

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

213



FROM: Department of Facilities Management

SUBMITTAL DATE:
May 2, 2008

SUBJECT: Lease Agreement – Public Defender, French Valley Business Center, Murrieta

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Authorize the proposed project to be moved from Table C of the Capital Improvement Program to Table A; and,
- 2) Approve the attached Lease Agreement and authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND: The Board of Supervisors approved three ground leases between the county and French Valley Business Center, LLC, for county property located at French Valley Airport on April 1, 2008 for the purpose of development to accommodate space needs of the county and support the operation of the Southwest Justice Center. (Continued on Page 2)

Robert Field

RF:SE:pa
11.776-2008.04.370

Robert Field, Director
Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$ -0-	In Current Year Budget:	N/A
	Current F.Y. Net County Cost (08/09):	\$3,144,455	Budget Adjustment:	N/A
	Annual Net County Cost (09/10):	\$1,463,237	For Fiscal Year:	07/08

SOURCE OF FUNDS: General Fund (Public Defender)	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: Board policy decision. Moving the proposed French Valley District Attorney and Public Defender leases-- at a cost of \$11.3 million cash and \$5.1 million on-going NCC-- from CIP table C to table A could impact approved CIP projects and general fund program expansion.

County Executive Office Signature *Jennifer Sargent*

FORM APPROVED COUNTY COUNSEL
BY: *Pamela J. Walls* DATE: 5/8/08
BY: PAMELA J. WALLS

Departmental Concurrence

Dep't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 04/01/08 3.11 | District: 3 | Agenda Number:

3.55

BACKGROUND: (Continued)

This lease agreement for construction of a 40,000 square foot building will accommodate the Public Defender's immediate need for office space in close proximity to the Southwest Justice Center as identified in the architectural program prepared by the Department of Facilities Management, Design and Construction Division and approved by Gary Windom, Public Defender, and Robert Field, Director of Facilities Management on July 25, 2007. Because it is being constructed for county purposes, the project will be a prevailing wage project. The Public Defender will relocate from their current leased location which has an annual payment value of \$58,336 (\$4,861 per month). Anticipated timeframe for occupancy of this building is June 2009, as described in Exhibit A. Estimated costs for FY 09/10 are outlined in Exhibit B.

The Lease Agreement is summarized below:

Lessor:	French Valley Business Center, LLC Keeton Construction 41635 Enterprise Circle North, Suite A Temecula, CA 92590-3633
Premises Location:	French Valley Business Center 30700 Auld Road, Building 3 Murrieta, CA 92563
Size:	40,000 square feet.
Term:	25 years.
Base Rent:	\$ 2.10 per square foot \$ 84,000.00 per month \$1,008,000.00 per year
Operating Expenses:	\$.61 per square foot per month.
Annual Rental Adjustments:	Three and one half (3.5%) percent.
Utilities:	Because the project is on County land, the County pays all utilities, including water (for landscape and building), sewer, electric (for building, common areas, and parking lot), natural gas and telecommunications.
Custodial Services:	County reimburses Lessor under Operating Expenses.
Maintenance:	County reimburses Lessor for Maintenance Expenses.

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Improvements:	\$70 per square foot (not to exceed)
RCIT Costs:	\$188,600 (paid by Public Defender) \$ 90,200 (paid by RCIT for incurred start-up costs)
Parking:	108 unreserved parking stalls 2 reserved
Market Data:	There are no comparables for this size project in Murrieta.

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

FINANCIAL DATA: All associated costs for this Lease Agreement will be fully funded through the Public Defender's budget. No costs associated with this Lease Agreement or the related tenant improvements are anticipated to be incurred during FY 2007/08.

Exhibit A

Public Defender Lease Cost Analysis for FY 2008/09 30700 Auld Road, Building 3, Murrieta, CA

Total Proposed Square Footage to be Leased:

Proposed Office	40,000	SQFT
Total Square Footage:	40,000	SQFT

Cost per Square Foot:	\$	2.10
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Base Lease Cost per Month (June 1, 2009 - June 30, 2009)	\$	84,000	
Total Estimated Lease Cost for FY 2008/09			\$ 84,000

Estimated Ongoing Costs:

Utility Cost per Square Foot	\$	0.25
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Estimated Utility Costs (June 1, 2009 - June 30, 2009)	\$	10,000	
FM Lease Management Fee (Based @ 4.21%)	\$	5,591	
Operating Lease Cost per Month (June 1, 2009 - June 30, 2009)	\$	24,400	
Total Ongoing Costs for FY 2008/09:			\$ 39,991

Estimated One-Time Costs:

Tenant Improvement Costs for Expansion Space:	\$	2,800,000	
RCIT Improvements:	\$	278,800	
Total Estimated One-Time Costs:			\$ 3,078,800

Total Estimated Lease Cost FY 2008/09:			\$ 3,202,791
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Less Current Lease Amount:			\$ (58,336)
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Net Estimated Lease Cost for FY 08/09:			\$ 3,144,455
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Exhibit B

Public Defender Lease Cost Analysis for FY 2009/10 30700 Auld Road, Building 3, Murrieta, CA

Total Proposed Square Footage to be Leased:

Proposed Office	40,000	SQFT
Total Square Footage:	40,000	SQFT

Cost per Square Foot: \$ 2.10

Base Lease Cost per Month (July 1, 2009 - June 30, 2010)	\$	1,008,000	
Total Estimated Lease Cost for FY 2009/10			\$ 1,008,000

Estimated Ongoing Costs:

Utility Cost per Square Foot \$ 0.25

Estimated Utility Costs (July 1, 2009 - June 30, 2010)	\$	120,000	
FM Lease Management Fee (Based @ 4.21%)	\$	42,437	
Operating Lease Cost per Month (July 1, 2009 - June 30, 2010)	\$	292,800	
Total Estimated One-Time Costs:			\$ 455,237

Total Estimated Lease Cost FY 2009/10:	\$	1,463,237
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