

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



ITEM: 3.15
(ID # 23246)

MEETING DATE:

FROM : FACILITIES MANAGEMENT:

Tuesday, February 06, 2024

SUBJECT: FACILITIES MANAGEMENT, REAL ESTATE DIVISION (FM-RE) AND RIVERSIDE UNIVERSITY HEALTH SYSTEM - BEHAVIORAL HEALTH: Ratification and Approval of Option Letter to Extend Lease and Ratification and Approval of First Amendment to Lease Agreement with Perris Valley Spectrum, LP, Riverside, Perris, Five-Year Lease; District 1. CEQA Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061 (b)(3). [Total Cost: \$1,747,111 - State 70%; Federal 30% - 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 Option Letter to Extend Lease with Perris Valley Spectrum, LP (Perris Valley Spectrum), a California limited partnership;
3. Ratify and Approve the attached First Amendment to Lease Agreement with Perris Valley Spectrum, and authorize the Chairman of the Board to execute the same on behalf of the County;
4. Authorize the Director of Facilities Management, or designee, to execute the option to extend the Lease, and any other documents and administer all actions necessary to complete this transaction; and
5. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk and the State Clearinghouse within five (5) working days of approval by the Board.

ACTION:Policy, CIP


Matthew Chang, Director

1/25/2024


Rose Salgado, Director of Facilities Management

1/30/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, 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: February 6, 2024

xc: FM-RE, RUHS-BH, 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	\$138,844	\$336,467	\$1,747,111	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: Behavioral Health Fund 10000 - State 70%, Federal 30%			Budget Adjustment: No For Fiscal Year: 23/24 – 28/29	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside has been under lease at 2560 N. Perris Blvd., Suite N-1, Perris (Assessor's Parcel No. 305-080-064), since September 26, 2017, for use by Riverside University Health System – Behavioral Health's (RUHS-BH) Transitional Age Youth (TAY) program (Lease). The facility provides peer services, clinical assessment services, individual, group therapy and medication management to clients between ages 16-25. The attached Exercise of Option to Extend dated November 24, 2020, extended the Lease for an additional three (3) years, and expires on January 31, 2024.

RUHS-BH will continue to occupy the facility, and this proposed First Amendment to Lease (First Amendment) between the County and Perris Valley Spectrum, LP, a California limited partnership (Lessor), will extend the term five (5) years commencing February 1, 2024, with an option to extend for an additional three (3) years. Additionally, included after the third year is County's option to terminate the Lease without cause. Lessor will complete painting of the interior at Lessor's sole cost and expense.

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 and Section 15061(b)(3), "Common Sense" Exemption. The proposed project, the First Amendment, is the letting of property involving existing facilities and no expansion of an existing use will occur.

The First Amendment is summarized as follows:

Lessor: Perris Valley Spectrum, LP
25401 Cabot Road, Suite 208
Laguna Hills, CA 92653

Location: 2560 N. Perris Blvd., Suite N1
Perris, California

Size: 11,200 square feet

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

Term: Five (5) years commencing February 1, 2024, and expiring January 31, 2029

Extension Option: One (1) option to extend for three (3) years

Rent:

	<u>Current</u>	<u>New</u>
	\$ 1.77 per sq. ft.	\$ 2.25 per sq. ft.
	\$ 19,785.00 per month	\$ 25,200.00 per month
	\$237,420.00 per year	\$302,400.00 per year

Rent Adjustment: 2.5% annually commencing February 1, 2025.

Utilities: County pays for telephone. All other utilities provided by Lessor.

Custodial: Provided by Lessor

Interior/Exterior Maintenance: Provided by Lessor

Tenant Improvements: At Lessor's sole cost and expense, Lessor will paint interior of suite.

Impact on Citizens and Businesses

There is a positive impact on residents and local business. This facility provides peer services, clinical assessment services, individual and group therapy, and medication management to clients ages 16-25. The facility also provides a positive economic impact to the area which will include jobs and increased business in the region.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B, & C.

All the associated costs for this Amendment will be budgeted in FY23/24 through FY28/29 through the RUHS-Behavioral Health budget. RUHS-Behavior Health will reimburse Facilities Management – Real Estate Division (FM-RE) for all associated lease costs.

Contract History and Price Reasonableness

Lease – September 26, 2017 – M.O. 3.7

The Lease rate is within current market rates.

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

ATTACHMENTS:


- Option to Extend Notice
- First Amendment to Lease
- Exhibits A, B & C
- Notice of Exemption
- Aerial Map

SC:il/12282023/PR068/40.001

Veronica Santillan
Veronica Santillan, Principal Management Analyst 1/31/2024

Aaron Gettis
Aaron Gettis, Deputy County Counsel 1/30/2024

County of Riverside
Facilities Management-
3450 14th Street, Riverside, CA

FILED / POSTED		
County of Riverside		
Peter Aldana		
Assessor-County Clerk-Recorder		
E-202400134		
02/07/2024 10:42 AM Fee: \$ 50.00		
Page 1 of 2		
Removed:	By:	Deputy
		

NOTICE OF EXEMPTION

October 12, 2023

Project Name: Approval of First Amendment with Stewart Group, LLC for Riverside University Health System Department of Behavioral Health (RUHS-BH), 40925 County Center Drive, Perris

Project Number: FM042552006800

Project Location: 2560 North Perris Boulevard, Suite N1, north of Orange Avenue, Perris, California, 92571, Assessor's Parcel Number (APN) 305-080-064

Description of Project: The County of Riverside (County) has been leasing office space located at 2560 North Perris Boulevard, Suite N-1, Perris, since September 26, 2017, pursuant to that certain Lease between the County and Perris Valley Spectrum for use by the RUHS-BH Transitional Age Youth (TAY) program. The facility provides peer services, clinical assessment services, individual, group therapy and medication management to clients between ages 16-25.

RUHS-BH will continue to occupy the facility, and the proposed First Amendment to Lease between the County and Perris Valley Spectrum, LP (Lessor) will extend the term, amend the rental amount, add an option to extend, modify County's Right to Early Termination, and provide for minor tenant improvements. The First Amendment to the Lease Agreement, which will extend the Lease for an additional five-year term, will commence on February 1, 2024 and terminate on January 31, 2029. The First Amendment 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 behavioral 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 First Amendment to the Lease Agreement.

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FIRST AMENDMENT TO LEASE
2560 N. Perris Blvd., Suite N-1
Perris, California

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This **FIRST AMENDMENT TO LEASE** ("First Amendment") is made as of February 06, 2024 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), as Lessee, and **PERRIS VALLEY SPECTRUM, LP**, a California Limited Partnership ("Lessor"). successor-in-interest to **PERRIS INVESTMENT TRUST**, and sometimes collectively referred to as the "Parties".

RECITALS

A. Perris Investment Trust ("Lessor"), and County entered into that certain Lease dated September 26, 2017 ("Original Lease") pursuant to which Lessor agreed to lease to County and County agreed to lease from Lessor, a portion of that certain building located at 2560 N. Perris Blvd., Perris, California, as more particularly described in the Original Lease, and also referred to as the "Premises." The Premises is occupied by Riverside University Health System-Behavioral Health.

B. On or about November 24, 2020, County exercised its option to extend the Original Lease, with the term set to expire on January 31, 2024.

C. County and Lessor desire to amend the Original Lease with this First Amendment to extend the term, amend the base rent, update the annual percentage increase, modify the option to extend, add tenant improvements, update the Notice section, and amend the option to terminate.

D. The Original Lease, together with this First Amendment, shall be collectively referred to as the "Lease".

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

1 1. **Term.** Section 4.1 of the Lease is hereby amended by the following: The
2 term of the Lease shall be extended for a period five (5) years commencing February 1,
3 2024, and expiring January 31, 2029 (the "Term").

4 2. **Rent.** Section 5.1 of the Original Lease is hereby amended by the
5 following: County shall pay the sum of Twenty-Five Thousand, Two Hundred Dollars,
6 and 00/100 (\$25,200.00) per month to Lessor as rent.

7 3. **Percentage Increase.** Section 5.2 of the Original Lease is hereby
8 amended by the following: The monthly rent shall be increased on each anniversary of
9 this Lease, February 1st, by an amount equal to two and a half percent (2.5%) of the
10 monthly rental in the preceding year.

11 4. **Tenant Improvement.** Section 5 will be amended to add Section 5.4 as
12 follows: Lessor, at its sole cost and expense, agrees to paint the interior of the suite.
13 Work to commence upon Board of Supervisors approval of the First Amendment to
14 Lease or a mutually agreeable date.

15 5. **Option to Extend.** Section 6.1 of the Lease is hereby amended by the
16 following: Lessor grants to County one (1) option to extend the Lease term ("Extension
17 Option"). The Extension Option shall be for a period of three (3) years ("Extended
18 Term").

19 6. **Option to Terminate.** Section 6.4 is hereby amended to add Section
20 6.4.3 as follows: County has the option to terminate this Lease after February 1, 2027
21 upon serving Lessor with a ninety (90) day advance written notice.

22 7. **Notice.** Section 19.17 of the Original Lease shall be amended as follows:
23 Except as expressly provided elsewhere in this Lease, all notices and other
24 communication required under this Lease shall be in writing and delivered by: (a)
25 Certified Mail, postage prepaid, return receipt requested, in the United States mail; or
26 (b) via an overnight courier that provides written evidence of delivery and addressed to
27 the Party hereto to whom the same is directed at the addresses set forth in this Section.
28

1 Either Party hereto may from time to time change its mailing address by written notice to
2 the other Party.

3 **County's Notification Address:**

Lessor's Notification Address:

4 County of Riverside
5 Department of Facilities Management
6 3450 14th St., Suite 200
7 Riverside, California 92501

Perris Valley Spectrum, LP
25401 Cabot Road, Suite 208
Laguna Hills, CA 92653
(949) 545-2597

8 Attention: Deputy Director of Real Estate

9 FM-Leasing@Rivco.org

10 (951) 955-4820

11 8. **FIRST AMENDMENT TO PREVAIL.** The provisions of this First
12 Amendment shall prevail over any inconsistent or conflicting provisions of the Original
13 Lease. Any capitalized terms shall have the meaning defined in the Original Lease,
14 unless defined herein or the context requires otherwise.

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

26 10. **EFFECTIVE DATE.** This First Amendment to Lease shall not be binding
27 or consummated until its approval by the Riverside County Board of Supervisors and
28 fully executed by the Parties.

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11. **AUTHORITY TO ENTER INTO AGREEMENT**. Each of the parties to this Agreement hereby represents and warrants to the other that it is duly authorized and empowered to execute, deliver and perform this Agreement and that such action does not conflict with or violate any provision of law, regulation, policy, contract, deed of trust or other instrument to which it is a party or by which it is bound and that this Agreement constitutes a valid and binding obligation of it enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Lease as of the date first written above.


LESSEE:
COUNTY OF RIVERSIDE,
a political subdivision of the
State of California

LESSOR:
PERRIS VALLEY SPECTRUM, LP,
a California limited Partnership

By: 
CHUCK WASHINGTON Chair
Board of Supervisors

By: 
PVS Management, LLC, a
California limited liability company
Its General Partner,
Jason J. Radwan, Manager

ATTEST:
Kimberly Rector
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
Minh C. Tran
County Counsel

By: 
Ryan Yabko
Deputy County Counsel

JG:i/12282023/PR068/40.001

Exhibit A

FY 2023/24

RUHS - Behavioral Health

2560 N. Perris Blvd., Suite N-1, Perris, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	11,200	SQFT	
Approximate Cost per SQFT (Feb - Jun)	\$ 2.25	SQFT	
Lease Cost Per Month (Feb - Jun)		\$ 25,200.00	
Total Lease Cost (Feb - Jun)			\$ 126,000.00
Total Estimated Lease Cost for FY 2023/24			\$ 126,000.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month		\$ 1,344.00	
Total Estimated Utility Cost			\$ 6,720.00
			\$ 6,720.00
FM Lease Management Fee as of 07/01/2023	4.86%		\$ 6,123.60
TOTAL ESTIMATED COST FOR FY 2023/24			\$ 138,843.60
TOTAL COUNTY COST	0%		\$ -

Exhibit B

FY 2024/25

RUHS - Behavioral Health

2560 N. Perris Blvd., Suite N-1, Perris, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	11,200 SQFT	
Approximate Cost per SQFT (Jul - Jan)	\$ 2.25	
Approximate Cost per SQFT (Feb - Jun)	\$ 2.31	
Lease Cost per Month (Jul - Jan)		\$ 25,200.00
Lease Cost per Month (Feb - Jun)		\$ 25,830.00
Total Lease Cost (Jul - Jan)		\$ 176,400.00
Total Lease Cost (Feb - Jun)		\$ 129,150.00
Total Estimated Lease Cost for FY 2024/25		\$ 305,550.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 1,344.00
Total Estimated Utility Cost		\$ 16,128.00
		\$ 16,128.00
FM Lease Management Fee as of 07/01/2024	4.84%	\$ 14,788.62
TOTAL ESTIMATED COST FOR FY 2024/25		\$ 336,466.62
TOTAL COUNTY COST	0%	\$ -

Exhibit C

FY 2025/26 to 2028/29
RUHS - Behavioral Health
2560 N. Perris Blvd., Suite N-1, Perris, California

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 11,200 SQFT

	FY 2025/26		FY 2026/27		FY 2027/28		FY 2028/29
Approximate Cost per SQFT (Jul - Jan)	\$ 2.31	\$	2.36	\$	2.42	\$	2.48
Approximate Cost per SQFT (Feb - Jun)	\$ 2.36	\$	2.42	\$	2.48	\$	
Lease Cost per Month (Jul - Jan)	\$ 25,830.00	\$	26,475.75	\$	27,137.64	\$	27,816.08
Lease Cost per Month (Feb - Jun)	\$ 26,475.75	\$	27,137.64	\$	27,816.08	\$	-
Total Lease Cost (Jul - Jan)	\$ 180,810.00	\$	185,330.25	\$	189,963.48	\$	194,712.56
Total Lease Cost (Feb - Jun)	\$ 132,378.75	\$	135,688.20	\$	139,080.40	\$	-
Total Estimated Lease Cost for FY 2025/26 to 2028/29	\$ 313,188.75	\$	321,018.45	\$	329,043.88	\$	194,712.56

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$	0.12	\$	0.12	\$	0.12
Estimated Utility Costs per Month	\$ 1,344.00	\$	1,344.00	\$	1,344.00	\$	1,344.00
Total Estimated Utility Cost	\$ 16,128.00	\$	16,128.00	\$	16,128.00	\$	9,408.00
FM Lease Management Fee as of 07/01/2024 4.84%	\$ 15,158.34	\$	15,537.29	\$	15,925.72	\$	9,424.09
TOTAL ESTIMATED COST FOR FY 2025/26 to 2028/29	\$ 344,475.09	\$	352,683.74	\$	361,097.60	\$	213,544.65

F11 Total Cost		\$ 1,747,111.30		
F11 Total County Cost	0%	\$ -		

Riverside University Health System - Behavioral Health

2650 N. Perris Blvd, Suite N1, CA



Legend

- County Boundary
- City Boundaries
- County Centerline Names
- County Centerlines
- Blueline Streams
- City Areas



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

Assessor's Parcel Number 305-080-064.
District 1.
Building outlined in blue

0 335 670 Feet

REPORT PRINTED ON... 1/30/2024 11:58:11 AM

© Riverside County GIS



November 24, 2020

Sent via Fedex and Email

Ms. Natasha Radwan
25401 Cabot Road
Laguna Hills, CA 92653

RE: Exercise of Option to Extend: Lease Agreement between County of Riverside and Perris Valley Spectrum, LP – 2560 N. Perris Blvd., Suite N1, Perris, California

Dear Ms. Radwan,

Please consider this letter formal written notice, pursuant to Section 6 of the above-referenced lease agreement by and between the County of Riverside ("County") and Perris Valley Spectrum, LP ("Lessor"), that the County of Riverside formally exercises its option to extend the term of said lease three (3) years, commencing February 1, 2021, through January 31, 2024.

We look forward to our continued tenancy with Perris Valley Spectrum, LP.

Sincerely,



Steve Gilbert, Deputy Director of Real Estate
Facilities Management - Real Estate Division

File Copy: PR068

Facilities Management

3133 Mission Inn Ave.
Riverside CA 92507
Main Line: 951.955.3345 Fax: 951.955.4828
Facilities Emergency 24-Hour Line: 951.955.4850

Project Management Office
Maintenance & Custodial
Real Estate & Parking
Energy Efficiency
Administration

Success means exceeding our customer's expectations.