

Susan Loew 4/9/08
 Reviewed by
 Christopher Hans DPSS
 Susan Loew, Director

109



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

FROM: Department of Facilities Management

SUBMITTAL DATE:
 March 31, 2008

SUBJECT: Lease Agreement – Department of Public Social Services, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached 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: The Department of Public Social Services requires staffing placement changes to provide adequate office functionality at their existing Self-Sufficiency offices located in Perris and Moreno Valley. It was determined the Medi-Cal units currently located in each of these offices can be combined and relocated to a new office as a stand alone program operation.

(Continued on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY *[Signature]* 4/21/08
SUSANA GARCIA-BOCANEGRA

[Signature]
 Robert Field, Director
 Department of Facilities Management

RF:HR:pa
 11.659-2008.03.350

FINANCIAL DATA	Current F.Y. Total Cost:	\$206,939	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$ 21,729	Budget Adjustment:	Yes
	Annual Net County Cost: 08/09	\$ 27,631	For Fiscal Year:	07/08

SOURCE OF FUNDS: Federal 57.7%; State 31.3%; General Funds 10.5%; Realignment 0.5%.	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

FORM APPROVED COUNTY COUNSEL
 BY *[Signature]* 4/8/08
 GORDON V. WOO
 DATE
 Departmental Concurrence

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

Prev. Agn. Ref.: 07/31/07, #3.81 | District: 1 | Agenda Number:

ATTACHMENTS FILED
 WITH THE CLERK OF THE BOARD

3.11

BACKGROUND: (Continued)

With the current budget climate, this new lease for a 7,086 square foot Medi-Cal office will accommodate an immediate need until such time it is feasible to seek a larger full service facility in the city of Moreno Valley. Estimated time frame for occupancy of the new space is June, 2008. See attached Exhibit B for further reference.

Location: 7888 Mission Grove Parkway South
Suite 120
Riverside, California 92508-5064

Lessor: Mission Grove Office Park 11, L.P.
1875 Century Park East, Suite 1350
Los Angeles, California 90067

Size: 7,086 square feet.

Term: Five (5) years with one 5-year option to renew.

Rent: \$ 2.00 per square foot, modified gross ✓
\$ 14,172.00 per month
\$170,064.00 per year

Rental Adjustments: Three (3%) percent annually.

Utilities: County pays telephone, internet, electric, and natural gas. Lessor pays all other utilities.

Custodial: To be provided by Lessor.

Interior/Exterior Maintenance: To be provided by Lessor.

Improvements: County's reimbursable share not to exceed \$184,300.00, to be paid in 3 payments over three (3) fiscal years plus ten (10%) percent interest on the 2nd and 3rd installment payments. Lessor to pay a portion of the tenant improvements, included in rent.

RCIT costs: \$127,300.00 (paid by DPSS).

Option to Terminate: For loss of funding with 60 day's written notice and reimbursement of any unpaid tenant improvement costs.

Parking: 28 unreserved.

BACKGROUND: (Continued)

Market Data:	19340 Jesse Lane, #100, Riverside	\$2.05 MG
	6245 Valley Springs Parkway, Riverside	\$2.35 MG

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

FINANCIAL DATA: All associated costs for this Lease Agreement 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 Lease Agreement with the property owner, DPSS will reimburse Facilities Management for all associated lease costs.

Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	\$75,605 ✓
10000-7200600000-529540 – Utilities	\$850 ✓
10000-7200400000-572500 – Intra – Leases	(\$75,605)
10000-7200600000-573800 – Intra – Utilities	(\$850)

Exhibit B

DPSS Lease Cost Analysis for FY 2007/08 7888 Mission Grove Parkway South, Suite 120, Riverside, California

Proposed Square Footage:

Office: 7,086 SQFT ✓

Total Proposed Square Footage to be Leased:

Proposed Office	7,086	SQFT
Total Square Footage:	7,086	SQFT

Cost per Square Foot: \$ 2.00 ✓

Lease Cost per Month (June 1, 2008 - June 30, 2008) \$ 14,172 ✓

Total Estimated Lease Cost for FY 2007/08 \$ **14,172** ✓

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (June 1, 2008 - June 30, 2008) \$ 850

Total Estimated Utility Cost for FY 2007/08 \$ **850** ✓

Tenant Improvement Cost: 1/3 payment of \$184,300.00 \$ **61,433** ✓

RCIT Improvements: \$ **127,300** ✓

FM Lease Management Fee (Based @ 4.21%) \$ **3,183** ✓

Total Estimated Lease Cost FY 2007/08: \$ **206,939** ✓

Current Net County Cost at 10.5%: \$ **21,729** ✓

Exhibit B

DPSS Lease Cost Analysis for FY 2008/09 7888 Mission Grove Parkway South, Suite 120, Riverside, California

Current Square Feet Occupied:

Office: 7,086 SQFT

Estimated Lease Cost Per Month (July 1, 2008 - June 30, 2009)	\$170,064.00
Annual Increase @ 3%	\$5,102
Estimated Lease Cost (July 1, 2008 - June 30, 2009)	\$ 175,166

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2008 - June 30, 2009)	\$ 10,204
Tenant Improvement Cost: 1/3 payment + 10% interest	\$ 67,577
FM Lease Management Fee (Based @ 4.21%)	\$ 10,219
Total Estimated Lease Cost FY 2008/09:	\$ 263,166
Annual Net County Cost at 10.5%	\$ 27,632