

2007.10.193

924



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

FROM: Department of Facilities Management

SUBMITTAL DATE:
October 25, 2007

SUBJECT: Lease Agreement – Department of Mental Health, Cathedral City

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Lease Agreement and authorize the Chairman of the Board to execute same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the FY 07/08 budget for Facilities Management's Real Property (10000-7200400000) and Energy (10000-7200600000) as set out on Schedule "A".

BACKGROUND: On May 23, 2006, the Board of Supervisors approved Agenda Item #3.26 authorizing the Department of Facilities Management, Real Estate Division, to locate suitable office space for the Department of Mental Health. The Real Estate Division issued a Request for Proposal and received submittals from area landlords.

Continued on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller

Lisa Brandl FOR Lisa Brandl
Robert Field, Director
Department of Facilities Management

RF:MH:pa 11.200 BY Samuel Wong 11/15/07
SAMUEL WONG Deputy

FINANCIAL DATA	Current F.Y. Total Cost:	\$402,217	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$ -0-	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	07/08

SOURCE OF FUNDS: 100% State Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY Jennifer L. Sargent
Jennifer L. Sargent

County Executive Office Signature

Marie J. Mabey
MARIA T. MABEY
ASSISTANT DIRECTOR
MENTAL HEALTH DEPT.

Departmental Concurrence

FORM APPROVED COUNTY COUNSEL
BY: Gordon V. Woo 10/23/07
DATE
GORDON V. WOO

Policy
 Policy

Consent
 Consent

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

Prev. Agn. Ref.: 5/23/06:3.26 | District: 4 & 5 | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.12

BACKGROUND: (Continued)

The 5,088 square foot facility located at 68625 Perez Road, Suites 11 and 12, Cathedral City, meets the needs and requirements of the department. Anticipated date for occupancy is February 2008. (See Exhibit "A" for further details)

The Lease Agreement is summarized below:

Lessor:	T.W. Investments c/o Capri Realty 44650 Village Court, Suite 200 Cathedral City, California 92260
Premises Location:	68625 Perez Road, Suites 11 and 12 Cathedral City, California
Size:	5,088 square feet
Term:	Five (5) years
Base Rent:	\$ 1.80 per square foot \$ 10,028.40 per month \$120,340.80 per year
Rental Adjustments:	Four percent (4%) annually
Improvements:	Not to exceed \$239,136.00. County to pay in full upon completion and acceptance.
Utilities:	County pays for all utility services.
Custodial Services:	Provided by Lessor.
Maintenance:	Provided by Lessor.
RCIT Costs:	\$97,707.12
Option to Terminate:	One-hundred-twenty (120) days' written notice.
Option Penalty:	Twenty-five (25%) percent of the monthly rent for the remaining term of the Lease.
Parking:	Sufficient for County needs.

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

31-330 Reserve Drive 1000 Palms	\$2.20 per sq. ft. MG
72-440 Ramon, 1000 Palms	\$2.30 per sq. ft. MG
31-290 Plantation Drive, 1000 Palms	\$2.28 per sq. ft. MG

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

FINANCIAL DATA: All associated costs for this Lease Agreement will be fully funded through the Department of Mental Health state fund contribution in FY 07/08; however, Facilities Management requires a budget adjustment to its FY 2007/08 Real Property (10000-7200400000) and Energy (10000-7200600000) budgets to cover related transactional costs with the property owners as well as ongoing utility costs. While Facilities Management will front the costs for this Lease Agreement with the property owner, Department of Mental Health will reimburse Facilities Management for all associated lease costs, tenant improvement costs as well as utility costs related to this property.

Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings ✓	\$399,164
10000-7200600000-529540 – Utilities ✓	\$3,053
10000-7200400000-572500 – Intra – Leases ✓	(\$399,164)
10000-7200600000-573800 – Intra - Utilities ✓	(\$3,053)

**Lease, Department of Mental Health
68625 Perez Road, Cathedral City**

Current Square Feet Occupied:

Office: - SQFT

Proposed:

Office: 5,088 SQFT

Total Proposed Square Footage to be Leased:

Total Square Footage: 5,088 SQFT

Cost per Square Foot: \$ 1.80

Lease Cost per Month (February 2008 - June 30, 2008) \$ 10,028

Estimated Lease Cost (February 2008 - June 30, 2008) \$ 50,142

Total Estimated Lease Cost for FY 2007/08 \$ 50,142

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (February 2008 - June 30, 2008) \$ 3,053 ✓

Total Estimated Utility Cost for FY 2007/08 \$ 3,053 ✓

Tenant Improvement Costs for Expansion Space: \$ 239,136

RCIT Improvements: \$ 97,707

FM Lease Management Fee (Based @ 4.21%) \$ 12,179 ✓

Total Estimated Lease Cost FY 2007/08: \$ 402,217

EXHIBIT "A"