

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



602

SUBMITTAL DATE:
February 7, 2008

FROM: Department of Facilities Management

SUBJECT: Lease Agreement – Cooperative Extension, Indio

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 budget as set out on Schedule A.

BACKGROUND: On June 12, 2007, the Board of Supervisors approved a request from Cooperative Extension authorizing the Department of Facilities Management to locate office space in Indio to accommodate the department's relocation from the Indio CAC. Through the Request for Proposal process, suitable space was located at 81-077 Indio Boulevard, Suites H, I, and J, in Indio, as described in Exhibit B.

(Continued on Page **FISCAL PROCEDURES APPROVED**
ROBERT E. BYRD, AUDITOR-CONTROLLER)

BY: *[Signature]* 3/20/08
SUSANA GARCIA-BOCANEGRA

[Signature]
Robert Field, Director
Department of Facilities Management

RF:TW:pa
11.491/2008-01-284

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 481,794	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$ 481,794	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 138,123	For Fiscal Year:	07/08

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

C.E.O. RECOMMENDATION: APPROVE

BY: *[Signature]*
Jennifer L. Sargent

County Executive Office Signature

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

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* 3/3/08
GORDON V. WOO

DATE: 3/3/08
Departmental Concurrence

Reviewed by
CIP/FM
[Signature]
Chrisopher Harris

ETAIFERAHU TAKELE
COOPERATIVE EXTENSION

Prev. Agn. Ref.: ATTACHMENTS **FILED** District: 4 Agenda Number:

3.10

BACKGROUND: (Continued)

Lessor: Madison Commerce Center, LLC
7628 Southwest 32nd Avenue
Portland, Oregon

Premises Location: 81-077 Indio Boulevard, Suites H, I, and J
Indio, California 92201

Size: 5,760 square feet.

Term: Five (5) years.

Rent: \$ 1.75 per sq. ft.
\$ 10,079.60 per month
\$120,955.20 per year

Rental Adjustments: Three (3%) percent annually.

Utilities: County pays for telephone and electric.

Custodial Services: Provided by Lessor.

Maintenance: Provided by Lessor.

Improvements: Not to exceed \$391,232.00.

RCIT Costs: \$51,700.00 (paid by Cooperative Extension)

Parking: Sufficient to meet County requirements.

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

1. 81-020 Highway 111 \$2.25 per sq. ft.
2. 81-880 Carreon Drive \$1.95 per sq. ft.
3. 81-666 Highway 111 \$1.90 per sq. ft.

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

Department of Facilities Management
Lease Agreement – Cooperative Extension, Indio
February 7, 2008
Page 3

FINANCIAL DATA: All associated costs for this Lease Agreement will be fully funded through the CIP budget. The CIP committee 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 owners. While Facilities Management will front the costs for the Lease Agreement with the property owners, the CIP will reimburse Facilities Management for all associated costs.

Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	\$411,392
10000-7200600000-529540 – Utilities	\$1,382
10000-7200400000-572500 – Intra – Leases	(\$411,392)
10000-7200600000-573800 – Intra – Utilities	(\$1,382)

Exhibit B

Cooperative Extension Lease Cost Analysis for FY 2007/08 81-077 Indio Boulevard, Suites H, I, and J, Indio

Current Square Feet Occupied:

Office: 5,760 SQFT
Cost per Square Foot: \$ 1.75

Proposed Expansion:

Office: - SQFT

Total Proposed Square Footage to be Leased:

Current Office: 5,760 SQFT
Proposed Office: - SQFT
Total Square Footage: 5,760 SQFT

Lease Cost per Month (May 1, 2008 - June 30, 2008) \$ 20,160 ✓
Total Estimated Lease Cost for FY 2007/08 \$ 20,160

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs (May 1, 2008 - June 30, 2008) \$ 1,382 ✓
Total Estimated Utility Cost for FY 2007/08 \$ 1,382
Tenant Improvement Costs for Expansion Space: \$ 391,232 ✓
RCIT Improvements: \$ 51,700 ✓
FM Lease Management Fee (Based @ 4.21%) \$ 17,320 ✓
Total Estimated Cooperative Extension Lease Cost FY 2007/08: \$ 481,794 ✓

Exhibit B

Cooperative Extension Lease Cost Analysis for FY 2008/09 81-077 Indio Boulevard, Suites H, I, and J, Indio

Current Square Feet Occupied:

Office: 5,760 SQFT
Cost per Square Foot: \$ 1.75

Estimated Lease Cost Per Month (July 1, 2008 - June 30, 2009)	\$	120,955 ✓	
Annual 3% Increase	\$	3,629 ✓	
Estimated Lease Cost (July 1, 2008 - June 30, 2009)	\$		124,584 ✓

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2008 - June 30, 2009)	\$	8,294 ✓	
FM Lease Management Fee (Based @ 4.21%)	\$	<u>5,245 ✓</u>	
Total Estimated Cooperative Extension Lease Cost FY 2008/09:	\$		138,123 ✓✓