



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

SUBMITTAL DATE:
July 17, 2008

FROM: Department of Facilities Management

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

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Lease Option 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 Department of Facilities Management's FY 2008/09 budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY Susana Garcia-Boganegra 8/5/08
 SUSANA GARCIA-BOGANEGRA

Robert Field
 Robert Field, Director
 Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$323,906	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$ 32,067	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 22,905	For Fiscal Year:	08/09
SOURCE OF FUNDS: Federal 58.6%; State 31.0%; General Fund 9.9%; 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 Jennifer L. Sargent
 Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
 BY: Gordon V. Woo 7/22/08
 GORDON V. WOO
 DATE
 Departmental Concurrence

Dep't Recomm.: Consent Policy Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 12/12/95, 3.12;
 9/23/03, 3.19; 3/25/08, 3.13

District: 2

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.65

BACKGROUND:

On December 12, 1995, the Board of Supervisors entered into a lease for 25,253 square feet of office space at 4260 Tequesquite Avenue, Riverside, which will expire on November 30, 2008. The facility is occupied by the Department of Public Social Services (DPSS), Temporary Assistance Medi-Cal Division (TAMD) and continues to meet the needs of the department. The lease agreement includes an option to extend the lease for one year, and approval of the attached option letter will extend the lease term through November 30, 2009.

Location:	4260 Tequesquite Avenue Riverside, California	
Lessor:	Tequesquite Avenue Building 5055 Canyon Crest Drive Riverside, California 92507	
Size:	Approximately 25,253 square feet	
Term:	One (1) year, effective December 1, 2008, through November 30, 2009.	
Options to Renew:	One (1) one-year option to renew.	
Rent:	<u>Current</u>	<u>New</u>
	\$ 1.58 per sq. ft.	\$ 1.65 per sq. ft.
	\$ 39,899.00 per month	\$ 41,494.96 per month
	\$478,788.00 per year	\$497,939.52 per year
Rent Adjustment:	Four (4%) percent annually.	
Utilities:	County pays electric. Lessor pays all other utilities.	
Interior/Exterior Maintenance:	Provided by Lessor.	
Market Data:	2300 Market, Riverside	\$1.86 mg
	6370 Magnolia, Riverside	\$1.87 mg
	3900 Sherman, Riverside	\$1.85 mg

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

FINANCIAL DATA:

All associated costs for this Lease Option will be fully funded through the DPSS budget. DPSS has budgeted for these costs in FY 2008/09; however, the Department of Facilities Management (DOFM) requires a budget adjustment to its budget to cover related transactional costs with the property owner. While DOFM will front the costs for this lease with the property owner, DPSS will reimburse DOFM for all associated lease costs.

Schedule A

Increase Appropriations:

10000-7200400000-526700 ✓ – Rent/Lease Buildings	\$290,465
10000-7200600000-529540 ✓ – Utilities	\$ 21,213
10000-7200400000-572500 ✓ – Intra – Leases	(\$290,465)
10000-7200600000-573800 ✓ – Intra - Utilities	(\$ 21,213)

Exhibit A

DPSS Lease Cost Analysis for FY 2008/09 4260 Tequesquite Avenue, Riverside, California

Current Square Feet Occupied:

Office: 25,253 SQFT
Cost per Square Foot: \$ 1.64

Lease Cost per Month (July 1, 2008 - June 30, 2009) \$ 290,465 ✓
Total Estimated Lease Cost for FY 2008/09 \$ **290,465**

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (December 1, 2008 - June 30, 2009) \$ 21,213 ✓

Total Estimated Utility Cost for FY 2008/09 \$ **21,213**

Tenant Improvement Costs for Expansion Space: \$ -

RCIT Improvements: \$ -

FM Lease Management Fee (Based @ 4.21%) \$ **12,229** ✓

Total Estimated Lease Cost FY 2008/09: \$ **323,906** ✓

Current FY Net General Fund Cost @ 9.9% \$ **32,067** ✓

Exhibit B

DPSS Lease Cost Analysis for FY 2009/10 4260 Tequesquite Avenue, Riverside, California

Current Square Feet Occupied:

Office: 25,253 SQFT

Cost per Square Foot: \$ 1.64

Estimated Lease Cost Per Month (July 1, 2009 - November 30, 2009) \$ 207,475

Estimated Lease Cost for FY 2009/10 \$ **207,475** ✓

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs for FY 2009/10 \$ **15,152** ✓

FM Lease Management Fee (Based @ 4.21%) \$ **8,735** ✓

Total Estimated Lease Cost FY 2009/10: \$ **231,361**

Annual FY Net General Fund Cost @ 9.9% \$ **22,905** ✓