

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

172



Reviewed by
CP TEAM
[Signature]
Christopher Hans

FROM: Department of Facilities Management

SUBMITTAL DATE:
July 7, 2008

SUBJECT: Lease Agreement - Community Health Agency, Riverside

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Lease Agreement and authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND: The Community Health Agency (CHA) requires warehouse space consisting of approximately 48,442 square feet in the Western Riverside County area to be used by the Public Health Emergency Preparedness Branch, and other CHA programs to effectively distribute equipment and supplies in a national disaster. CHA currently stores equipment and supplies in connex boxes, and various storage facilities located throughout the county. Consolidating this material will improve security, inventory control and distribution efficiency. This lease represents a request to proceed with tenant improvements needed to prepare the site for occupancy by the department, as described in Exhibit A.

(Continued)

Lisa Brandl for:

[Signature: Lisa Brandl]

Robert Field, Director
Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$1,311,136	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$ 393,341	Budget Adjustment:	No
	Annual Net County Cost:	\$ 160,229	For Fiscal Year:	08/09

SOURCE OF FUNDS: Grant Funds and Other Revenue 70%;
General Fund 30% (Department budget).

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

C.E.O. RECOMMENDATION:

APPROVE

BY *[Signature: Jennifer L. Sargent]*
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *[Signature: Pamela J. Walls]*
PAMELA J. WALLS
DATE: 7/16/08 (for Governor's office)

Departmental Concurrence

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

Prev. Agn. Ref.:

District: 1

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.67

(Continued)

BACKGROUND:

Location: 14639 Innovation Drive
Riverside, California 92507

Lessor: Operon Group
4 Upper Newport Plaza, Suite 100
Newport Beach, California 92660

Size: 48,442 square feet

Term: Ten (10) years

Rent: \$ 0.77 per square foot
\$ 37,131.87 per month
\$445,582.44 per year

Rent Adjustments: Three (3%) Percent

Tenant Improvements: Not to exceed \$880,804.82 amortized over the balance of the lease term. Tenant Improvements includes a 10% contingency.

RCIT Cost: \$126,200.00 (Paid by CHA)

Utilities: County pays all utilities.

Interior/Exterior Maintenance: Provided by Lessor.

Custodial: (CHA Custodial)

Market Data: 825 Marlborough, Riverside \$0.95 per square foot
828 Marlborough, Riverside \$0.98 per square foot
24318 Hemlock Avenue, Moreno Valley \$1.00 per square foot

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

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FINANCIAL DATA: All associated costs for this lease will be fully funded through the Community Health Agency budget. CHA has budgeted for these costs in FY 2008/09. While Facilities Management will front the costs for this Lease with the property owner, CHA will reimburse Facilities Management for all associated lease costs. Any necessary budget adjustments will come under separate cover to the Board in the First Quarter Budget Report for FY 08/09.

Exhibit A

Auditor-Controller Lease Cost Analysis for FY 2008/09 14639 Innovation Drive, Riverside, California

Current Square Feet Occupied:

Office: 48,442 SQFT

Cost per Square Foot: \$ 0.77

Lease Cost per Month (January 1, 2009 - June 30, 2009) \$ 222,791
Total Estimated Lease Cost for FY 2008/09 \$ 222,791

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (January 1, 2009 - June 30, 2009) \$ 34,878

Total Estimated Utility Cost for FY 2008/09 \$ 34,878

Tenant Improvement Costs for Expansion Space: \$ 880,805

RCIT Improvements: \$ 126,200

FM Lease Management Fee (Based @ 4.21%) \$ 46,461

Total Estimated Lease Cost FY 2008/09: \$ 1,311,136

Current FY Net General Fund Cost @ 30% \$ 393,341

Exhibit B

Auditor-Controller Lease Cost Analysis for FY 2009/10 14639 Innovation Drive, Riverside, California

Current Square Feet Occupied:

Office: 48,442 SQFT

Cost per Square Foot: \$ 0.77

Estimated Lease Cost Per Month (July 1, 2009 - June 30, 2010) \$ 445,582
Estimated Lease Cost (July 1, 2009 - June 30, 2010) \$ 445,582

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2009 - June 30, 2010) \$ 69,756

FM Lease Management Fee (Based @ 4.21%) \$ 18,759

Total Estimated Lease Cost FY 2009/10: \$ 534,098

Annual Net General Fund Cost @ 30% \$ 160,229