

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



ITEM: 3.16
(ID # 21805)

MEETING DATE:

Tuesday, September 12, 2023

FROM : FACILITIES MANAGEMENT:

SUBJECT: FACILITIES MANAGEMENT - REAL ESTATE (FM-RE) AND RIVERSIDE UNIVERSITY HEALTH SYSTEM (RUHS): Ratify and Approve of the First Amendment to Lease with Bel Air Plaza, LTD, Moreno Valley, Five-Year Lease Extension, California Environmental Quality Act Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 5. [Total Cost: \$2,113,705 - 40% Federal, 60% State - 100% RUHS General 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 Lease between the County of Riverside and Bel Air Plaza, LTD, and authorize the Chair 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) working days of approval by the Board.

ACTION:Policy, CIP


Matthew Chang, Director

8/17/2023


Rose Salgado, Director of Facilities Management

8/28/2023

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, Perez, Washington, and Gutierrez
Nays: None
Absent: None
Date: September 12, 2023
xc: FM-RE, RUHS, 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	\$399,455.70	\$410,039.94	\$2,113,705.08	\$
NET COUNTY COST	\$0	\$0	\$0	\$
SOURCE OF FUNDS: 40% Federal, 60% State – RUHS General Fund 10000			Budget Adjustment: NO	
			For Fiscal Year: 23/24 -27/28	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Riverside University Health System (RUHS) has been under lease at 23119 Cottonwood Avenue, Building A in Moreno Valley since March 17, 1998, for use by their Behavioral Health Children’s Clinic (Lease). The facility continues to meet the needs of Riverside University Health System in serving the community, and this proposed First Amendment to Lease (First Amendment) will extend the lease 5 years with no improvements required.

Pursuant to the California Environmental Quality Act (CEQA), the First Amendment was reviewed and determined to be categorically exempt from State CEQA Guidelines Section 15301, Class 1 - Existing Facilities Exemption and Section 15061(b)(3), “Common Sense” Exemption. The proposed project, the First Amendment to Lease, is the letting of property involving existing facilities.

The terms of the First Amendment are summarized as follows:

Lessor: Bel Air Plaza, LTD
9150 Wilshire Boulevard, Suite 210
Beverly Hills, CA 90212

Premises: 23119 Cotton Avenue, Building A
Moreno Valley, CA 92553

Size: 14,019 Square Feet

Term: Five (5) years, commencing July 1, 2023, and ending June 30, 2028

Rent:

<u>Current</u>	<u>New</u>
\$2.19 per sq. ft.	\$2.15 per sq. ft.
\$30,728.94 per month	\$30,140.85 per month
\$368,747.28 per year	\$361,690.20 per year

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

Annual Increase: Commencing July 1, 2024, three percent (3%) annual increases.

Options: Two (2) separate and consecutive one (1) year options to extend

Interior/Exterior Maintenance: Provided by Lessor

Custodial: Provided by Lessor

Utilities: County pays electric. Lessor pays water, gas, and trash removal and sewer.

Impact on Residents and Businesses

RUHS will continue to provide program services at its Moreno Valley Children's Clinic that will positively benefit the residents of the region. This facility will continue to provide an economic impact to the area and through long term County jobs and business that will benefit from employee and client interaction.

Additional Fiscal Information

See Attached Exhibits A, B, & C. RUHS will budget these costs in FY 2023/24 through FY 2027/28.

Contract History and Price Reasonableness

Lease June 6, 2017 (M.O. 3.8)

ATTACHMENT:

- First Amendment to Lease
- Form 11 Exhibits A, B, C
- Notice of Exemption
- Aerial


Aaron Gettis, Deputy County Counsel 8/29/2023

County of Riverside
Facilities Management
3450 14th Street, Second Floor, Riverside, CA


FOR COUNTY CLERK USE ONLY

FILED / POSTED

County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

E-202300966
09/12/2023 03:47 PM Fee: \$ 50.00
Page 1 of 2

Removed: _____ By: _____ Deputy _____



NOTICE OF EXEMPTION

May 4, 2023

Project Name: Riverside University Health System Department of Behavioral Health (RUHS-BH) First Amendment to Lease with Bel Air Plaza, LTD, 23119 Cottonwood Avenue, Building A, Moreno Valley

Project Number: FM042462002400

Project Location: 23119 Cottonwood Avenue, east of Frederick Street, Building A, Moreno Valley, California 92553
Assessor's Parcel Number (APN): 296-151-029

Description of Project: The County of Riverside RUHS-BH has been under lease at 23119 Cottonwood Avenue, Building A in Moreno Valley since March 17, 1998, for use by their Behavioral Health Children's Clinic (Lease). The Department occupies 14,019 square feet of office space and the facility continues to meet the needs of RUHS in serving the community, and a First Amendment to Lease is being sought for the purpose of extending the term for five years, increasing the rent, update the county's termination, and updating the notice section of the Lease.

The First Amendment to the Lease Agreement which will commence July 1, 2023 and terminate on June 30, 2028, is identified as the proposed project under the California Environmental Quality Act (CEQA). No expansion of an existing use will occur. The operation of the facility will continue to provide behavioral health services for RUHS and will not result in an increase in the intensity of the use of the site. 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

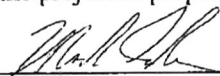
Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

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 First Amendment to the Lease Agreement.

- **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 an Amendment to a Facilities Lease Agreement to extend the term, increase the rent, and update the termination and notice sections of the Lease. The revisions will result in the continued use, operation, and maintenance of the facility. The use of the facility would not result in any physical changes and no expansion of public services would occur as a result of the First Amendment. 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 First Amendment, which will extend the term of the Lease and revise termination and modification terms,, 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: 5-4-2023

Mike Sullivan, Senior Environmental Planner
County of Riverside, Facilities Management

FIRST AMENDMENT TO LEASE
23119 Cottonwood Ave, Building A
Moreno Valley, California

This **FIRST AMENDMENT TO LEASE** ("First Amendment") dated as of September 12, 2023 is entered by and between **Bel Air Plaza, LTD**, a California Limited Partnership ("Lessor"), and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), sometimes collectively referred to as the "Parties".

RECITALS

a. **Bel Air Plaza, LTD**, as lessor, and County entered into that certain Lease dated February 6, 2018 ("Original Lease") whereby **Bel Air Plaza, LTD** agreed to lease to County and County agreed to lease from **Bel Air Plaza, LTD** that certain building located at 23119 Cottonwood Ave, Building A, Moreno Valley, California ("the Building"), as more particularly described in the Lease ("the Original Premises").

b. County and Lessor desire to amend the Lease with this First Amendment to extend the term period, add the option to extend term, amend the rental amount, yearly percentage increase, and the option to extend the term and to update the Notice section.

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

1. Term. Section 4.1 of the Lease is amended by the following: The term of the Lease shall be extended for a period of five (5) years commencing July 1, 2023 and expiring June 30, 2028 (the "Extension Term").

2. Options. Section 6.1 of the Lease is amended by the following: Lessor grants to County two (2) options to extend the Lease term ("Extension Options"). Each Extension Option shall be for two (2) separate and consecutive one (1) year periods, each an "Extended Term", which options shall be exercised by County giving Lessor notice of its election thereof, in writing, no later than ninety (90) days prior to the expiration of this Lease.

3. Rent. Section 5.1 of the Lease is hereby amended by the following:

1 County shall pay the sum of \$30,140.85 per month to Lessor as rent for the Leased
2 Premises, payable, in advance, on the first day of the month or as soon thereafter as a
3 warrant can be issued in the normal course of County's business.

4 **4. Percentage Increase.** Section 5.2 of Lease is hereby amended by the
5 following: Notwithstanding the provisions of Section 5.1 herein, the monthly rent shall
6 be increased on each anniversary of this Lease by an amount equal to three percent
(3%) of the then-current monthly rental.

7 **5. Notice.** Section 19.18 of the Lease shall be amended as follows:

8 **County's Notification Address:**

9 County of Riverside
10 Facilities Management
11 Real Estate Division
12 3450 14th Street, Suite 200
13 Riverside, CA 92501
14 Attention: Deputy Director of Real Estate
15 Telephone: (951) 955-4820
16 Other Inquiries: FM-Leasing@rivco.org

17 **Lessor's Notification Address:**

18 Bel Air Plaza, Ltd.
19 9150 Wilshire Blvd., Suite 210
20 Beverly Hills, CA 90212
21 Telephone: (310) 553-1776

22 **5. Capitalized Terms.** FIRST AMENDMENT TO PREVAIL. Unless defined herein
23 or the context requires otherwise, all capitalized terms herein shall have the meaning defined in
24 the Lease, as heretofore amended. The provisions of this First Amendment shall prevail over
25 any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall
26 supplement the remaining provisions thereof.

27 **6. Miscellaneous.** Except as amended or modified herein, all the terms of
28 the Lease shall remain in full force and effect and shall apply with the same force and
effect. If any provisions of this First Amendment or the Lease shall be determined to
be illegal or unenforceable, such determination shall not affect any other provision of

1 the Lease and all such other provisions shall remain in full force and effect. The
2 language in all parts of the Lease shall be construed according to its normal and usual
3 meaning and not strictly for or against either Lessor or Lessee. Neither this First
4 Amendment, nor the Lease, nor any notice nor memorandum regarding the terms
hereof, shall be recorded by Lessee.

5 **7. Effective Date.** This First Amendment shall not be binding or
6 consummated until its approval by the Riverside County Board of Supervisors and fully
7 executed by the Parties.

8 (SIGNATURE ON NEXT PAGE)

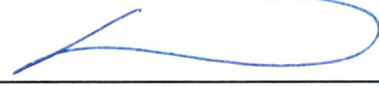
1 **In Witness Whereof**, the Parties have executed this First Amendment as of the
2 date first written above.

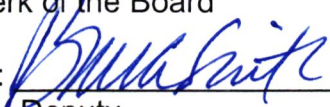
3 Dated: 9/12/23
4


5 COUNTY:
6 County of Riverside, a political
7 subdivision of the State of California

LESSOR:
Bel Air Plaza LTD, a California
limited partnership

8 
9 By: _____
10 Kevin Jeffries, Chair
Board of Supervisors

8 
9 By: _____
10 Michelle Rubin
President

11
12 **ATTEST:**
13 Kimberly Rector
14 Clerk of the Board
15 
16 By: _____
17 Deputy

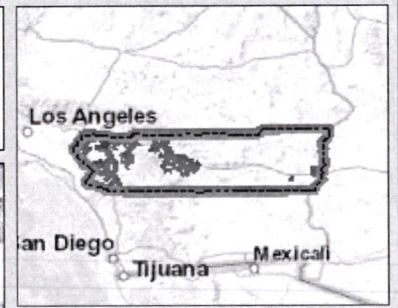
18 **APPROVED AS TO FORM:**
19 Minh C. Tran
20 COUNTY COUNSEL
21 
22 By: _____
23 Braden Holly
24 Deputy County Counsel

25 CT:cb/05052023/30.931MV024
26
27
28

SEP 12 2023 3.16

Riverside University Health System - Behavioral Health

23119 Cottonwood Avenue, Moreno Valley, CA 92553



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
Parcel outlined in black
Blue dot on building
APN:296-151-029

0 376 752 Feet

REPORT PRINTED ON... 4/25/2023 4:48:34 PM

© Riverside County GIS

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:
COST	\$ 399,456	\$ 410,040	\$ 2,113,705
NET COUNTY COST	\$ -	\$ -	\$ -

*Complete all yellow highlighted fields.

Last updated on 6/12/2019

Current Fiscal Year:	<input type="text" value="7/1/2023"/>	through	<input type="text" value="6/30/2024"/>
Name:	<input type="text" value="RUHS - BH"/>		
Premises:	<input type="text" value="23119 Cottonwood Ave, Building A, Moreno Valley"/>		
Term:	<input type="text" value="5"/>	years	<input type="text" value="60"/>
Effective Date	<input type="text" value="7/1/2023"/>		
Termination Date	<input type="text" value="6/30/2028"/>		
Fiscal Year Split:	(Jul - Dec)	6	
	(Jan - Jun)	<u>6</u>	
		12 months	
Size:	<input type="text" value="14,019"/>	SQFT	
Rent:	Current		New
	\$ 2.13 SQFT		\$ 2.15 SQFT
	<input type="text" value="\$ 29,862.92"/> per month		<input type="text" value="\$ 30,140.85"/> per month
	\$ 358,355 per year		\$ 361,690 per year
Rental Adjustment %:	<input type="text" value="3.00%"/>		
Estimated Additional Costs:			
Utility Cost per SQFT	<input type="text" value="\$ 0.12"/>		
RCIT	<input type="text"/>		
Tenant Improvement	<input type="text"/>		
Lease Management Fee	<input type="text" value="4.86%"/>	New agreement	
Total County Cost %	<input type="text" value="0.00%"/>		

Exhibit A

FY 2023/24

RUHS - BH

23119 Cottonwood Ave, Building A, Moreno Valley

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	14,019 SQFT	
Approximate Cost per SQFT(Jul - Dec)	\$ 2.15	
Approximate Cost per SQFT(Jan - Jun)	\$ 2.15	
Lease Cost per Month(Jul - Dec)		\$ 30,140.85
Lease Cost per Month(Jan - Jun)		\$ 30,140.85
Total Lease Cost(Jul - Dec)		\$ 180,845.10
Total Lease Cost(Jan - Jun)		\$ 180,845.10
Total Estimated Lease Cost for FY 2023/24		\$ 361,690.20

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 1,682.28
Total Estimated Utility Cost(Jul - Dec)		\$ 10,093.68
Total Estimated Utility Cost(Jan - Jun)		\$ 10,093.68
Total Estimated Utility Cost for FY 2023/24		\$ 20,187.36

FM Lease Management Fee as of 7/1/2022	4.86%	\$ 17,578.14
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TOTAL ESTIMATED COST FOR FY 2023/24		\$ 399,455.70
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TOTAL COUNTY COST	0%	\$ -
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Exhibit A

FY 2024/25

RUHS - BH

23119 Cottonwood Ave, Building A, Moreno Valley

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	14,019	SQFT	
Approximate Cost per SQFT(Jul - Dec)	\$ 2.21		
Approximate Cost per SQFT(Jan - Jun)	\$ 2.21		
Lease Cost per Month(Jul - Dec)		\$ 30,981.99	
Lease Cost per Month(Jan - Jun)		\$ 30,981.99	
Total Lease Cost(Jul - Dec)		\$ 185,891.94	
Total Lease Cost(Jan - Jun)		\$ 185,891.94	
Total Estimated Lease Cost for FY 2024/25		\$ 371,783.88	

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month		\$ 1,682.28	
Total Estimated Utility Cost(Jul - Jun)		\$ 20,187.36	
Total Estimated Utility Cost for FY 2024/25		\$ 20,187.36	
<hr/>			
FM Lease Management Fee as of 7/1/2022	4.86%	\$ 18,068.70	
TOTAL ESTIMATED COST FOR FY 2024/25		\$ 410,039.94	
TOTAL COUNTY COST	0%	\$ -	

Exhibit C

**FY 2025/26 to 2028/29
RUHS - BH
23119 Cottonwood Ave, Building A, Moreno Valley**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 14,019 SQFT

	FY 2025/26	FY 2026/27	FY 2027/28
Approximate Cost per SQFT(Jul - Dec)	\$ 2.28	\$ 2.35	\$ 2.42
Approximate Cost per SQFT(Jan - Jun)	\$ 2.28	\$ 2.35	\$ 2.42
Lease Cost per Month(Jul - Dec)	\$31,963.32	\$32,944.65	\$33,925.98
Lease Cost per Month(Jan - Jun)	\$31,963.32	\$32,944.65	\$33,925.98
Total Lease Cost(Jul - Dec)	\$ 191,779.92	\$ 197,667.90	\$ 203,555.88
Total Lease Cost(Jan - Jun)	\$ 191,779.92	\$ 197,667.90	\$ 203,555.88
Total Estimated Lease Cost for FY 2025/26 to 2028/29	\$ 383,559.84	\$ 395,335.80	\$ 407,111.76

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 1,682.28	\$ 1,682.28	\$ 1,682.28
Total Estimated Utility Cost for FY 2024/25 to 2027/28	\$ 20,187.36	\$ 20,187.36	\$ 20,187.36

FM Lease Management Fee as of 7/1/2021	4.86%	\$ 18,641.01	\$ 19,213.32	\$ 19,785.63
TOTAL ESTIMATED COST FOR FY 2025/26 to 2028/29		\$ 422,388.21	\$ 434,736.48	\$ 447,084.75

F11 Total Cost		\$ 2,113,705.08
F11 Total County Cost	0%	\$ -