

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



ITEM: 3.11
(ID # 20174)

MEETING DATE:

Tuesday, April 18, 2023

FROM : FACILITIES MANAGEMENT:

SUBJECT: FACILITIES MANAGEMENT, REAL ESTATE DIVISION: Ratification and Approval of Fifth Amendment to Lease - Riverside University Health System - Behavioral Health, Banning, 5 Year Lease Extension, California Environment Quality Act (CEQA) Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061 (b)(3), District 5. [\$1,923,383 - Federal 40%, State 60% - Behavioral Health Fund 10000] (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, Class 1 - Existing Facilities exemption, and Section 15061(b)(3), "Common Sense" exemption;
2. Ratify and Approve the attached Fifth Amendment to Lease with B.H. PROPERTIES, LLC, a California limited liability company, and authorize the Chair of the Board to execute the same on behalf of the County; and
3. Authorize the Director of Facilities Management, or their designee, to execute any other documents and administer all actions necessary to complete this transaction.
4. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) days of approval by the Board; and

ACTION:Policy, CIP


Matthew Chang, Director

3/16/2023


Rose Salgado, Director of Facilities Management

3/30/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: April 18, 2023
xc: FM-RE, Recorder

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$229,194	\$356,626	\$1,923,383	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: Federal 40%, State 60% - Behavioral Health Fund 10000			Budget Adjustment: No	
			For Fiscal Year: 2022/23-2026/27	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside has been under lease since April, 2002 at 1330 W. Ramsey St., Banning for use by the Riverside University Health System – Behavioral Health. The facility continues to meet the needs for the Department’s clinic use and this Fifth Amendment to Lease is a request to extend the lease for five years commencing on November 1, 2022, through October 31, 2027. Lessee may terminate this Lease for any reason after November 1, 2026 by providing no less than one hundred fifty (150) days advance written notice.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from State CEQA Guidelines 15301, Class 1 – Existing Facilities Exemption and Section 15061 (b)(3) “Common Sense” Exemption. The proposed project, the Lease, is the letting of property involving existing facilities and no expansion of an existing use will occur.

This Fifth Amendment to Lease is summarized below:

Lessor:	B. H. Properties, LLC 11111 Santa Monica Boulevard, #600 Los Angeles, California 90025	
Premises Location:	1330 West Ramsey Street, Banning, California 92220	
Size:	15,000 square feet	
	Current	New
Monthly Rent	\$ 1.60 per sq. ft. \$ 24,007.93 per month \$288,095.16 per year	\$ 1.70 per sq. ft. \$ 25,500.00 per month \$306,000.00 per year
Term:	Effective November 1, 2022 through October 31, 2027	

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

Parking Spaces: \$110.00 monthly for an additional eleven parking spaces on adjacent property.

Rent Adjustment: Annually, commencing November 1, 2023, based on the increase in the Consumer Price Index, minimum 2% maximum 6%.

Utilities: County pays for telephone and electrical services; Landlord pays for all other services.

Custodial Services: To be provided by Lessor

Maintenance: To be provided by Lessor

RCIT Costs: N/A

Option to Terminate: Termination for any reason after November 1, 2026 with one hundred fifty day advance written notice.

The attached Fifth 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 2022/23 and will reimburse Facilities Management, Real Estate Division for all lease costs on a monthly basis.

Contract History and Price Reasonableness

This is a five-year renewal. This Lease has been in place since April 2002. The New rent is reasonable and reflects the current real estate market rents.

Lease & Amendments

Date an M.O.

Lease	April 16, 2002 (M.O. 3.13)
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**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

First Amendment	September 29, 2009 (M.O. 3.41)
Second Amendment	October 5, 2010 (M.O. 3.9)
Third Amendment	August 28, 2012 (M.O. 3.46)
Fourth Amendment	November 14, 2017 (M.O. 3.11)

ATTACHMENTS:


- Fifth Amendment to Lease
- Exhibits A, B & C
- Notice of Exemption
- Aerial Map

JG:sc/10172022/BA021/30.806


Veronica Santillan, Principal Management Analyst 4/10/2023


Aaron Gettis, Deputy County Counsel 4/6/2023

County of Riverside
Facilities Management-PMO
3450 14th Street, 2nd Floor, Riverside, CA

FOR COUNTY CLERK USE ONLY		
FILED / POSTED		
County of Riverside		
Peter Aldana		
Assessor-County Clerk-Recorder		
E-202300421		
04/18/2023 01:36 PM Fee: \$ 50.00		
Page 1 of 2		
Removed:	By:	Deputy
		

NOTICE OF EXEMPTION

September 27, 2022

Project Name: Approval of Fifth Amendment with B.H. Properties, LLC for Riverside University Health System Department of Behavioral Health (RUHS-BH), 1330 West Ramsey, Banning

Project Number: FM042130002100

Project Location: 1330 West Ramsey Street, west of 8th Street, Banning, California, 92220, Assessor's Parcel Number (APN) 540-180-004

Description of Project: The County of Riverside (County) has been leasing office space located at 1330 West Ramsey Street, Banning, since April 2002 pursuant to that certain Lease between the County and B.H. Properties, LLC. The office is occupied by RUHS-BH and continues to meet the needs of the Department. The Lease Agreement has been amended four times previously for extension of terms, rental adjustments, parking improvements, increase in space, and contractual responsibilities for termination. A Fifth Amendment to Lease is being sought to extend the lease term for five years, commencing November 1, 2022 through October 31, 2027. The Fifth Amendment to the Lease Agreement with B.H. Properties, LLC is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is the letting of property involving existing facilities; no expansion of the existing facility will occur. The operation of the facility will continue to provide public health services. No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: Riverside County

Name of Person or Agency Carrying Out Project: Riverside County Facilities Management

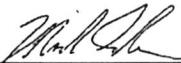
Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

Reasons Why Project is Exempt: The proposed project 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 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 Fifth Amendment to the Lease Agreement.

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- **Section 15301 – Class 1 Existing Facilities Exemption:** This categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The project, as proposed, is limited to the extension of term. The project would not substantially increase or expand the use of the site; use is limited to the continued use of the site in a similar capacity; therefore, the project is exempt as the project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid.* This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the project may have a significant effect on the environment. The proposed five-year extension of the Lease Agreement will not result in any direct or indirect physical environmental impacts. The use and operation of the facility will be substantially similar to the existing use and will not create any new environmental impacts to the surrounding area. No impacts beyond the ongoing, existing use of the site 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.

Therefore, the County of Riverside Facilities Management 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: 9-27-2022
Mike Sullivan, Senior Environmental Planner
County of Riverside, Facilities Management

1 **FIFTH AMENDMENT TO LEASE**

2 **1330 West Ramsey Street, Banning, California**

3
4 This **FIFTH AMENDMENT TO LEASE** ("Fifth Amendment"), dated as of
5 April 18th, 2023, is entered by and between the **COUNTY OF RIVERSIDE**, a
6 political subdivision of the State of California, ("Lessee"), and **B.H. PROPERTIES, LLC**,
7 a California limited liability company ("Lessor"), sometimes collectively referred to as the
8 "Parties".

9 **1. RECITALS.**

10 a. Lessor and Lessee entered into a lease dated April 16, 2002, pursuant to
11 which Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor
12 a portion of that certain building located at 1330 West Ramsey Street, Banning, California
13 ("Building"), as more particularly described in the Lease (the "Original Lease").

14 b. The Original Lease has been amended by:

15 i. That certain First Amendment to Lease dated September 29,
16 2009, by and between Lessee and Lessor (the "1st Amendment"), whereby the Parties
17 amended the Original Lease to extend the term period, amend the rental amounts, and
18 amend the County's right to early termination.

19 ii. That certain Second Amendment to Lease dated October 5,
20 2010, by and between Lessee and Lessor (the "2nd Amendment"), whereby the Parties
21 amended the Original Lease to extend the term period, and amend the rental amounts,
22 option to terminate, and notices.

23 iii. That certain Third Amendment to Lease dated August 28,
24 2012, by and between Lessee and Lessor (the "3rd Amendment"), whereby the Parties
25 amended the Original Lease to extend the term period, amend the rental amounts,
26 increase the square footage of the leased premises, provide improvements, and amend
27 a County's option to terminate.

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1 iv. That certain Fourth Amendment to Lease dated November
2 14, 2017 by and between Lessee and Lessor (the "4th Amendment"), whereby the
3 Parties amended the Original Lease to extend the term period, amend the rental
4 amounts, provide for additional parking, provide improvements, amend County's option
5 to terminate, and increase the square footage.

6 c. The Original Lease together with this Fifth Amendment are collectively
7 referred to herein as the "Lease."

8 d. The Parties now desire to amend the Original Lease with this Fifth
9 Amendment to extend the term period, modify rental amounts, annual rent increases,
10 and option to terminate.

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

13 **2. TERM.** Section 4 of the Lease is hereby amended to extend the lease term
14 from November 1, 2022 through October 31, 2027 ("Term").

15 **3. RENT.** Section 5.1 of the Lease are hereby amended by the following:
16 Lessee shall pay to Lessor the monthly sum of Twenty-Five Thousand, Five Hundred
17 Dollars (\$25,500.00) as rent for the leased premises effective November 1, 2022
18 ("Effective Date").

19 **4. ANNUAL INCREASE.** Section 5.2 of the Lease shall be amended as
20 follows: The monthly rent shall be increased annually on each anniversary of the Lease
21 based on the Consumer Price Index ("CPI"), defined below, with a minimum range of two
22 (2%) percent and a maximum rate not to exceed six (6%) percent. CPI means the
23 Consumer Price Index of All Urban Customers, Los Angeles-Riverside-Orange County,
24 CA (1982-1984 = 100) as published by the U.S. Department of Labor, Bureau of Labor
25 Statistics. In the event the compilation and/or publication of the CPI shall be transferred
26 to any other governmental department or bureau or agency or shall be discontinued,
27 then the index most nearly the same as the CPI shall be used to make such calculations.
28 In the event that Lessor and Lessee cannot agree on such alternative index, then the

1 matter shall be submitted for decision to the American Arbitration Association in the
2 county in which the Premises are located, in accordance with the then rules of said
3 association and the decision of the arbitrators shall be binding upon the parties,
4 notwithstanding one party failing to appear after due notice of the proceeding. The cost
5 of said Arbitrators shall be paid equally by Lessor and Lessee.

6 **6. LESSEE'S OPTIONS TO TERMINATE.** The language in Section 6.4 of
7 the Lease is hereby deleted in its entirety and replaced with the following: Lessee may
8 terminate this Lease for any reason after November 1, 2026 by providing no less than
9 One Hundred Fifty (150) days advance written notice.

10 **7. CAPITALIZED TERMS:** Fifth Amendment to Prevail. Unless defined
11 herein or the context requires otherwise, all capitalized terms herein shall have the
12 meaning defined in the Lease, as heretofore amended. The provisions of this Fifth
13 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease,
14 as heretofore amended, and shall supplement the remaining provision thereof.

15 **8. MISCELLANEOUS.** Except as amended or modified herein, all the terms
16 of the Lease shall remain in full force and effect and shall apply with the same force and
17 effect. Time is of the essence in this Fifth Amendment and the Lease and each and all
18 of their respective provisions. Subject to the provisions of the Lease as to assignment,
19 the agreements, conditions and provisions herein contained shall apply to and bind the
20 heirs, executors, administrators, successors and assigns of the parties hereto. If any
21 provision of this Fifth Amendment or the Lease shall be determined to be illegal or
22 unenforceable, such determination shall not affect any other provision of the Lease and
23 all such other provisions shall remain in full force and effect. The language in all parts
24 of the Lease shall be construed according to its normal and usual meaning and not
25 strictly for or against either Lessor or Lessee. Neither this Fifth Amendment, nor the
26 Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be
27 recorded by Lessee.

28 **9. EFFECTIVE DATE.** This Fifth Amendment to Lease shall not be binding or

1 consummated until its approval by the Riverside County Board of Supervisors and fully
2 executed by the Parties.

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1 IN WITNESS WHEREOF, the parties have executed this Amendment as of the
2 date first written above.

3
4 Dated: 4/18/23
5

6 **LESSEE:**

7 **COUNTY OF RIVERSIDE,**
8 a political subdivision of the
9 State of California

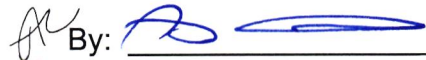
10 
11 By: KEVIN JEFFRIES Chair
12 Board of Supervisors

6 **LESSOR:**

7 **B.H. PROPERTIES, LLC**
8 a California limited liability company

9 By: B.H. Partnership A, L.P.
10 a Delaware limited partnership
11 Its: Sole Member

12 By: B.H. Holding Company I, Inc.
13 a Delaware corporation
14 Its: General Partner

15 
16 By: ARSALAN GOZINI
17 Its: President

16 **ATTEST:**

17 **KIMBRLEY A. RECTOR**
18 Clerk of the Board

19 
20 By: BRUNA SMITH
21 Deputy

22 **APPROVED AS TO FORM:**
23 County Counsel

24 
25 By: Wesley W. Stanfield *Aaron Gehris*
26 Deputy County Counsel

27
28 JG:sc/08152022/BA021/30.806

Exhibit A

FY 2022/23

RUHS - BH

1330 West Ramsey Street, Banning

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	15,000 SQFT	
Approximate Cost per SQFT(Jul - Oct)	\$ -	
Approximate Cost per SQFT(Nov - Jun)	\$ 1.70	
Lease Cost per Month(Jul - Oct)	\$ -	
Lease Cost per Month(Nov - Jun)	\$ 25,500.00	
Total Lease Cost(Jul - Oct)		\$ -
Total Lease Cost(Nov - Jun)		\$ 204,000.00
Total Estimated Lease Cost for FY 2022/23		\$ 204,000.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month	\$ 1,800.00	
Total Estimated Utility Cost(Jul - Oct)		\$ -
Total Estimated Utility Cost(Nov - Jun)		\$ 14,400.00
Total Estimated Utility Cost for FY 2022/23		\$ 14,400.00
Additional Parking Spaces per Month	\$ 110.00	
Total Estimated Utility Cost(Jul - Oct)		\$ -
Total Estimated Utility Cost(Nov - Jun)		\$ 880.00
		\$ 880.00
FM Lease Management Fee as of 7/1/2022	4.86%	\$ 9,914.40
TOTAL ESTIMATED COST FOR FY 2022/23		\$ 229,194.40
TOTAL COUNTY COST	0%	\$ -

Exhibit A

FY 2023/24

RUHS - BH

1330 West Ramsey Street, Banning

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	15,000 SQFT	
Approximate Cost per SQFT(Jul - Oct)	\$ 1.70	
Approximate Cost per SQFT(Nov - Jun)	\$ 1.80	
Lease Cost per Month(Jul - Oct)	\$ 25,500.00	
Lease Cost per Month(Nov - Jun)	\$ 27,030.00	
Total Lease Cost(Jul - Oct)		\$ 102,000.00
Total Lease Cost(Nov - Jun)		\$ 216,240.00
Total Estimated Lease Cost for FY 2023/24		\$ 318,240.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month	\$ 1,800.00	
Total Estimated Utility Cost(Jul - Jun)		\$ 21,600.00
Total Estimated Utility Cost for FY 2023/24		\$ 21,600.00
Additional Parking Spaces per Month	\$ 110.00	
Total Estimated Utility Cost(Jul - Jun)		\$ 1,320.00
		\$ 1,320.00
FM Lease Management Fee as of 7/1/2022	4.86%	\$ 15,466.46
TOTAL ESTIMATED COST FOR FY 2023/24		\$ 356,626.46
TOTAL COUNTY COST	0%	\$ -

Exhibit C

**FY 2024/25 to 2027/28
RUHS - BH
1330 West Ramsey Street, Banning**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

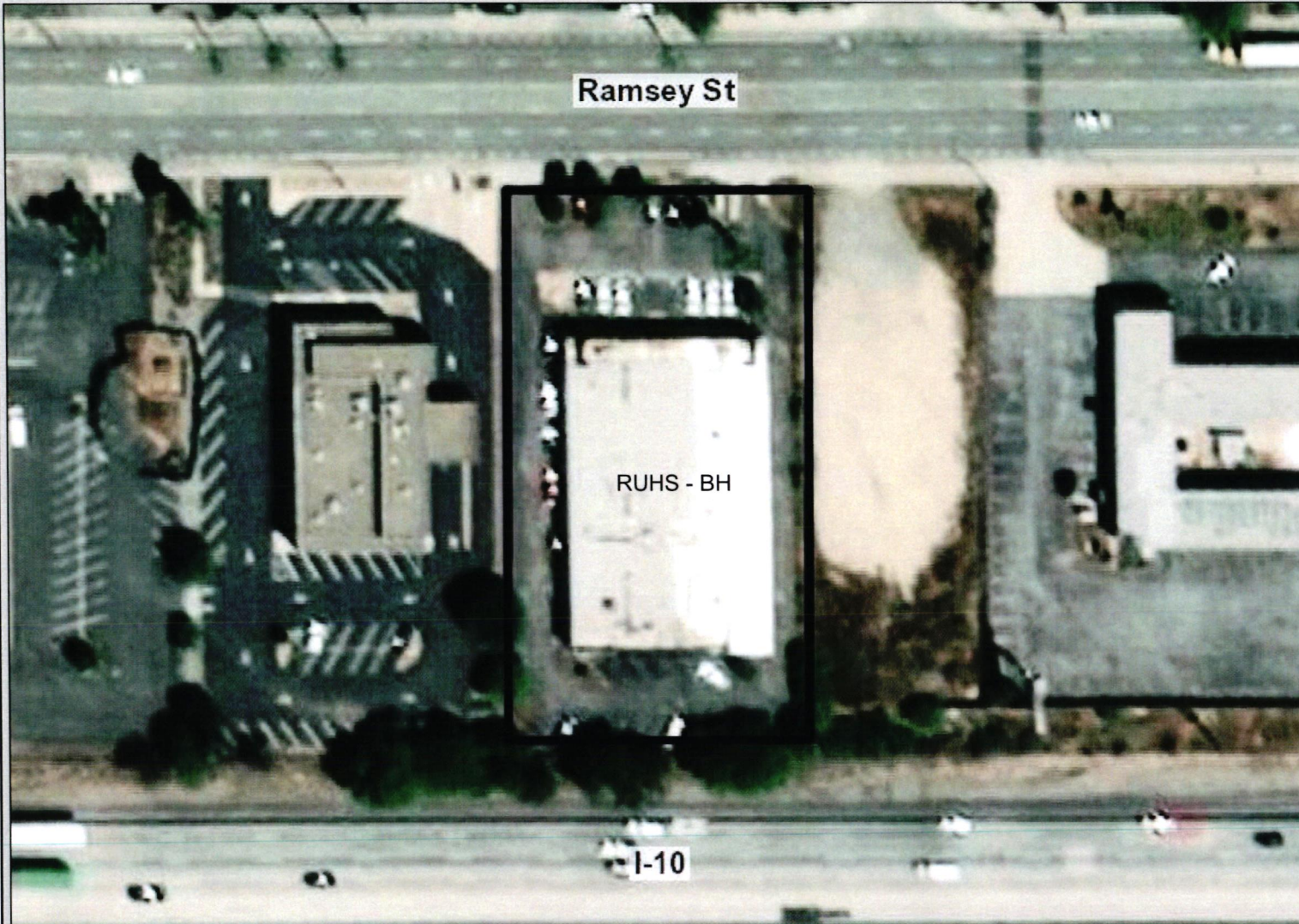
Current Office: 15,000 SQFT

	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Approximate Cost per SQFT(Jul - Oct)	\$ 1.80	\$ 1.91	\$ 2.02	\$ 2.15
Approximate Cost per SQFT(Nov - Jun)	\$ 1.91	\$ 2.02	\$ 2.15	-
Lease Cost per Month(Jul - Oct)	27,030.00	\$ 28,651.80	\$ 30,370.91	\$ 32,193.16
Lease Cost per Month(Nov - Jun)	28,651.80	30,370.91	32,193.16	-
Total Lease Cost(Jul - Oct)	\$ 108,120.00	\$ 114,607.20	\$ 121,483.63	\$ 128,772.65
Total Lease Cost(Nov - Jun)	\$ 229,214.40	\$ 242,967.26	\$ 257,545.30	-
Total Estimated Lease Cost for FY 2024/25 to 2027/28	\$ 337,334.40	\$ 357,574.46	\$ 379,028.93	\$ 128,772.65
<u>Estimated Additional Costs:</u>				
Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
Total Estimated Utility Cost for FY 2024/25 to 2027/28	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 7,200.00
Additional Parking Spaces per Month	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00
Total Estimated Utility Cost for FY 2024/25 to 2027/28	\$ 1,320.00	\$ 1,320.00	\$ 1,320.00	\$ 440.00
FM Lease Management Fee as of 7/1/2021 4.86%	\$ 16,394.45	\$ 17,378.12	\$ 18,420.81	\$ 6,258.35
TOTAL ESTIMATED COST FOR FY 2024/25 to 2027/28	\$ 376,648.85	\$ 397,872.58	\$ 420,369.74	\$ 142,671.00

F11 Total Cost				\$ 1,923,383.04
F11 Total County Cost	0%			\$ -

RUHS - Behavioral Health

1330 W. Ramsey, Banning, CA 92220



Legend

County Centerline Names



IMPORTANT Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

Notes

District 5
Premise outlined in black
APN: 540180004

0 94 188 Feet

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