

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



**ITEM: 3.8
(ID # 23754)**

MEETING DATE:
Tuesday, March 12, 2024

FROM : FACILITIES MANAGEMENT:

SUBJECT: FACILITIES MANAGEMENT - REAL ESTATE DIVISION (FM-RE): Approval of Notice of Option to Extend with Campus Professional Center, LLC, Riverside University Health System, Moreno Valley, Five Year Extension; California Environmental Quality Act Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 5. [Total Cost: \$14,104,157 - 100% Hospital Enterprise Fund 40050] (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. Approve the attached Notice of Option to Extend with Campus Professional Center, 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 and the State Clearinghouse within five (5) days of approval by the Board.


ACTION:Policy, CIP


Rose Salgado, Director of Facilities Management 3/4/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Jeffries 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: March 12, 2024
xc: FM-RE, Recorder

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$2,662,768	\$14,104,157	\$
NET COUNTY COST	\$0	\$0	\$0	\$
SOURCE OF FUNDS: 100% Hospital Enterprise Fund 40050			Budget Adjustment: No	
			For Fiscal Year: 24/25 – 28/29	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On December 23, 2002, the County of Riverside entered into a lease for 73,770 square feet of office space located at 14375 Nason, Street, Moreno Valley, commonly referred to as the Campus Professional Center (CPC). Riverside University Health System (RUHS) and Department of Human Resources (HR) have occupied this building located adjacent to the RUHS Medical Center Campus. These departments provide vital services to the public and County staffing which support RUHS healthcare operations. The premises also serves as a field office location for the 5th District Supervisor. RUHS and HR wish to continue occupancy and the lease provides an Option to Extend for an additional term. Attached for approval is the Notice of Option to Extend to be provided to the Lessor for five additional years commencing July 1, 2024.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities 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.

The Lease terms are summarized as follows:

Lessor: Campus Professional Center, LLC
7095 Indiana Avenue, Suite 120
Riverside, CA 92506

Location: 14375 Nason Street
Moreno Valley, CA 92555

Size: 73,770 square feet

Term: Five years commencing July 1, 2024

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Rent:	<u>Current:</u>	<u>New:</u>
	\$2.67 per sq. ft.	\$2.75 per sq. ft.
	\$197,290.86 per month	\$203,209.58 per month
	\$2,367,490.32 per year	\$2,438,514.96 per year

Rent Adjustment: 3% annually commencing July 1, 2025.

Interior/Exterior
Maintenance: Provided by Lessor

Custodial: Provided by Lessor

Utilities: Provided by County

The attached Notice of Option to Extend has been approved by County Counsel as to form.

Impact on Residents and Businesses

RUHS will continue to provide healthcare services to the residents of the County through this facility. The continued occupancy of this building by the County provides a positive economic impact to this area and to local businesses.

Additional Fiscal Information

See attached Financial Exhibits. The occupying department has budgeted these costs through FY 28/29 and will reimburse Facilities Management for all lease costs on a monthly basis.

Contract History and Price Reasonableness

The Original Lease was executed on December 23, 2002. This extension represents a continuation of the Lease for an additional five years and is within market rates for similar facilities.

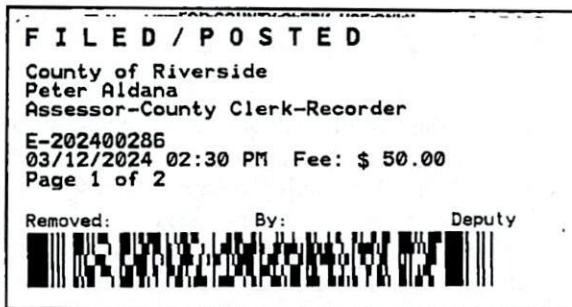
Attachments

- Option Notice Letter
- Financial Exhibits
- Aerial
- Notice of Exemption



Aaron Gettis, Chief Deputy County Counsel 3/5/2024

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



NOTICE OF EXEMPTION

February 9, 2024

Project Name: Riverside University Health System (RUHS) Approval of Notice of Option to Extend Lease Agreement with Campus Professional Center, LLC, Moreno Valley

Project Number: FM042462004100

Project Location: 14375 Nason Street, north of Cactus Avenue, Moreno Valley, California 92555; Assessor's Parcel Number (APN) 486-280-034

Description of Project: On December 23, 2002, the County of Riverside entered into a lease for 73,770 square feet of office space located at 14375 Nason Street, Moreno Valley, commonly referred to as the Campus Professional Center (CPC). RUHS and the Department of Human Resources, have occupied this building located adjacent to the RUHS hospital providing services to the public and County staffing which support RUHS operations. The Premises also serves as a field office location for the 5th District Supervisor. RUHS and Human Resources wish to continue occupancy and the lease provides an Option to Extend for another term. A Notice of Option to Extend will be provided to the Lessor to extend the Lease Agreement for five years commencing July 1, 2024. The Notice of Option to Extend CPC is identified as the proposed project under the California Environmental Quality Act (CEQA). The proposed project would not result in an increase in capacity or physical expansion. No significant physical changes would occur as a result of the Option to Extend.

Name of Public Agency Approving Project: Riverside County

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

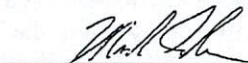
Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

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 Option to Extend.

- **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 Notice of Option to Extend is a contractual action to permit the continued operation of public services at the existing facility. The operation would be consistent with the existing land use, and no substantial increase in capacity would be created by the project. Therefore, the project is exempt as it meets the scope and intent of the Categorical 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 Notice of Option to Extend 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: 2-9-2024

Mike Sullivan
County of Riverside, Facilities Management



March 5, 2024

Ms. Helga Wolf
Campus Medical Center, LLC
7095 Indiana Avenue, Suite 120
Riverside, CA 92506

RE: Exercise of Option to Extend – Lease Agreement between County of Riverside and
Campus Medical Center, LLC, 14375 Nason Street, Moreno Valley; Riverside University
Health Services

Dear Ms. Wolf,

Please consider this letter formal written notice, pursuant to Section 4.5 of the above-
referenced lease agreement by and between the County of Riverside ("County") and Campus
Medical Center, LLC ("Lessor"), that the County of Riverside formally exercises its option to
extend the term of said lease five years, commencing July 1, 2024, through June 30, 2029.

We look forward to our continued tenancy with Campus Medical Center, LLC.

County of Riverside, a political subdivision
of the State of California

By: Chuck Washington
Chuck Washington, Chair
Board of Supervisors

Attest:
Kimberly Rector
Clerk of the Board

By: Naomy Li
Deputy

Approved as to Form:
Minh C. Tran
County Counsel

By: Braden Holly
Braden Holly
Deputy County Counsel

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Facilities Management
3450 14th Street Suite 200
Riverside CA 92501
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

Exhibit A

FY 2024/25

Campus Professional Center

14375 Nason Street, Moreno Valley, CA 92555

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	73,770 SQFT	
Approximate Cost per SQFT (Jul - Jun)	\$ 2.75 SQFT	
Lease Cost Per Month (Jul - Jun)	\$ 203,209.58	
Total Lease Cost (Jul - Jun)		\$ 2,438,514.96
Total Estimated Lease Cost for FY 2024/25		\$ 2,438,514.96

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month	\$ 8,852.40	
Total Estimated Utility Cost		\$ 106,228.80
		\$ 106,228.80
FM Lease Management Fee as of 7/1/2024	4.84%	\$ 118,024.12
		\$ 118,024.12
TOTAL ESTIMATED COST FOR FY 2024/25		\$ 2,662,767.88
TOTAL COUNTY COST	0.00%	\$ -

Exhibit B

FY 2025/26
Campus Professional Center
14375 Nason Street, Moreno Valley, CA 92555

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office:	73,770 SQFT	
Approximate Cost per SQFT (Jul - Jun)	\$ 2.84	
Lease Cost Per Month (Jul - Jun)	\$ 209,305.87	
Total Lease Cost (Jul - Jun)		\$ 2,511,670.41
Total Estimated Lease Cost for FY 2025/26		\$ 2,511,670.41

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month	\$ 8,852.40	
Total Estimated Utility Cost		\$ 106,228.80
		\$ 106,228.80
FM Lease Management Fee as of 07/01/2024	4.84%	\$ 121,564.85
		\$ 121,564.85
TOTAL ESTIMATED COST FOR FY 2025/26		\$ 2,739,464.06
TOTAL COUNTY COST	0.00%	\$ -

Exhibit C

FY 2026/27 to 2028/29
Campus Professional Center
14375 Nason Street, Moreno Valley, CA 92555

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Current Office: 73,770 SQFT

	FY 2026/27	FY 2027/28	FY 2028/29
Approximate Cost per SQFT (Jul - Jun)	\$ 2.92	\$ 3.01	\$ 3.10
Lease Cost Per Month (Jul - Jun)	\$ 215,585.04	\$ 222,052.59	\$ 228,714.17
Total Lease Cost (Jul - Jun)	\$ 2,587,020.52	\$ 2,664,631.14	\$ 2,744,570.07
Total Estimated Lease Cost for FY 2026/27 to 2028/29	\$ 2,587,020.52	\$ 2,664,631.14	\$ 2,744,570.07

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 8,852.40	\$ 8,852.40	\$ 8,852.40
Total Estimated Utility Cost	\$ 106,228.80	\$ 106,228.80	\$ 106,228.80
FM Lease Management Fee as of 07/01/2024 4.84%	\$ 125,211.79	\$ 128,968.15	\$ 132,837.19
TOTAL ESTIMATED COST FOR FY 2026/27 to 2028/29	\$ 2,818,461.11	\$ 2,899,828.08	\$ 2,983,636.06

F11 Total Cost		\$ 14,104,157.20	
F11 Total County Cost	0.00%	\$ -	

14375 Nason Street
Moreno Valley, CA 92555



Legend

- Parcels, County
- County Centerline Names
- Blueline Streams



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

APN: 486-280-034
District 5
Premises is outlined Parcel

0 374 747 Feet

REPORT PRINTED ON... 2/7/2024 11:28:56 AM

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