

733



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

**FROM:** Department of Facilities Management

**SUBMITTAL DATE:**  
October 31, 2007

**SUBJECT:** Resolution No. 2007-495, Authorization to Purchase Real Property in the City of Riverside

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve Resolution No. 2007-495, Authorization to Purchase Real Property, known as Riverside Centre, and located at 3403 Tenth Street, 3499 Tenth Street and 3901 Lime Street in the City of Riverside, County of Riverside, California (APN 215-120-005);
2. Authorize the Executive Office to purchase the subject property from Riverside Centre Associates L.P., a California Limited Partnership, for a price not-to-exceed \$58,080,000;
3. Authorize the Department of Facilities Management to incur typical due diligence, Information Technology connectivity, and transaction costs not-to-exceed \$2,046,000;  
(Cont'd)

*Robert Field*

RF:BP:ss  
11.278

Robert Field, Director  
Department of Facilities Management

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$ 60,126,000	<b>In Current Year Budget:</b>	No
	<b>Current F.Y. Net County Cost:</b>	\$ 60,126,000	<b>Budget Adjustment:</b>	Yes
	<b>Annual Net County Cost:</b>	\$ -0-	<b>For Fiscal Year:</b>	07/08

<b>SOURCE OF FUNDS:</b> General Fund Capital Project Designation	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

BY: *Jennifer L. Sargent*  
Jennifer L. Sargent

County Executive Office Signature

Consent  
 Policy  
 Consent  
 Policy

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

Prev. Agn. Ref.: 3.49 10/16/07

District: 2<sup>nd</sup>

Agenda Number:

3.11

FISCAL PROCEDURES APPROVED  
 ROBERT E. BYRD, AUDITOR-CONTROLLER  
 BY: *[Signature]* 10/31/07  
 SUSANA GARCIA-BACANEGRA

FORM APPROVED COUNTY COUNSEL  
 BY: PAMELA J. WALLS  
 DATE: \_\_\_\_\_  
 Departmental Concurrence

**RECOMMENDED MOTION:** (Continued)

4. Authorize the Executive Office to transfer up to \$2,046,000 from General Fund Capital Project Designation account to the Department of Facilities Management (10000-7200400000) to cover various expenditures associated with this building acquisition transaction, including due voice and data connectivity diligence costs, transaction cost, and staff time; and
5. Direct the Auditor-Controller to adjust appropriations and estimated revenue as outlined in Attachment A.

**BACKGROUND:** The Department of Facilities Management proposes the purchase of an existing office building of approximately 154,000 square feet located on a 2.43 +/- acre lot located in downtown Riverside. The three building complex has a parking structure and is parked at approximately three spaces per 1,000 square feet. The proposed purchase would immediately address some of the county's pressing office space needs and would provide a space reserve for future needs as existing leases expire. The purchase price is below the county's anticipated cost of a land purchase and new construction by at least \$100.00 per square foot. New construction would require 30 months or more.

The existing building was covered at the time of construction by local California Environmental Quality Act (CEQA) reviews. As an existing building with no anticipated change in use, the purchase and title transfer qualifies for a Categorical Exclusion Rule Exemption Section 15061. A Notice of Exemption was filed with the County Clerk on October 17, 2007. The continued office use is consistent with area general plan and zoning.

The county currently leases approximately 32% of the building for Human Resources, Grand Jury, District Attorney, and other departments, and additional leases are pending. Over time the County may be able to relocate other County agencies from other nearby leased buildings. The County's leases and private sector rents will offset the purchase cost to a considerable degree. Since the property contains both County and private tenants, complete financing with tax exempt bonds is not possible at this time.

County Counsel has reviewed and approved the attached purchase agreement and Resolution 2007-495, Authorization to Purchase Real Property, a 154,000 Square foot building located on a 2.43+/- acre site, located at 3403 Tenth Street, 3499 Tenth Street and 3901 Lime Street in the City of Riverside, County of Riverside, as to legal form.  
(Cont'd)

**BACKGROUND:** (Cont'd)

If escrow cannot be closed with the sellers by December 1, 2007, staff will recommend to the Board a Resolution of Necessity authorizing staff to acquire the property by eminent domain pursuant to Government Code Section 25350.5.

**FINANCIAL DATA:** The following summarizes the funding necessary to acquire Assessor's Parcel Number 215-120-005:

Purchase Price:	\$58,000,000
Estimated Title and Escrow Charges	\$ 80,000
Estimated Appraisal Cost	\$ 20,000
DOFM Real Property Costs	\$ 26,000
Information Technology upgrade	<u>\$ 2,000,000</u>
Total Estimated Acquisition Costs:	\$60,126,000

All costs associated with this property acquisition are fully funded through the Capital Improvement Budget for FY 07/08; thus, no additional Net County Costs will be included as a result of this transaction.

## ATTACHMENT A

Decrease Designations: 10000-1100100000-320109	DFB Capital Projects	\$60,126,000
Increase Appropriations: 10000-1100100000-551000	Operating Transfers Out	\$60,126,000
Increase Estimated Revenue: 30700-1104200000-790500	Operating Transfers In	\$60,126,000
Increase Appropriations: 30700-1104200000-542020	Buildings	\$60,126,000
Increase Estimated Revenue: 10000-7200400000-778280	Reimbursement for Services	\$2,046,000
Increase Appropriations: 10000-7200400000-523230	Misc. Expense	\$2,046,000

2  
3 Resolution No. 2007-495  
4 Authorization to Purchase Real Property  
5 In the City of Riverside, California  
6 APN: 215-120-005 (2.43-acres)

7  
8 BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of the  
9 County of Riverside, State of California, in regular session assembled on November 6, 2007 at  
10 9:00 a.m. in the meeting room of the Board of Supervisors, located on the 1<sup>st</sup> floor of the  
11 County Administrative Center, 4080 Lemon Street, Riverside, California, authorizes a  
12 transaction in which the County of Riverside will purchase certain real property located at 3403  
13 Tenth Street, 3499 Tenth Street and 3901 Lime Street in the City of Riverside, County of  
14 Riverside, State of California, identified by Riverside County Assessor's Parcel Number 215-  
15 120-005, more particularly described in Exhibit "A" attached hereto and thereby made a part  
16 hereof consisting of one separate, legal lot of 2.43 acres at a purchase price not-to-exceed  
17 fifty-eight million (\$58,000,000), plus miscellaneous RCIT improvements, escrow closing  
18 costs; and preliminary title report, in the approximate amount of one hundred six thousand  
19 dollars (\$106,000),.

20 BE IT FURTHER RESOLVED AND DETERMINED that the Department of Facilities  
21 Management is to expend a not-to-exceed amount of one hundred six thousand (\$106,000) in  
22 General Fund Capital Project Designation account, to complete due diligence on the property,  
23 consisting of a preliminary title report, appraisal costs, a hazardous materials survey, DOFM  
24 staff time and miscellaneous other studies as may be deemed necessary. Any unused funds  
25 will be retained by the General Fund Capital Project Designation Account.

BE IT FURTHER RESOLVED AND DETERMINED that the clerk of the Board of  
Supervisors has given notice hereof as provided in Section 6063 of the Government Code.

FORM APPROVED COUNTY COUNSEL  
BY: *Synthia M. Gunzel* 11-5-07  
DATE  
SYNTHIA M. GUNZEL

MDD:cm  
11/1/07  
006CP  
11.277

# Exhibit "A"

Riverside Centre  
(located at 3403 & 3499 Tenth St. and 3901 Lime St., Riverside)  
APN: 215-120-005  
2.43-acres

