

2007-05-59

748



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

FROM: Department of Facilities Management

SUBMITTAL DATE:

May 4, 2007

SUBJECT: Lease Agreement, Department of Public Social Services, Indio

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Lease Agreement and authorize the Chairman of the Board to execute same on behalf of the County.

BACKGROUND: On March 27, 2007, the Board of Supervisors approved a request authorizing the Department of Facilities Management to locate 75,000 square feet of office space in Indio for the Department of Public Social Services. Through the Request for Proposal process, suitable property was located for a new build-to-suit facility meeting the department's space requirements. The estimated timeframe for occupancy is September 2008.
(Continued on Page 2)

RF:SE:ss
10.901

Robert Field, Director
Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost: 08/09	\$99,617	For Fiscal Year:	08/09

SOURCE OF FUNDS: Federal 63.8%, State 33.3%, County 2.4%, Realignment 0.5%

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature

Jennifer L. Sargent

Policy

Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3/27/07, #3.15 | District: 4 | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.20

Reviewed by

Christopher Hans
Departmental Concurrence

BACKGROUND: (Continued)

Lessor: Indio-Monroe Street Associates, LLC
44650 Village Courts, Suite 200
Palm Desert, California 92260

Premises Location: Build-to-suit – no physical address
Portions of APNs 610-280-001, 002 & 003
Hoover Street and Fred Waring Drive

Size: Approximately 75,000 square feet

Term: Fifteen years

Rent: \$ 2.68 per square foot.
\$ 201,000.00 per month.
\$2,412,000.00 per year.

Rental Adjustments: Three (3%) percent

Utilities: Landlord provides. Included in rent.

Custodial Services: Landlord provides. Included in rent.

Maintenance: Landlord provides. Included in rent.

Improvements: \$4,650,000.00 paid in three annual installments.
First installment of \$1,550,000 due September 2008.

RCIT Costs: \$448,300.00

Parking: Sufficient to meet County requirements

Option to Terminate: Related to state and federal funding.

Option Penalty: No penalty

Market Data: Facilities Management has researched rental rates for
competitive rates in the area and located the following:

77-933 Las Montanas Rd., Palm Desert, \$3.01

The attached Lease Agreement has been reviewed and approved by County Counsel as to form.

Capital Versus Operating Lease Test

Department name and appropriation-level dept ID: _____
 Contact person name and telephone: _____

Indicates calculated field
 Mandatory Field
 Complete if indicated in lease documentation

Lease / Property Schedule No.	Asset Module Asset ID No.	Lease Term Commence Date	Description	Title Xfer at End of Lease? (Y/N)	Bargain Purchase Option? (Y/N)	Lease Term in Months	Est. Economic Useful Life in Months	Total Principal Pmts Over Lease Term	FMV of Leased Equip. at Lease Inception	Capital or Operating Lease? (Calculated Field)
IN0072		6/00/08	75,000	N	N	180	600	\$28,350,000	\$32,000,000	Operating Lease

Instructions:

**** SAMPLE WORKSHEET TO FACILITATE THE TEST ANALYSIS**

- Note:**
- 1). You can plug-in numbers (or answers) above. Each line representing a new Lease addition (acquisition) for FY:04/05.
 - 2). The formula above (column K12) will automatically determine for you the results per GAAPFR (Governmental Accounting, Auditing and Financial Reporting).
 - 3). Please make sure that the mandatory fields (green highlight above) are entered, or the formulas will not calculate correctly.
 - 4). After completing this form, Please return results to me---with your backup/supporting documentation. (Base-Rental Amortization schedule).
 - 5). Lease/property schedule contracts/agreements are to be forwarded.
 - 6). **Important:** Please highlight the answers to the above queries (test criteria) on the source documents before forwarding them to the Auditor-Controller's Office.