

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



**ITEM**  
3.11  
(ID # 5396)

**MEETING DATE:**

Tuesday, November 14, 2017

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of Fourth Amendment to Lease - Riverside University Health System - Behavioral Health, Banning, 5 Year Lease Extension, CEQA Exempt, District 5, [\$1,558,477]; Federal 50%, State 50% (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 and Section 15061(b)(3);
2. Approve the attached Fourth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within 5 days of approval by the Board.

**ACTION:** Policy, CIP

Robert Field, Assistant County Executive Officer/EDA

11/6/2017

---

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley  
Nays: None  
Absent: None  
Date: November 14, 2017  
xc: EDA, Recorder

Kecia Harper-Ihem  
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>	\$202,037	\$301,390	\$1,558,477	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$0	\$0
<b>SOURCE OF FUNDS:</b> Federal 50%, State 50%			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 2017/18-2022/23	

**C.E.O. RECOMMENDATION:** [CEO use]

**BACKGROUND:**

**Summary**

This Fourth Amendment to Lease represents a request from the Riverside University Health System – Behavioral Health to extend the lease for its office located at 1330 W. Ramsey Street, Banning, California, commencing on November 1, 2017 through October 31, 2022. Lessor has agreed to install window shades, and tint all exterior windows after board approval and will paint and carpet the entire facility on month twenty-four of the new lease extension. The cost of the improvements paid by landlord is \$112,500.00. The department has decided to insert a right to terminate the lease early so as to provide flexibility in the event of future expansion. If County decides to exercise the option to terminate during the extended term, County will pay for the actual receipt of tenant improvements not to exceed \$112,250.00 and a four month rent penalty. Lessor has provided additional eleven parking spaces to County for a fee of \$110.00 monthly.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Lease, is the letting of property involving existing facilities and no expansion of an existing use will occur.

This Fourth Amendment to Lease is summarized below:

<b>Lessor:</b>	B. H. Properties, LLC 11111 Santa Monica Blvd., #600 Los Angeles, California 90025	
<b>Premises Location:</b>	1330 W. Ramsey, Banning, California 92220	
<b>Size:</b>	15,000 square feet	
	<b>Current</b>	<b>New</b>
<b>Monthly Rent</b>	\$ 1.41 per sq. ft. \$ 21,103.30 per month \$253,239.60 per year	\$ 1.45 per sq. ft. \$ 21,750.00 per month \$261,000.00 per year

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

Term: Effective November 1, 2017 through October 31, 2022

Parking Spaces: \$110.00 monthly for 11 parking spaces

Rent Adjustment: November 1, 2018 through end of the term (2.5%) percent

Utilities: County pays for telephone and electrical services, Landlord pays for all others services.

Custodial Services: Landlord

Maintenance: Landlord

RCIT Costs: N/A

Tenant Improvements: Lessor pays for window shades, tint of exterior windows and paint and carpet on month 24 of the lease extension.

Option to Terminate: Termination for any reason after thirty-six months with ninety days' notice with four month rent penalty and repayment of tenant improvement cost.

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

**Impact on Residents and Businesses**

This facility will continue to provide important mental health services for the residents and community of Banning. The continued occupancy of this facility provides a positive economic impact to this area's residents and businesses.

**SUPPLEMENTAL:  
Additional Fiscal Information**

See attached Exhibits A, B, & C

The RUHS- BH has budgeted these costs in FY 2017/18 and will reimburse Economic Development Agency for all lease costs on a monthly basis.

**Contract History and Price Reasonableness**

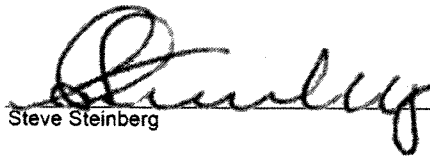
This is a five year renewal. This contract has been in place since April 2002.

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

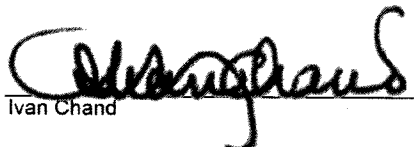
Attachments:

- Exhibits A, B & C
- Fourth Amendment to Lease
- Notice of Exemption

RF:VC:VY:MH:ra BA021 19.246 13680  
MinuteTrak: 5396

  
Steve Steinberg 11/6/2017

  
Rehini Basma, Principal Management Analyst 11/6/2017

  
Ivan Chand 11/6/2017

# Exhibit A

FY 2017/18

## RUHS - Behavioral Health Lease Cost Analysis

1330 W. Ramsey, Banning, California

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

New Office: 15,000 SQFT

Approximate Cost per SQFT (July - Oct) \$ 1.41

Approximate Cost per SQFT (Nov - June) \$ 1.45

Lease Cost per Month (July - Oct) \$ 21,103.30

Lease Cost per Month (Nov - June) \$ 21,750.00

Total Lease Cost (July - Oct) \$ 84,413.20

Total Lease Cost (Nov - June) \$ 174,000.00

**Total Estimated Lease Cost for FY 2017/18** \$ **258,413.20**

#### Estimated Additional Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month \$ 1,800.00

Total Estimated Utility Cost (July-Oct) \$ 7,200.00

Total Estimated Utility Cost (Nov-June) \$ 14,400.00

Parking Spaces \$ 110.00 \$ 880.00

EDA Lease Management Fee - 3.93% \$ 3,317.44

EDA Lease Management Fee - 4.92% \$ 12,757.23

**TOTAL ESTIMATED COST FOR FY 2017/18** \$ **296,967.86**

Amount Approved in Previous Agreement \$ 94,930.64

Amount for FY17/18 \$ 202,037.23

# Exhibit B

FY 2018/19

## RUHS - Behavioral Health Lease Cost Analysis 1330 W. Ramsey, Banning, California

### **ESTIMATED AMOUNTS**

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

New Office:	15,000		
Approximate Cost per SQFT (July - Oct)	\$ 1.45		
Approximate Cost per SQFT (Nov - June)	\$ 1.49		
Lease Cost per Month (July - Oct)		\$ 21,750.00	
Lease Cost per Month (Nov - June)		\$ 22,293.75	
Total Lease Cost (July - Oct)		\$ 87,000.00	
Total Lease Cost (Nov - June)		\$ 178,350.00	
<b>Total Estimated Lease Cost for FY 2018/19</b>		<b>\$ 265,350.00</b>	

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

Utility Cost per Square Foot	\$ 0.12		
Estimated Utility Costs per Month		\$ 1,800.00	
Total Estimated Utility Cost		\$ 21,600.00	
Parking Spaces		\$ 110.00	\$ 1,320.00
EDA Lease Management Fee - 4.92%			\$ 13,120.16
<b>TOTAL ESTIMATED COST FOR FY 2018/19</b>			<b>\$ 301,390.16</b>

# Exhibit C

## FY 2019/20 to FY 2022/23 RUHS - Behavioral Health Lease Cost Analysis 1330 W. Ramsey, Banning, California

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

New Office: 15,000 SQFT

	FY 2019/20	FY 2020/21	FY2021/22 to FY22/23
Approximate Cost per SQFT (July - Oct)	\$ 1.49	\$ 1.52	
Approximate Cost per SQFT (Nov - June)	\$ 1.52	\$ 1.56	
Lease Cost per Month (July - Oct)	\$ 22,293.75	\$ 22,851.09	\$ 47,430.30
Lease Cost per Month (Nov - June)	\$ 22,851.09	\$ 23,422.37	\$ 24,007.93
Total Lease Cost (July - Oct)	\$ 89,175.00	\$ 91,404.38	\$ 189,721.21
Total Lease Cost (Nov - June)	\$ 182,808.75	\$ 187,378.97	\$ 192,063.44
<b>Total Estimated Lease Cost for FY 2019/20 to FY 2022/23</b>	<b>\$ 271,983.75</b>	<b>\$ 278,783.34</b>	<b>\$ 381,784.65</b>
 <b><u>Estimated Additional Costs:</u></b>			
Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
Total Estimated Utility Cost	\$ 21,600.00	\$ 21,600.00	\$ 28,800.00
Parking Spaces	\$ 1,320.00	\$ 1,320.00	\$ 1,760.00
EDA Lease Management Fee - 4.92%	\$ 13,446.54	\$ 13,781.08	\$ 18,870.40
<b>TOTAL ESTIMATED COST FOR FY 2019/20 to FY 2022/23</b>	<b>\$ 308,350.29</b>	<b>\$ 315,484.43</b>	<b>\$ 431,215.05</b>

F11: Cost - Total Cost \$ 1,558,477.16



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

11/15/17 Date kb Initial

NOTICE OF EXEMPTION

September 7, 2017

Project Name: County of Riverside, Economic Development Agency (EDA) Riverside University Health System-Behavioral Health, Fourth Amendment to Lease, Banning, County of Riverside

Project Number: FM042130002100

Project Location: 1330 West Ramsey Street, east of 8th Street Avenue, Banning, California 92220; Assessor's Parcel Number (APN) 540-180-004; (See Attached Exhibit)

Description of Project: The County of Riverside (County) Department of Mental Health entered into a Lease Agreement on April 16, 2002 to office space located at 1330 West Ramsey Street in Banning, California. The Department of Mental Health is now under the jurisdiction of the Riverside University Health System Behavioral Health (RUHS-BH). Three previous amendments extended the term, termination options, improvements, increased square footage, and rates of the lease. The location continues to meet the needs of RUHS-BH and a fourth amendment that includes an additional three year extension of term is being sought. The term of the lease shall be extended three years commencing on November 1, 2017 and terminating October 31, 2022. The fourth amendment will also include the lease of 11 additional parking spaces in the parking lot associated with 1434 West Ramsey Street. Minor tenant improvements, limited to painting, the replacement of flooring, and the installation of window shades and tinting of all exterior windows are also included as part of the extension of the lease. The Fourth Amendment to the Lease Agreement 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 would involve minor tenant improvements. No expansion of the existing office building will occur. The operation of the facility will continue to provide behavioral health 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 B. H. Properties, LLC

Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061, 15300 to 15301.

Reasons Why Project is Exempt: The proposed project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The project will not cause an impact to an environmental resource of hazardous or critical concern nor does the project have unusual circumstances that could possibility have a significant effect on the environment. The project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the Fourth Amendment to Lease.

NOV 14 2017 3.11

- Administration, Aviation, Business Intelligence, Cultural Services, Community Services, Custodial, Housing, Housing Authority, Information Technology, Maintenance, Marketing, Economic Development, Edward-Dean Museum, Environmental Planning, Fair & National Date Festival, Foreign Trade, Graffiti Abatement, Parking, Project Management, Purchasing Group, Real Property, Redevelopment Agency, Workforce Development

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





**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: Riverside University Health System, Department of Behavioral Health  
Fourth Amendment to Lease, Banning, California**

**Accounting String: 524830-47220-7200400000 - FM042130002100**

DATE: September 7, 2017

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: Maribel Hyer, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: September 7, 2017

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 # FM042130002100**  
Riverside University Health System, Department of Behavioral Health Fourth Amendment to Lease,  
Banning, 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



1 d. The Parties now desire to amend the Original Lease with this Fourth  
2 Amendment to extend the term period, modify rental amounts, annual rent increases,  
3 option to terminate, and improvements, and add parking spaces.

4 **NOW THEREFORE**, for good and valuable consideration the receipt and  
5 adequacy of which is hereby acknowledged, the Parties agree as follows:

6 **2. TERM.** Section 4 of the Lease is hereby amended to extend the lease term  
7 from November 1, 2017 through October 31, 2022 ("Term").

8 **3. RENT.** Section 5.1 and 5.2 of the Lease are hereby amended by the  
9 following: Lessee shall pay to Lessor the monthly sum of \$21,750.00 as rent for the  
10 leased premises effective November 1, 2017 ("Effective Date"). Thereafter, the monthly  
11 rent shall be increased annually on each anniversary of the Effective Date by an amount  
12 equal to two and one half percent (2.5%) of the monthly rent paid during the preceding  
13 year.

14 **4. ADDITIONAL PARKING.** Section 2 of the Lease is hereby amended by  
15 adding the following subsection 2.5:

16 2.5 Lessor has entered a Parking Space License Agreement as of  
17 August 30, 2017 ("Parking License") with the owner ("Lot Owner") of the parking lot  
18 associated with 1434 West Ramsey Street, Banning, CA ("Adjacent Lot"), as more  
19 particularly described in Exhibit A, attached hereto and incorporated herein as part of  
20 this Fourth Amendment. The Parking License grants to Lessor the exclusive use of up  
21 to eleven (11) parking spaces on the Adjacent Lot ("Additional Spaces") on a twenty-four  
22 (24) hours per day, seven (7) days per week basis, which number may be reduced if the  
23 Lot Owner is undertaking renovations, improvements or modifications to the Adjacent  
24 Lot, and is terminable by Lessor and the Lot Owner on at least 30 days' written notice.  
25 So long as the Parking License is in effect, Lessor shall provide Lessee with the exclusive  
26 right during the Term of the Lease to use the Additional Spaces on a twenty-four (24)  
27 hours per day, seven (7) days per week basis.

1 Lessee shall pay as additional rent to Lessor the sum of \$110.00 per month  
2 for the use of the Additional Spaces. In the event that the Parking License is terminated  
3 during the Term of this Lease, Lessor's obligation to provide Lessee with the use of the  
4 Additional Spaces shall terminate, and Lessor shall not be in breach or default of this  
5 Lease, and Lessee's payment obligation for the use of the Additional Spaces shall also  
6 terminate at such time. Lessee bears all responsibility and liability for any injury to  
7 persons and damage to property, and hereby releases Lessor and forever waives all  
8 claims, liabilities and damages against Lessor, as a result of Lessee's use of the  
9 Additional Spaces, except for any claims, liabilities, injuries, and damages caused by the  
10 gross negligence or willful misconduct of Lessor or its officers, members, agents,  
11 contractors, or employees.

12 **5. IMPROVEMENTS BY LESSOR.** Section 11 of the Lease shall be  
13 amended by adding subsection 11.1.10 to the Lease as follows:

14 11.1.10. Lessor, at its sole cost and expense, shall install  
15 window shades and tint all exterior windows and shall paint and carpet throughout the  
16 facility before November 1, 2019 but no earlier than October 1, 2019. Prior to the  
17 commencement of such work, Lessor shall submit plans for such work to Lessee and  
18 receive written approval of such plans by Lessee.

19 **6. LESSEE'S OPTIONS TO TERMINATE.** The language in Section 6.4 of  
20 the Lease is hereby deleted in its entirety and replaced with the following:

21 Lessee may terminate this Lease for any reason after November 1, 2020  
22 by providing Lessor ninety (90) days advance written notice and by paying Lessor four  
23 month worth the rent then in effect and one hundred twelve thousand five hundred dollars  
24 (\$112,500.00), which represents the cost of Lessor improvements described in Section  
25 11.1.10 of the Lease.

26 **7. CAPITALIZED TERMS:** Fourth Amendment to Prevail. Unless defined  
27 herein or the context requires otherwise, all capitalized terms herein shall have the  
28 meaning defined in the Lease, as heretofore amended. The provisions of this Fourth



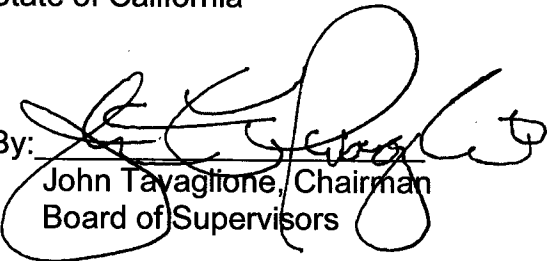
1           **9. EFFECTIVE DATE.** This Fourth Amendment to Lease shall not be binding  
2 or consummated until its approval by the Riverside County Board of Supervisors and  
3 fully executed by the Parties.

4           IN WITNESS WHEREOF, the parties have executed this Fourth Amendment as  
5 of the date first written above.

6 Dated:           NOV 14 2017          

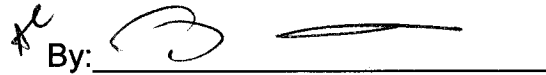
7  
8 **LESSEE:**

9 **COUNTY OF RIVERSIDE,**  
10 a political subdivision of the  
11 State of California

12  
13 By:   
14 John Tavaglione, Chairman  
15 Board of Supervisors

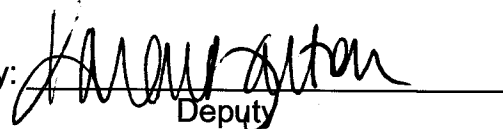
8 **LESSOR:**

9 **B.H. PROPERTIES, L.L.C.,**  
10 a California limited liability company

11  
12  
13 By:   
14 Name: Arsalan Gozini  
15 Its: General Member

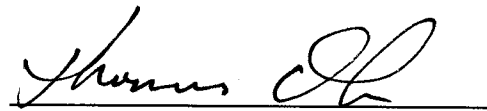
16 **ATTEST:**

17 Kecia Harper-Ihem  
18 Clerk of the Board

19 By:   
20 Deputy

21 **APPROVED AS TO FORM:**

22 Gregory P. Priamos, County Counsel

23  
24 By:   
25 Thomas Oh  
26 Deputy County Counsel

27 MH:ra/101017/BA021/19.247



EXHIBIT A

