

527



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

**FROM:** Department of Facilities Management

**SUBMITTAL DATE:**  
March 7, 2008

**SUBJECT:** Lease Agreement - Department of Mental Health, Lake Elsinore

**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 budget as set out on Schedule A.

**BACKGROUND:** On December 19, 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)

FISCAL PROCEDURES APPROVED  
ROBERT E. BYRD, AUDITOR-CONTROLLER

BY: Susana Garcia-Bocanegra 3/20/08  
SUSANA GARCIA-BOCANEGRA

Robert Field  
Robert Field, Director

Department of Facilities Management

RF:MH:pa  
11.600/2008.02.326

FINANCIAL DATA	Current F.Y. Total Cost:	\$755,251	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	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

Mari-J. Mabey 3/19/08  
MARI T. MABEY  
ASSISTANT DIRECTOR  
DEPT. OF MENTAL HEALTH  
RIVERSIDE COUNTY

FORM APPROVED COUNTY COUNSEL  
BY: Gordon V. Woo 3/18/08  
DATE  
GORDON V. WOO  
Departmental Concurrence

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

**BACKGROUND:** (Continued)

The 8,828 square foot facility located at 31946 Mission Trail, Suite B, in Lake Elsinore, meets the needs and requirements of the department. Anticipated date for occupancy is June 2008, as described in Exhibit A.

The Lease is summarized below:

Lessor: Miramar West, LLC  
Attn: Sean Pourteymour  
8175 Doug Hill  
San Diego, California 92127

Premises Location: 31946 Mission Trail, Suite B  
Lake Elsinore, California 92530

Size: Approximately 8,828 square feet.

Term: Five (5) years.

Rent: \$ 1.93 per square foot  
\$ 17,038.04 per month  
\$204,456.48 per year

Rental Adjustments: Four (4%) percent annually.

Utilities: County shall pay for electric and telephone services. Lessor shall provide and pay for all other utilities.

Custodial Services: Landlord provides.

Maintenance: Landlord provides.

Improvements: Not to exceed \$556,164.00 (\$63.00 per square foot), plus a contingency of ten (10%) percent. County to reimburse landlord upon completion and acceptance.

RCIT Costs: \$98,900.00 (paid by Mental Health)

Parking: Sufficient to meet County requirements.

Option to terminate: For loss of funding with one hundred twenty (120) days written notice. This option shall not be exercised for the first twenty-four months of occupancy.

Option Penalty: Four (4) months of the current rent.

**BACKGROUND:** (Continued)

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

- |  |                    |
|--|--------------------|
| 1. 31760 Mission Trail Avenue, Lake Elsinore | \$1.75 per sq. ft. |
| 2. 32275 Mission Trail Avenue, Lake Elsinore | \$1.80 per sq. ft. |
| 3. 31900 Mission Trail Avenue, Lake Elsinore | \$2.52 per sq. ft. |

The attached Lease Agreement 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's budget. The Department of Mental Health has budgeted these costs in FY 2007/08; however, Facilities Management requires a budget adjustment to its FY 2007/08 budget 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.

## Schedule A

Increase Appropriations:

10000-7200400000-526700 ✓ – Rent/Lease Buildings	\$628,818
10000-7200600000-529540 ✓ – Utilities	\$1,059
10000-7200400000-572500 ✓ - Intra-Leases	(\$628,818)
10000-7200600000-573800 ✓ - Intra-Utilities	(\$1,059)

# Exhibit B

## DOMH Lease Cost Analysis for FY 2007/08 31946 Mission Trail, Suite B, Lake Elsinore, California

### Current Square Feet Occupied:

Office:		8,828	SQFT
Cost per Square Foot:	\$	1.93	

### Total Proposed Square Footage to be Leased:

Current Office:		8,828	SQFT
<b>Total Square Footage:</b>		<b>8,828</b>	<b>SQFT</b>

Lease Cost per Month (June 1, 2008 - June 30, 2008)	\$	<u>17,038</u>	✓
<b>Total Estimated Lease Cost for FY 2007/08</b>	\$		<b>17,038</b>

### Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs (June 1, 2008 - June 30, 2008)	\$	<u>1,059</u>	✓
<b>Total Estimated Utility Cost for FY 2007/08</b>	\$		<b>1,059</b>
<b>Tenant Improvement Costs for Expansion Space:</b>	\$		<b>611,780</b> ✓
<b>RCIT Improvements:</b>	\$		<b>98,900</b> ✓
<b>FM Lease Management Fee (Based @ 4.21%)</b>	\$	<u><u>26,473</u></u>	✓
<b>Total Estimated DOMH Lease Cost FY 2007/08:</b>	\$		<b>755,251</b>