

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3.21
(MT21391)

On motion of Supervisor Spiegel, seconded by Supervisor Gutierrez and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from Facilities Management regarding the Approval of Second Amendment to Lease - Riverside University Health System - Behavioral Health, Temecula, 10 Year Lease Extension, California Environmental Quality Act Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 3 is continued to Tuesday, August 29, 2023, at 9:30 a.m. or as soon as possible thereafter.

Roll Call:

Ayes: Jeffries, Spiegel, Perez, Washington, and Gutierrez
Nays: None
Absent: None

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on August 1, 2023, of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: August 1, 2023

(seal) Kimberly A. Rector, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

By:  Deputy

AGENDA NO.
3.21

xc: FM, RUHS-BH, COB

RECOMMENDED MOTION:

SUBMITTAL TO THE BOARD OF SUPERVISORS
That the Board of Supervisors of the **COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.21
(ID # 21391)

MEETING DATE:
Tuesday, August 01, 2023

FROM : FACILITIES MANAGEMENT:

SUBJECT: Facilities Management, Real Estate Division: Approval of Second Amendment to Lease - Riverside University Health System - Behavioral Health, Temecula, 10 Year Lease Extension, California Environmental Quality Act Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 3 [Total Cost \$6,133,455 - Federal 40%, State 60% - 100% RUHS-BH General Fund 10000] (Clerk to File Notice of Exemption)

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. Approve the attached Second Amendment to Lease Agreement with Stewart Group Temecula, LLC, and authorize the Chairman of the Board to execute the same on behalf of the County;
3. Authorize the Director of Facilities Management, or designee, to execute any other documents and administer all actions necessary to complete this transaction; and
4. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) business days of approval by the Board.

ACTION:Policy, CIP


Rose Salgado, Director of Facilities Management 7/18/2023

MINUTES OF THE BOARD OF SUPERVISORS

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$380,542	\$582,019	\$6,133,455	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Federal 40%, State 60% - 100% RUHS-BH General Fund 10000			Budget Adjustment:	No
			For Fiscal Year:	23/24 -33/34

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside has been under lease at 40925 County Center Drive, Suite 100, 110, 140 and 200, Temecula since December 10, 2013, for use by Riverside University Health System – Behavioral Health (RUHS-BH). The facility provides services to adult individuals suffering from severe mental health issues. These services include crisis intervention, psychiatric assessment, recovery management, medical services, and dual-diagnosis treatment.

The facility continues to meet RUHS-BH program requirements and this proposed Second Amendment to Lease between the County and Stewart Group Temecula, LLC, a California limited liability company (Lessor) will extend the term ten (10) years, amend the rental amount, modify County's Right to Early Termination, and include Tenant Improvements to be paid by Lessor. Commencing September 1, 2023, rent will stay at the current rate of \$1.95 per square foot through fiscal year 2024/25. Scheduled rent for remaining years will increase approximately 2.5% annually.

Pursuant to the California Environmental Quality Act (CEQA), the Second Amendment to Lease 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 proposed project, the Second Amendment to Lease, is the letting of property involving existing facilities and no expansion of an existing use will occur.

The Second Amendment to Lease is summarized as follows:

Lessor: Stewart Group Temecula, LLC
2612 26th Street
Santa Monica, California 90405-2822

Location: 40925 County Center Drive, Suites 100, 110, 140 and 200, Temecula, California

Term: Commencing September 1, 2023, expiring August 31, 2033

Option to Terminate: Option to Terminate after August 31, 2028, with one-hundred eighty (180) days advance notice to Lessor and three (3) months' rent as a penalty.

Size: 21,941 sq. ft.

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Rent:	Current	New
	\$1.95 per sq. ft.	\$1.95 per sq. ft.
	\$42,747.32 per month	\$42,747.32 per month
	\$512,967.84 per year	\$512,967.84 per year

2.5% annual increase commencing September 1, 2025

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

Custodial: Provided by Lessor

Maintenance: Provided by Lessor

Tenant Improvements: At Lessor's sole cost and expense, tenant improvements shall include patch and paint throughout, flooring throughout, one hydration station and glass partition in downstairs reception area. Additionally, Lessor agrees to provide the sum of \$109,705.00 for any requested tenant improvements after sixty-one months at Lessor's sole cost and expense.

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

Impact on Citizens and Businesses

The expansion of healthcare services and programs offered at this facility will provide a positive benefit to the citizens of this region of the County. Businesses in the area will also benefit from the added activity and the positive economic impact that County occupancy and long-term jobs provide to the region.

SUPPLEMENTAL:

Additional Fiscal Information:

See attached Exhibit A, B, and C.

All the associated costs for this Second Amendment will be budgeted in FY 23/24 through 33/34 remitted from the RUHS-Behavioral Health budget. The RUHS-Behavioral Health will reimburse Facilities Management-Real Estate Division (FM-RE) for all associated lease costs on a monthly basis.

Contract History and Price Reasonableness:

This Lease has been in place since December 2013.

Lease & Amendments

Lease
First Amendment

Date an M.O.

December 10, 2013 (M.O. 3.17)
January 17, 2017 (M.O. 3.13)

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Attachments:

- Second Amendment
- Exhibits A, B & C
- Notice of Exemption
- Aerial Map

Veronica Santillan
Veronica Santillan, Principal Management Analyst 7/24/2023

Aaron Gettis
Aaron Gettis, Deputy County Counsel 7/19/2023