

ITEM: 3.24 (ID # 26561) **MEETING DATE:** Tuesday, January 14, 2025

FROM : FACILITIES MANAGEMENT

SUBJECT: FACILITIES MANAGEMENT - REAL ESTATE (FM-RE) AND RIVERSIDE UNIVERSITY HEALTH SYSTEMS (RUHS): Ratification and Approval of the First Amendment to Lease with Mission Grove Office Park II, LP 7888 Mission Grove Parkway, Riverside, CA 92508, 1st Amendment, CEQA Exempt per State CEQA Guidelines Section 15301 and 15061(b)(3), District 1. [Total Cost: \$(286,659) - State 52%; Federal 48%] (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;
- Ratify and Approve the attached First Amendment to Lease with Mission Grove Parkway II, LP, and authorize the Chair of the Board to execute the same on behalf of the County; and
- 3. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk and State Clearinghouse for filing within five (5) working days of approval by the Board.

ACTION:Policy

Jennifer Cruikshank 12/24/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes:	Medina, Spiegel, Washington, Perez and Gutierrez
Nays:	None
Absent:	None
Date:	January 14, 2025
XC:	FM, RUHS, State Clearinghouse, 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	(\$58,483)	(\$88,202)	(\$286,659)	(\$139,974)	
NET COUNTY COST	\$0	\$0	\$0	\$0	
SOURCE OF FUNDS	S: State 52%; Fe	deral 48%	Budget Adjustment: No		
For Fiscal Year: 2024/25 – 2027				2024/25 - 2027/28	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Since July 2017, the County of Riverside (County) has been under lease with Mission Grove Parkway II, LP, at 7888 Mission Grove Parkway, Riverside, CA 92508 (Lease). Under this Lease, the Riverside University Health Systems (RUHS) has occupied 19,983 square feet of office space for use by its Revenue Recovery Division and the space continues to meet the requirements of RUHS.

Under this First Amendment to Lease (Amendment), the current Lease which expires on March 22, 2028, will be amended to reduce parking spaces and associated costs for parking. County was approached by the landlord to utilize 71 spaces of the additional parking lot for a separate use. This Amendment decreases the number of additional parking spaces that RUHS is responsible for within the parking lot to a total of 51 spaces of the original 123 spaces and RUHS is amenable to this modification at a reduced cost to RUHS and the County.

Pursuant to the California Environmental Quality Act (CEQA), the Amendment 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 is the letting of property within previously occupied space.

The Amendment has been reviewed and approved by County Counsel as to form.

A summary of the Amendment is as follows:

Lessor:	Mission Grove Parkway II, LP 9201 Wilshire Blvd. Suite 103 Beverly Hills, CA 90210			
Premises:	7888 Mission Grove Parkway Riverside, CA 92508			
Total Parking Spaces:	Current:	<u>New:</u>		

123 Parking Spaces \$8,432.00 per month **51 Parking Spaces**

\$3,497.07 per month

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

Term:	Continuing through March 22, 2028			
Utilities:	County pays for electric. Lessor pays for all others.			
Custodial:	Provided by Lessor and included in the Rent.			
Interior/Exterior Maintenance:	Provided by Lessor.			

Impact on Residents and Businesses

The Amendment will allow RUHS to continue to provide beneficial services to residents of the region and at a reduced cost.

Additional Fiscal Information

See attached Exhibits A, B, & C. RUHS will continue to budget these costs in FY2024/25 through FY2027/28 and will reimburse Facilities Management - Real Estate for all associated lease costs.

Contract History and Price Reasonableness

The lease rate is reasonable and aligned with the current real estate market.

Lease History Lease

Date and Minute Order (M.O.) July 11, 2017 (M.O. 3.11)

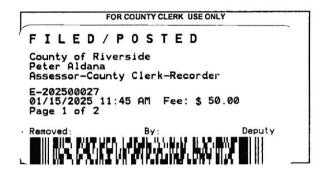
ATTACHMENTS (if any, in this order):

- Notice of Exemption
- Financial Exhibits A, B, and C
- Aerial Map
- First Amendment to Lease

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12/24/2024

County of Riverside Facilities Management 3450 14th Street, Riverside, CA 92501



NOTICE OF EXEMPTION

November 19, 2024

Project Name: Riverside University Health System (RUHS) Approval of First Amendment to the Lease Agreement with Mission Grove Office Park II, LP, Riverside

Project Number: FM0426110559400

Project Location: 7888 Mission Grove Parkway, east of Trautwein Road, Riverside, California; 92508, Assessor's Parcel Number (APN) 276-160-031

Description of Project: Since July 2017, the County of Riverside (County) has been under lease with Mission Grove Parkway II, LP, at 7888 Mission Grove Parkways Riverside, CA 92508. Under this lease, RUHS has occupied 19,983 square feet of office space for use by its Revenue Recovery Division and the space continues to meet the requirements of RUHS.

Under this First Amendment to Lease (Amendment), the current lease which expires on March 22, 2028, will be amended. County was approached by the landlord to utilize 71 spaces of the additional parking lot for a separate use. This Amendment decreases the number of additional parking spaces that RUHS is responsible for within the additional parking lot to a total of 51 spaces of the original 122 spaces. The First Amendment to the Lease is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is the letting of property involving existing facilities; no substantial expansion of the existing facility will occur. The operation of the facility will continue to provide public 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.

- 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 a Lease Agreement regarding continued lease of an existing facility and a decrease in allocated parking. The First Amendment will not substantially increase or expand the use of the site and the lease extension would result in 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 First Amendment to the Lease 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: 11-19-2024

Mike Sullivan County of Riverside, Facilities Management

Document Root (Read-Only)

Selected Document

2025010477 - NOE - Riverside University Health System (RUHS) Approval of First Amendment to the Lease Agreement with Mission Grove Office Park II, LP, Riverside

Riverside County

Created - 1/15/2025 | Submitted - 1/15/2025 | Posted - 1/15/2025 | Received - 1/15/2025 | Published - 1/15/2025 Naomy Sicra

Document Details

Public Agency

Riverside County

Document Type

Notice of Exemption

Document Status

Published

Title

Riverside University Health System (RUHS) Approval of First Amendment to the Lease Agreement with Mission Grove Office Park II, LP, Riverside

Document Description

Since July 2017, the County of Riverside (County) has been under lease with Mission Grove Parkway II, LP, at 7888 Mission Grove Parkways Riverside, CA 92508. Under this lease, RUHS has occupied 19,983 square feet of office space for use by its Revenue Recovery Division and the space continues to meet the requirements of RUHS. Under this First Amendment to Lease (Amendment), the current lease which expires on March 22, 2028, will be amended. County was approached by the landlord to utilize 71 spaces of the additional parking lot for a separate use. This Amendment decreases the number of additional parking spaces that RUHS is responsible for within the additional parking lot to a total of 51 spaces of the original 122 spaces. The First Amendment to the Lease is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is the letting of property involving existing facilities; no substantial expansion of the existing facility will occur. The operation of the facility will continue to provide public services. No additional direct or indirect physical environmental impacts are anticipated.

FIRST AMENDMENT TO LEASE

7888 Mission Grove Parkway Riverside, CA 92508

This **FIRST AMENDMENT TO GROUND LEASE** ("First Amendment") is made as of <u>January 14</u>, 2025 by and between the MISSION GROVE OFFICE PARK II, LP, a California limited partnership, as Lessor, and COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County"), as Lessee, sometimes collectively referred to as the Parties.

RECITALS

a. MISSION GROVE OFFICE PARK II, LP, as lessor, and County, as lessee, entered a Lease dated July 11, 2017 ("Original Lease"), whereby Lessor agreed to lease to County and County agreed to lease from Lessor the facility located at 7888 Mission Grove Parkway, Suites 100, 110, 120, 125, and 201, Riverside, California, as more particularly described in the Lease ("the Premises").

b. County and Lessor desire to amend the Original Lease with this
First Amendment to reduce the number of parking spaces and accompanying parking
ot rent and update the notice section.

c. 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:

Exhibit A-1. Exhibit A-1 is hereby amended and replaced by the Exhibit
A-1 attached to this First Amendment and incorporated into the Lease.

2. Exhibit A-2. The Exhibit A-2 attached to this First Amendment is hereby added and incorporated into the Lease.

3. Section 2.3 Additional Parking Lot. Section 2.3 of the Original Lease is hereby amended by the following: Effective December 15, 2024, the Parties have

Page 1 of 4

agreed to utilize the Additional Parking Lot for shared use by County and Lessor. 2 County shall release fifty (50) non specified parking spaces outside of the Red 3 Excluded area, as shown on the attached Exhibit A-1, for use by Lessor. County shall 4 release an additional twenty-one (21) stalls in the southeast corner of the Additional 5 Parking Lot, as show in Exhibit A-2, which is intended to be secured by temporary fencing installed by Lessor. All temporary fencing shall be installed, maintained, and 6 7 removed at Lessor's costs. Additionally, all Parties collectively agree hereto that the 8 entire secured Additional Parking Lot, currently operated with a card access system, will remain open and unsecured without activated card access control. Should the need 9 10 arise, the Parties may reassess and coordinate any future needs as pertaining to 11 access and control of the Additional Parking Lot.

4. Section 5.4 Parking Lot Rent. Section 5.4 of the Original Lease is amended by the following: In addition to the rent in Section 5.1, effective December 15, 2024. County shall pay the revised and reduced sum of \$3,497.07 per month, payable, in advance, on the first day of each and every month for fifty-one (51) parking spaces described in Section 2.3 above.

5. Section 19.18 Notice. Section 19.18 of the Original Lease is hereby amended by the following:

County's Notification Address:

County of Riverside

Facilities Management-Real Estate Division

3450 14th St, Suite 200

Riverside, CA 92501

Attention: Deputy Director of Real Estate

6. Capitalized Terms. First Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this First Amendment

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shall prevail over any inconsistency or conflicting provisions of the Original Lease, as heretofore amended, and shall supplement the remaining provisions thereof.

7. Miscellaneous. Except as amended or modified herein, all the terms of the Original 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 Original Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Original Lease and all such other provisions shall remain in full force and effect. The language in all parts of the Original Lease shall be construed according to its normal and usual meaning and not strictly for or against either Lessor or Lessee.

8. Effective Date. This First Amendment to Lease shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date

first written above.

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5 14/2025 Dated: 6 LESSOR: COUNTY: 7 8 COUNTY OF RIVERSIDE, a MISSION GROVE OFFICE PARK II, LP, political subdivision of a California Limited Partnership 9 the state of California By: AMF Industries, Inc., a California Corporation, its general partner 10 11 By: By: 12 MANUEL PERE Michelle Rubin, President Chair **Board of Supervisors** 13 14 ATTEST: 15 Kimberly Rector Clerk of the Board 16 17 By: 18 Deputy 19 APPROVED AS TO FORM: 20 Minh C. Tran **County Counsel** 21 22 By: Ryan Yabko 23 **Deputy County Counsel** 24 25 26 27 28 Page 4 of 4 JAN 1 4 2025 3.24

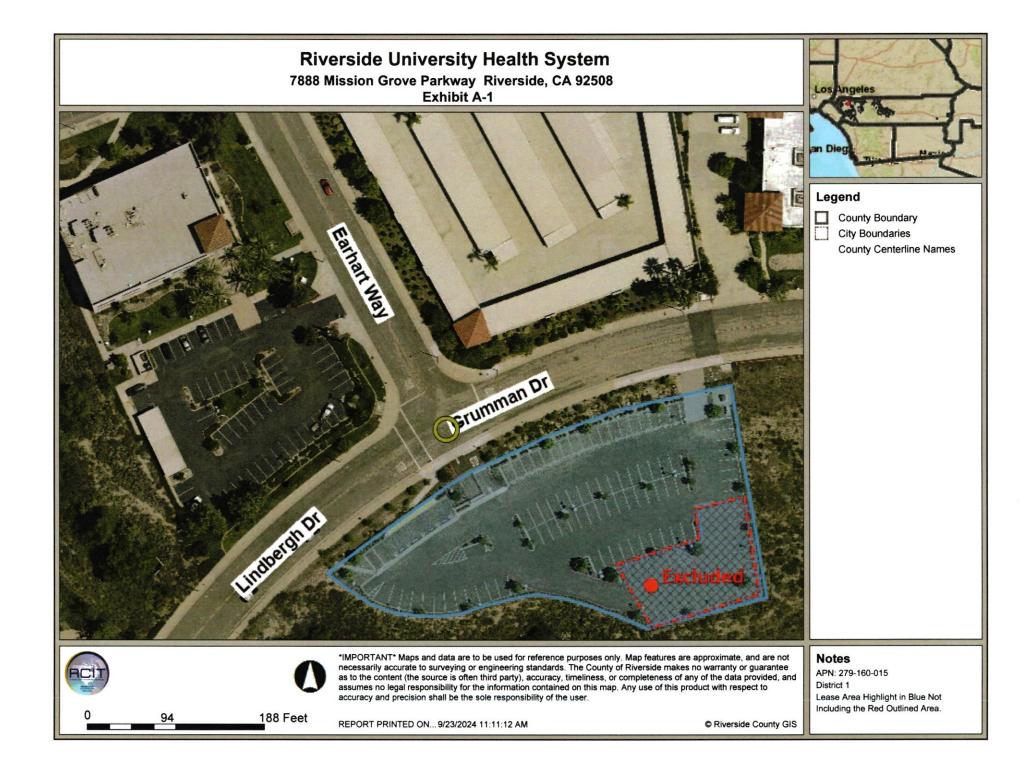


Exhibit A

FY 2024/25

Riverside University Health Systems 7888 Mission Grove Parkway, Riverside, CA 92508

ESTIMATED AMOUNTS

Estimated Additional Costs:

51 Parking Spaces per Month	\$	3,497.07	
Total 51 Parking Spaces Cost (Jul-Nov)			\$ -
Total 51 Parking Spaces Cost (Dec-Jun)			\$ 24,479.49
Total Estimated 51 Parking Spaces Cost for FY 2024/25			\$ 24,479.49
FM Lease Management Fee as of 07/01/2024 4.849	6		\$ 1,184.81
TOTAL ESTIMATED COST FOR FY 2024/25			\$ 25,664.30
Previously Approved Amount for FY 2024/25			\$ 84,147.28
NEW TOTAL ESTIMATED COST FOR FY 2024/25			\$ (58,482.98)

Exhibit B

FY 2025/26 Riverside University Health Systems 7888 Mission Grove Parkway, Riverside, CA 92508

ESTIMATED AMOUNTS

Estimated Additional Costs:

51 Parking Spaces per Month	9	\$ 3,497.07		
Total 51 Parking Spaces Cost (Jul-Nov)			\$	17,485.35
Total 51 Parking Spaces Cost (Dec-Jun)			\$	24,479.49
Total Estimated 51 Parking Spaces Cost for FY 2024/25			\$	41,964.84
FM Lease Management Fee as of 07/01/2024 4.8	34%		\$	2,031.10
TOTAL ESTIMATED COST FOR FY 2025/26			\$	43,995.94
			•	400 400 00
Previously Approved Amount for FY 2025/26			\$	132,198.26
NEW TOTAL ESTIMATED COST FOR FY 2025/26			¢	(88,202.32)
NEW TOTAL ESTIMATED COST FOR FT 2023/20			_Ψ	(00,202.32)

Exhibit C

FY 2026/27 to FY 2027/28

Riverside University Health Systems

7888 Mission Grove Parkway, Riverside, CA 92508

ESTIMATED AMOUNTS		FY 2026/27		FY 2027/28	
Estimated Additional Costs:					
51 Parking Spaces per Month		\$	3,497.07	\$	3,497.07
Total 51 Parking Spaces Cost (Jul-Nov) Total 51 Parking Spaces Cost (Dec-Mar) Total 51 Parking Spaces Cost (Apr-Jun) Total Estimated 51 Parking Spaces Cost for FY 2026/27 to FY 2027/28		\$ \$ \$	17,485.35 13,988.28 10,491.21 41,964.84	\$ \$ \$	17,485.35 13,988.28 - 31,473.63
FM Lease Management Fee as of 07/01/2024	4.84%	\$	2,031.10	\$	1,523.32
TOTAL ESTIMATED COST FOR FY 2026/27 to FY 2027/28		\$	43,995.94	\$	32,996.95
Previously Approved Amount for FY 2026/27 to FY 2027/28		\$	136,164.21	\$	80,801.97
NEW TOTAL ESTIMATED COST FOR FY 2026/27 to FY 2027/28		\$	(92,168.27)	\$	(47,805.01)
F11 Total Cost		\$	(286,658.58)		