pay the utility costs or notify the County of any outages, changes, or disruptions to the utility services during the Compensation Period, County shall be entitled to a penalty fee of \$6,605.44 which is equal to four-twelfths (4/12) the annual rent that Lessee is currently paying for the Property within ninety days (90) of said breach.
4. LESSEE ACKNOWLEDGEMENT. Lessee expressly acknowledges, represents and warrants that it has not encumbered, mortgaged, hypothecated, assigned, or transferred the Property to any person or entity, whether voluntarily or involuntarily, by subrogation, operation of law or otherwise. This representation and warranty shall survive execution and performance of this Termination Agreement. In the event a claim of right is made to the Property by an unknown occupant, Lessee shall indemnify, protect, defend and hold County harmless from and against any and all liabilities, claims, suits, judgments, actions, proceedings, costs and expenses (including attorneys' fees and costs) arising out of or related to any claim of right to possession by an unknown occupant arising by reason of any act of Lessee
5. CAPITALIZED TERMS. Termination Agreement to Prevail. The provisions of this Termination Agreement shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore terminated, and shall supplement the remaining provisions thereof.
6. PARTIAL INVALIDITY. If any term or provision of this Termination Agreement shall be deemed to be invalid or unenforceable to any extent, the remainder of this Termination Agreement will not be affected thereby, and each remaining term and provision of this Termination Agreement will be valid and be enforced to the fullest extent permitted by law.
7. COUNTERPARTS. This Termination Agreement may be executed in several counterparts each of which shall be an original, but all of such counterparts shall constitute one such Termination Agreement. An executed counterpart of this Termination Agreement transmitted by email or other electronic transmission shall be deemed an original counterpart and shall be as effective as an original counterpart of this Termination Agreement and shall be legally binding upon the parties hereto to the same extent as delivery of an original counterpart.
8. GOVERNING LAW. The Parties hereto expressly agree that this Termination Agreement will be governed by, interpreted under, and construed and enforced in

accordance with the laws of the State of California. Venue for any proceeding related to this Termination Agreement shall be in the County of Riverside.

9. EFFECTIVE DATE. This Termination Agreement shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

[Intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this **Termination Agreement** as of the date first written below.

Dated: 27 February 2024

LESSOR:

LESSEE:

COUNTY OF RIVERSIDE, a political subdivision of the State of California

BIG DOG PROPERTIES, LLC, a Nevada limited liability company


By: 
CHUCK WASHINGTON, Chairman
Board of Supervisors

By: 
David Altfas
Chief Financial Officer

ATTEST:
Kimberly Rector
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM
Minh C. Tran
County Counsel

By: 
Ryan Yabko
Deputy County Counsel

Termination of Lease Agreement between County of Riverside, and Big Dog Properties LLC

Hemet Ryan Airport



3 Acres

A portion of APN 456-020-002