

2007.11.28

304



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

Susan Loew
SUSAN LOEW, DIRECTOR
Dept. of Public Soc. Svcs

FROM: Department of Facilities Management

SUBMITTAL DATE:
November 20, 2007

SUBJECT: Fourth Amendment to Lease – Department of Public Social Services, Moreno Valley

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Fourth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the FY 2007/08 budget for Facilities Management's Real Property (10000-7200400000) and Energy (10000-7200600000) as set out on Schedule "A".

BACKGROUND: (Commences on Page 2)
FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller

Robert Field

RF:HR:pa 11.267 BY *Samuel Wong* 12/19/07 Deputy
SAMUEL WONG Deputy Robert Field, Director
Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$426,300	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$8,526	Budget Adjustment:	Yes
	Annual Net County Cost:	\$15,096	For Fiscal Year:	07/08

SOURCE OF FUNDS: Federal 65.8%; State 23.3%; County 0.2%; Realignment 10.5%; Other 0.2%	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

FORM APPROVED COUNTY COUNSEL
BY: *Gordon V. Woo* 11/27/07
DATE
GORDON V. WOO

Policy
 Consent
 Policy
 Consent
 Dept's Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 7/25/00, #3.11; 6/5/01, #3.36; 8/13/02, #3.26; 4/26/05, #3.9
 District: 5
 Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.33

BACKGROUND: On July 25, 2000, the County of Riverside entered into a lease for 31,000 square feet located at 23119 Cottonwood Avenue, Building B, Moreno Valley. The office is occupied by staff of the Department of Public Social Services' Child Protective Services Division and continues to meet the needs of the department. This Fourth Amendment to Lease extends the lease term five years. See attached "Exhibit A" for further details.

Location: 23119 Cottonwood
Building B
Moreno Valley, California

Lessor: Bel Air Plaza, LP
1875 Century Park East, Suite 1350
Los Angeles, California 90067

Size: Approximately 31,000 square feet.

Term: Five (5) years commencing December 1, 2007, through November 30, 2012.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.40 per sq. ft.	\$ 1.77 per sq. ft.
	\$ 43,306.90 per month	\$ 54,870.00 per month
	\$519,682.80 per year	\$658,440.00 per year

Rent Adjustments: Three and one half (3.5%) percent.

Utilities: County pays electric. Lessor pays all other utilities.

Interior/Exterior
Maintenance: Provided by Lessor.

Market Data:	14375 Nason Street, Moreno Valley	\$1.81 mg
	22690 Cactus, Moreno Valley	\$1.75 mg

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

FINANCIAL DATA: All associated costs for this Lease Amendment will be fully funded through the DPSS federal, state, county and realignment funds. DPSS has budgeted for these costs in FY2007/08; however, Facilities Management requires a budget adjustment to its FY2007/08 Real Property (100000-7200400000) and Energy (10000-7200600000) budgets to cover related transactional costs with the property owner, as well as ongoing utility costs. While Facilities Management will front the costs for this lease with the property owner, DPSS will reimburse Facilities Management for all associated lease costs, tenant improvements costs, as well as utility costs related to this property.

Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	\$ 84,349
10000-7200600000-529540 – Utilities	\$ 26,040
10000-7200400000-572500 – Intra – Leases	(\$ 84,349)
10000-7200600000-573800 – Intra – Utilities	(\$ 26,040)

**Fourth Amendment to Lease (DPSS Moreno Valley) Cost Analysis
for FY 2007/08
23119 Cottonwood, Building B, Moreno Valley, California**

Current Square Feet Occupied:

Office: 31,000 SQFT

Proposed Expansion:

Office: 31,000 SQFT

Total Proposed Square Footage to be Leased:

Current Office:	31,000	SQFT
Proposed Office		SQFT
Total Square Footage:	31,000	SQFT

Current Cost per Square Foot:	\$	1.40	
Proposed Cost per Square Foot:		\$1.77	
Lease Cost per Month (Dec. 1, 2006 - Nov. 30, 2007)	\$		43,307
Lease Cost per Month (Dec. 01, 2007 -Nov. 30, 2008)	\$		54,870

Estimated Lease Cost (Dec. 01, 2007 - Nov. 30, 2008)	\$	80,941	
Total Estimated Lease Cost for FY 2007/08			\$ 80,941

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs Dec 1, 2007 -June 30, 2008)	\$	26,040	
Total Estimated Utility Cost for FY 2007/08			\$ 26,040
Tenant Improvement Costs for Expansion Space:			\$ -
RCIT Improvements:			\$ -
FM Lease Management Fee (Based @ 4.21%)			\$ 3,408
Total Est. 4th Amendment Lease Cost FY 2007/08:			\$ 110,389
DPSS Moreno Valley			

EXHIBIT "A"

**4th Amendment to Lease (DPSS Moreno Valley) Cost Analysis for FY
2008/09**

23119 Cottonwood, Building B, Moreno Valley, California

Total Estimated Square Footage to be Leased:

Office:		31,000	SQFT		
Cost per Square Foot:	\$	1.83	¹		
Estimated Lease Cost Per Month (Dec. 1, 2008 - Nov. 30, 2009)	\$			56,790	
Estimated Lease Cost (July 1, 2008 - June 30, 2009)					\$ 681,485
<u>Estimated Utility Costs:</u>					
Utility Cost per Square Foot	\$	0.12			
Estimated Utility Costs (July 1, 2008 - June 30, 2009)					\$ 44,640
FM Lease Management Fee (Based @ 4.21%)					\$ 28,691
Total Estimated CAP Lease Cost FY 2008/09:					\$ 754,816

Notes:

1. The cost per square foot increases annually by 3.5% under the terms of the current lease agreement. Thus, the cost per square foot is increasing in FY 2008/09 from \$1.77 to \$1.83.

EXHIBIT "A"