



**BOARD EXECUTIVE COMMITTEE MEETING  
THURSDAY, JANUARY 22, 2015, 1:00 P.M.  
COUNTY OF RIVERSIDE ADMINISTRATIVE BUILDING  
BOARD OF SUPERVISORS, 5TH FLOOR, CONFERENCE ROOM C  
4080 LEMON STREET, RIVERSIDE, CA 92501**

<u>ITEM</u>	<u>RECOMMENDATION</u>
1. <u>CALL TO ORDER</u>	
2. <u>SELF-INTRODUCTIONS</u>	
3. <u>PUBLIC COMMENTS - NON-AGENDA ITEMS</u>	RECEIVE COMMENTS
<p>Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person's presentation is limited to a maximum of three (3) minutes.</p>	
4. <u>APPROVAL OF MINUTES – NOVEMBER 13, 2014 EXECUTIVE COMMITTEE MEETING (P.3)</u>	APPROVE
5. <u>SICK LEAVE POLICY</u>	DISCUSS
6. <u>AUTHORIZATION TO LEASE AGENCY PROPERTY LOCATED AT 3750 WENTWORTH DRIVE, HEMET, CA 92545 (P.5)</u>	APPROVE
7. <u>PEPRA – 13c UPDATE</u>	DISCUSS
8. <u>CLOSED SESSION</u>	
<u><b>A CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(C): ONE ITEM</b></u>	

*Any person with a disability who requires a modification or accommodation in order to participate in this meeting or any person with limited English proficiency (LEP) who requires language assistance to communicate with the RTA Board during the meeting should contact the RTA Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable RTA to make reasonable arrangements to assure accessibility or language assistance for this meeting.*

*Agenda related writings or documents provided to the Board of Directors are available for public inspection during the meeting or may be requested from the office of the Clerk of the Board.*

ITEM

RECOMMENDATION

9. NEXT MEETING  
BOARD EXECUTIVE COMMITTEE MEETING  
THURSDAY, FEBRUARY 26, 2015  
1:00 P.M.  
BOARD OF SUPERVISORS CONFERENCE ROOM  
COUNTY ADMINISTRATIVE CENTER  
4080 LEMON STREET, FIFTH FLOOR  
RIVERSIDE, CA 92501
10. MEETING ADJOURNMENT

RTA BOARD EXECUTIVE COMMITTEE MEETING MINUTES  
Minutes  
November 13, 2014

1. CALL TO ORDER

Chairman Comerchero called the Board Executive Committee meeting to order at 1:00 p.m. on November 13, 2014, in the Riverside Transit Agency Conference Room.

2. SELF-INTRODUCTIONS

Self-introductions of those in attendance took place.

Committee Attendees

1. Chairman Jeff Comerchero, City of Temecula, Mayor Pro Tem
2. First Vice-Chairman Andrew Kotyuk, City of San Jacinto, Councilmember
3. Second Vice-Chairwoman Ella Zanowic, City of Calimesa, Councilmember
4. Director Wallace Edgerton, City of Menifee, Deputy Mayor
5. Director Frank Johnston, City of Jurupa Valley, Mayor
6. Immediate Past Chair Marion Ashley, County of Riverside, District V, Supervisor

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Jim Kneepkens, Director of Marketing
3. Eric Ustation, Government Affairs Representative

Other Attendees

1. Ken Smart, Agency General Counsel
2. James Donich, Agency General Counsel

3. PUBLIC COMMENTS - NON-AGENDA ITEMS

None.

4. APPROVAL OF MINUTES – OCTOBER 23, 2014 EXECUTIVE COMMITTEE MEETING

M/S/C (ZANOWIC/EDGERTON) approving the minutes of the October 23, 2014 Executive Committee meeting.

The motion carried unanimously.

5. TRANSPORTATION NOW GOALS

Mr. Ustation presented the Transportation NOW goals.

6. OTHER BUSINESS

None.

7. NEXT MEETING

Board Executive Committee Meeting  
Thursday, December 18, 2014  
1:00 P.M.  
Board of Supervisors Conference Room  
County Administrative Center  
4080 Lemon Street, Fifth Floor  
Riverside, CA 92501

1:30 p.m. Chairman Comerchero announced a closed session to review the performance of the Chief Executive Officer. He asked Board members to stay and all others to exit the conference room.

The Executive Committee Board Members went into Closed Session at 1:31 p.m.

8. CLOSED SESSION

- A. PURSUANT TO GOVERNMENT CODE SECTION 54957 TO EVALUATE THE PERFORMANCE OF THE CHIEF EXECUTIVE OFFICER LARRY RUBIO
- B. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 TO MEET WITH DESIGNATED REPRESENTATIVE CHAIRMAN JEFF COMERCHERO REGARDING THE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER LARRY RUBIO

The Executive Committee Board Members Board of Directors returned to Open Session at 1:50 p.m.

9. MEETING ADJOURNMENT

The meeting was adjourned at 1:50 p.m.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

January 22, 2015

TO: BOARD EXECUTIVE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Lease Agency Property Located at 3750 Wentworth Drive, Hemet, CA 92545

Summary: In 1999, the Agency purchased property in the City of Hemet to establish an operating facility in southwestern Riverside County. The property is comprised of two adjacent parcels, one parcel located at 700 Scaramella Circle and the other at 3750 Wentworth Drive. Together the properties are referred to as the Hemet facility.

The Hemet facility operates as a bus operations and maintenance facility serving the communities of Hemet, San Jacinto, Murrieta, Temecula, Menifee, Sun City and other unincorporated areas of the county. This facility remains essential to implementing RTA's long-range plans, however, in the short-term, a portion of the property is currently underutilized.

In June 2014, the Agency received an unsolicited offer from a small business concern expressing interest in leasing a portion of the Hemet facility. The company, Last Chance Performance Marine (LCPM), is a local Hemet-based small business engaged in the sales and service of both new and used small fishing boats.

In their offer to the Agency, LCPM has proposed to lease the underutilized portion of the Hemet facility located at 3750 Wentworth Drive. The subject property consists of a small office building, shop area, and a detached awning on approximately 1.93+/- acres. If approved, the proposed lease would not interfere with the Agency's on-going operations in Hemet.

At the July 2014 Board Executive Committee meeting, staff informed the Committee of LCPM's interest in leasing the subject property. The Committee authorized staff to engage in negotiations

with LCPM and further directed staff to complete its due diligence which included working with General Counsel and the Federal Transit Administration (FTA). FTA guidelines require prior approval to lease property if federal funds were used in the original acquisition.

As directed by the Committee, staff sent a letter to the FTA on August 13 and received on August 19 the FTA's formal response approving the Agency's request to lease the subject property. Additionally, in working with General Counsel, staff was advised that there are tax implications when a public agency leases tax-exempt property to a private individual or for profit business. The previously tax-exempt property is assessed a *possessory interest tax* (PIT) which is similar to a property tax but is based on the total value of the lease agreement as opposed to property value.

In September, staff updated the Executive Committee on the status of negotiations with LCPM. Staff also advised the Committee that the Agency had received FTA approval and that we were working with the County Assessor's office (Assessor) on an estimate of the PIT. Because the Agency is exempt from the payment of property taxes, payment of PIT would become the responsibility of the lessee. In early October, the PIT estimate was received from the Assessor's office and forwarded to LCPM. After concluding negotiations, the parties reached a tentative agreement which is contingent upon Board approval.

In summary, LCPM has offered to lease the Wentworth facility for a period of five-years at an initial lease rate of \$5,000 per-month, increasing by three-percent per-year for each successive year. The lease agreement would also include two, two-year option periods which are exercisable upon the mutual consent of both parties. Moreover, the lessee, LCPM, would be responsible for all utilities, maintenance costs and applicable taxes and fees. The monthly lease amount is consistent with a recent appraisal analysis conducted by a licensed real estate appraisal firm.

Fiscal Impact:

If approved, the five-year lease agreement would generate \$318,548.04 in lease revenue. The revenue generated would be used to fund other transit operations.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to enter into a five-year lease agreement with Last Chance Performance Marine with two, two-year option periods for the lease of the Agency's facility located at 3750 Wentworth Drive in the City of Hemet at an initial lease rate of \$5,000 per-month increasing by three-percent per-year for each successive year.