

2007.11.232

810



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

FROM: Department of Facilities Management

SUBMITTAL DATE:
January 10, 2008

SUBJECT: Lease Agreement - Department of Mental Health, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Lease Agreement 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 and energy as set out on Schedule A.

BACKGROUND: On November 7, 2006, the Board of Supervisors authorized 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)
 PROCEDURES APPROVED
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY: Susana Garcia-Bocanegra 1/24/08
 SUSANA GARCIA-BOCANEGRA

Robert Field

RF:MH:pa
11.349

Robert Field, Director
Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$1,105,039	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: State 100%			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 01/15/08
 GORDON V. WOO
 DATE
 Departmental Concurrence
 MARIAM T. MABEY
 ASSISTANT DIRECTOR
 DEPT. OF MENTAL HEALTH
 RIVERSIDE COUNTY
 Reviewed by
 CIP TEAM
 Christopher Hans

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

Prev. Agn. Ref.: 11/07/2006;3.23 | District: 2 | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.25

BACKGROUND: (Continued)

The 12,522 square foot facility located at 10182, 10190, and 10228 Indiana Avenue, Riverside, meets the needs and requirements of the department. Anticipated date for occupancy is March 2008, as described in Exhibit A.

The Lease is summarized below:

Lessor:	Cyrus G. Etemad Nakissa C. Etemad 333 Grand Avenue, Suite 709 San Francisco, California 94108
Premises Location:	10182, 10190, and 10228 Indiana Avenue Riverside, California 92503
Size:	Approximately 12,522 square feet.
Term:	Five (5) years.
Rent:	\$ 2.02 per square foot \$ 25,294.44 per month \$303,533.28 per year
Rental Adjustments:	Four (4%) percent annually.
Utilities:	County pay electric, telephone and security services. Lessor shall provide and pay for all other utilities.
Custodial Services:	Landlord provides.
Maintenance:	Landlord provides.
Improvements:	Not to exceed \$776,364.00 (\$62.00 per square foot), shall be paid upon completion.
RCIT Costs:	\$184,541.76 (paid by Mental Health)
Parking:	Sufficient to meet County requirements.
Option to terminate:	One Hundred-twenty (120) days written notice.
Option Penalty:	Twenty (20%) percent of the monthly rent.

BACKGROUND: (Continued)

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

- | | |
|-------------------------------------|-----------|
| 1. 1250 Corona Pointe Court, Corona | \$2.15 MG |
| 2. 250 Rincon Street, Corona | \$2.15 MG |
| 3. 1250 Corona Pointe Court, Corona | \$1.95 MG |

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

FINANCIAL DATA: All associated cost for this Lease Agreement will be fully funded through the Department of Mental Health budget. The Department of Mental Health has budgeted these costs in FY 07/08; however; Facilities Management requires a budget adjustment to its FY 2007/08 Real Property and Energy 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 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	\$877,542
10000-7200600000-529540 – Utilities	\$6,011
10000-7200400000-572500 - Intra-Leases	(\$877,542)
10000-7200600000-573800 - Intra-Utilities	(\$6,011)



Lease, Mental Health, Riverside
10182, 10190 and 10228 Indiana Avenue, Riverside

Current Square Feet Occupied:

Office: SQFT

Proposed:

Office: 12,522 SQFT

Total Proposed Square Footage to be Leased:

Total Square Footage: 12,522 SQFT

Cost per Square Foot: \$ 2.02

Lease Cost per Month (March 2008 - June 30, 2008) \$ 25,294

Estimated Lease Cost (March 2008 - June 30, 2008) \$ 101,178 ✓

Total Estimated Lease Cost for FY 2007/08 \$ 101,178

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (^{March}~~February~~ 2008 - June 30, 2008) \$6,011 ✓

Total Estimated Utility Cost for FY 2007/08 \$ 6,011

Tenant Improvement Costs for Expansion Space: \$ 776,364 ✓

RCIT Improvements: \$ 184,542 ✓

FM Lease Management Fee (Based @ 4.21%) \$ 36,945 ✓

Total Estimated Lease Cost FY 2007/08: \$ 1,105,039