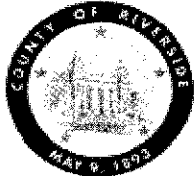


907



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

FROM: Department of Facilities Management

SUBMITTAL DATE:
September 12, 2008

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-Bocanegra 10/14/08
SUSANA GARCIA-BOCANEGRA

Robert Field

Robert Field, Director
Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$171,742	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$ 8,072	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 8,072	For Fiscal Year:	08/09

SOURCE OF FUNDS: Federal 78.9%; State 14.4%; General Fund 4.7%; Realignment 2.0%	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

- Policy
- Consent
- Policy
- Consent

Dept' Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 5/26/96, 3.32; 7/10/01, 3.32; 10/29/02, 3.18; 6/10/03, 3.24; 10/24/06, 3.15, 4/1/08, 3.16	District: 1
--	-------------

Agenda Number:

3.17

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
 BY: *Susan Loew*
 GORDON V. WOO
 DATE: 9/22/08
 Departmental Concurrence
 Susan Loew, DPSS Director

BACKGROUND:

On May 28, 1996, the county entered into a lease for 16,400 square feet of office space at 1020 Iowa Avenue, Suite A, in Riverside, which will expire on December 31, 2008. The facility is occupied by the Department of Public Social Services (DPSS), Greater Avenues for Independence (GAIN) program and continues to meet the needs of the department. The lease agreement includes an option to extend the lease for one (1) year, and approval of the attached option letter will extend the lease term through December 31, 2009.

Location: 1020 Iowa Avenue, Suite A
Riverside, California

Lessor: 1020 Iowa Avenue, Inc.
c/o JD Property Management Inc.
3520 Cadillac Avenue, #B
Costa Mesa, California 92626

Size: Approximately 16,400 square feet.

Term: One (1) year, effective January 1, 2009, through December 31, 2009.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.50 per sq. ft.	\$ 1.56 per sq. ft.
	\$ 24,595.00 per month	\$ 25,578.80 per month
	\$295,140.00 per year	\$306,945.60 per year

Rent Adjustments: Four (4%) percent annually

Utilities: County pays electric. Lessor pays all other utilities.

Custodial: Provided by Lessor.

Interior/Exterior
Maintenance: Provided by Lessor.

Tenant
Improvements: None

Market Data:	1827 Atlanta Ave., Riverside	\$1.42 mg
	2001 Iowa Ave., Riverside	\$1.71 mg
	1855 Chicago, Riverside.	\$1.96 mg

Department of Facilities Management
Lease Option – Department of Public Social Services, Riverside
September 12, 2008
Page 3

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. No further net county cost will be incurred as a result of this transaction.

Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	\$153,473
10000-7200600000-529540 - Utilities	\$ 11,808
10000-7200400000-572500 – Intra – Leases	(\$153,473)
10000-7200600000-573800 – Intra – Utilities	(\$ 11,808)

Exhibit A

DPSS Lease Cost Analysis for FY 2008/09 1020 Iowa Avenue, Suite A, Riverside, CA

Current Square Feet Occupied:

Office:		16,400	SQFT
Cost per Square Foot:	\$	1.50	
Lease Cost per Month (January 1, 2009 - June 30, 2009)*	\$	153,473	
* Includes a 4% rent increase			
Total Estimated Lease Cost for FY 2008/09		\$	153,473

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Total Estimated Utility Cost for FY 2008/09			11,808
Tenant Improvement Cost:	\$		-
FM Lease Management Fee (Based @ 4.21%)			6,461
Total Estimated Lease Cost FY 2008/09:	\$		171,742
Current FY Net General Fund Cost @ 4.7 %	\$		8,072

Exhibit B

DPSS Lease Cost Analysis for FY 2009/10 1020 Iowa Avenue, Suite A, Riverside, CA

Current Square Feet Occupied:

Office:	16,400	SQFT		
Cost per Square Foot:	\$	1.56		
Estimated Lease Cost (July 1, 2009 - December 31, 2009)			\$	153,473
Total Estimated Lease Cost for FY 2009/10			\$	153,473

Estimated Utility Costs:

Utility Cost per Square Foot		\$0.12		
Estimated Utility Costs (July 1, 2009 - December 31, 2009)			\$	11,808
FM Lease Management Fee (Based @ 4.21%)			\$	6,461
Total Estimated DPSS Lease Cost FY 2009/10:			\$	171,742
Annual FY Net General Fund Cost @ 4.7%				8,072