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

FROM: Department of Facilities Management

SUBMITTAL DATE:
March 7, 2008

SUBJECT: Second Amendment to Lease – Department of Public Social Services, Hemet

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Second 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 budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER

Reviewed by
CIR TEAM

BY *[Signature]* 3/27/08
SUSANA PAREM-RODRIGUEZ

[Signature]

Robert Field, Director
Department of Facilities Management

Christopher Hans
RF:HR:pa
11.529/2008.02.320

| | | | | |
|----------------|-------------------------------|--------------|-------------------------|-----------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 1,071,888 | In Current Year Budget: | Partially |
| | Current F.Y. Net County Cost: | \$ 84,679 | Budget Adjustment: | Yes |
| | Annual Net County Cost: | \$ 129,200 | For Fiscal Year: | 07/08 |

SOURCE OF FUNDS: Federal 48.2%; State 36.1%; County 7.9 %; Realignment 7.7; Other 0.1%

| | |
|----------------------------------|-------------------------------------|
| Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| Requires 4/5 Vote | <input checked="" type="checkbox"/> |

C.E.O. RECOMMENDATION: APPROVE

[Signature]
BY Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL

BY: *[Signature]* 3/17/08
DATE
GORDON V. WOO

Departmental Concurrence

Dep't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 07/27/04, #3.18;
06/07/05, #3.13; 07/31/07, #3.81

District: 3

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.12

BACKGROUND: DPSS occupies 17,600 square feet of office space at 547-561 N. San Jacinto in Hemet which is utilized by Childrens Services staff. This Second Amendment to Lease is for expansion into 25,559 square feet of adjacent space, which was approved In Principle by the Board of Supervisors on July 31, 2007, with associated costs described in Exhibit B. The acquisition of the additional 25,559 square feet is essential for supporting the current staffing needs of Children Services as well as some limited future growth. DPSS is approaching new facility projects with caution given the current budget climate and is limiting the number of projects that will be recommended to move forward. This project is a timely investment given our current use and demand for the space in this region of the Country. Estimated time frame for occupancy of the new space is June 2008.

Location: 547-561 North San Jacinto
Hemet, California 92543

Lessor: SIC/Leed Civic Plaza LLC
P.O. Box 17777
Beverly Hills, California 90209

Size: Increasing 25,559 square feet for a total of 43,125 square feet.

Term: Extending three (3) years commencing 12/01/2014 to 11/30/2017.

Rent:

| | <u>Current</u> | <u>New</u> |
|--|------------------------|------------------------|
| | \$ 1.25 per sq. ft. | \$ 1.35 per sq. ft. |
| | \$ 21,975.34 per month | \$ 58,218.75 per month |
| | \$263,704.08 per year | \$698,625.00 per year |

Utilities: County pays electricity and telephone. Lessor pays all others.

Improvements: Not to exceed \$2,212,255.00 to be reimbursed in 3 payments over three (3) fiscal years plus ten (10%) percent interest on the 2nd and 3rd installments.

RCIT: \$264,400.00 (paid by the Department of Public Social Services).

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

FINANCIAL DATA: All associated costs for this Second Amendment to Lease will be fully funded through the Department of Public Social Services' budget. DPSS has budgeted for 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 Second Amendment to Lease with the property owner, DPSS will reimburse Facilities Management for all associated lease costs.

Schedule A

Increase Appropriations:

| | |
|--|-------------|
| 10000-7200400000-526700 ✓ Rent/Lease Buildings | \$771,923 |
| 10000-7200600000-529540 ✓ Utilities | \$3,067 |
| 10000-7200400000-572500 ✓ Intra – Leases | (\$771,923) |
| 10000-7200600000-573800 ✓ Intra – Utilities | (\$3,067) |

Exhibit B

DPSS Lease Cost Analysis for FY 2007/08 547-561 N. San Jacinto, Hemet, California

Current Square Feet Occupied:

Office: 17,566 SQFT ✓
Cost per Square Foot: \$ 1.25

Proposed Expansion:

Office: 25,559 SQFT ✓

Total Proposed Square Footage to be Leased:

Proposed Office 25,559 SQFT
Total Square Footage: 25,559 SQFT

Cost per Square Foot: \$ 1.35

Additional Lease Cost per Month (June 1, 2008 - June 30, 2008) \$ 34,505 ✓
Total Estimated Lease Cost for FY 2007/08 \$ 34,505

Estimated Utility Costs:

Utility Cost per Square Foot \$0.12

Additional Estimated Utility Costs (June 1, 2008 - June 30, 2008) \$ 3,067 ✓

Tenant Improvement Cost: 1/3 payment 2,212,255 \$ 737,418 ✓

RCIT Improvements: \$ 264,400 ✓

FM Lease Management Fee (Based @ 4.21%) \$ 32,498 ✓

Additional Total Estimated DPSS Lease Cost FY 2007/08: \$ 1,071,888 ✓

Current FY Net County Cost at 7.9% \$ 84,679 ✓

Exhibit B

DPSS Department Lease Cost Analysis for FY 2008/09 547-561 N. San Jacinto, Hemet, California

Current Square Feet Occupied:

Office: 43,125 SQFT

Cost per Square Foot: \$ 1.35
(For period of July 1, 2008 - June 30, 2009)

Estimated Lease Cost Per Month (July 1, 2008 - June 30, 2009) \$ 698,625 ✓

Estimated Lease Cost (July 1, 2008 - June 30, 2009) \$ 698,625

Total Estimated Lease Cost for FY 2008/09 \$ **698,625**

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2008 - June 30, 2009) \$ 62,100 ✓

Tenant Improvement Cost: 1/3 payment of \$2,212,255 @ 10% 2,212,255 \$ 811,160 ✓

FM Lease Management Fee (Based @ 4.21%) \$ 63,562 ✓

Total Estimated DPSS Lease Cost FY 2008/09: \$ **1,635,447** ✓

Annual Net County Cost at 7.9% **129,200** ✓