

642



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

FROM: Department of Facilities Management

SUBMITTAL DATE:
February 24, 2009

SUBJECT: Second Amendment to Lease – Department of Public Social Services, Cathedral City

RECOMMENDED MOTION: That the Board of Supervisors:

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

BACKGROUND:

On August 24, 1993, the Board of Supervisors entered into a lease for 19,800 square feet of office space at 68-615 Perez Road, Suite 9A, Cathedral City, which will expire on March 31, 2009. The facility is occupied by the Department of Public Social Services' (DPSS) Temporary Assistance and Medi-Cal program.

(Continued) FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: Susana Garcia-Bocanegra 3/5/09
SUSANA GARCIA-BOCANEGRA

Robert Field
Robert Field, Director
Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$194,650	In Current Year Budget:	Partial
	Current F.Y. Net County Cost:	\$ 19,270	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 55,444	For Fiscal Year:	08/09

SOURCE OF FUNDS: Federal 55%; State 34.6%; 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: Serena Chow
Serena Chow

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: Gordon V. Woo 02/18/09
GORDON V. WOO DATE

Susan Loew 2/23/09
Susan Loew, DPSS Director DATE

Departmental Concurrence

Dept't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 8/24/93, 3.43; District: 4
4/11/00, 3.13

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.22

(Continued)

BACKGROUND:

This Second Amendment to Lease extends the term four (4) years and combines and includes in this lease amendment, the existing 2,400 square foot lease of Suite 8A, which also expires on March 31, 2009. Included in the renewal is the replacement of badly worn carpet that was cited by Cal OSHA, and temporarily repaired. Full replacement is scheduled in order to correct this safety issue.

Location: 68-615 Perez Road, Suites 8A & 9A
Cathedral City, CA 92234

Lessor: Terry Ireland
T W Investments
44650 Village Court #200
Palm Desert, CA 92260

Size: 22,200 square feet. ✓

Term: Four (4) years, effective April 1, 2009, through March 31, 2013.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.16 per sq.ft. ✓	\$ 1.67 per sq.ft. ✓
	\$ 22,989.96 per month	\$ 37,049.00 per month
	\$275,879.52 per year	\$444,588.00 per year

Rent Adjustments: Three percent annually.

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

Custodial: Lessor provides and County pays \$3,565.00 per month included in total rent. Cost to be reviewed annually and adjusted as needed.

Interior/Exterior Maintenance: To be provided by Lessor.

Tenant Improvements: New carpet and paint to be provided in Suite 9A at Lessor's cost. Lobby reconfiguration not to exceed \$140,000.00, reimbursement to be in 3 payments over three (3) fiscal years plus nine percent interest on the 2nd and 3rd installments.

RCIT Cost: \$22,200.00 (paid by DPSS)

Market Data:	68525 Ramon Rd., Cathedral City	\$1.75 psf
	30885 Date Palm Dr., Cathedral City	\$1.90 psf
	73550 Alessandro Centre, Palm Desert	\$1.85 psf

Department of Facilities Management
Second Amendment to Lease – Department of Public Social Services, Cathedral City
February 24, 2009
Page 3

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

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease 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 FY 2008/09 budget to cover related transactional costs with the property owner. While DOFM will front the costs for this amendment with the property owner, DPSS will reimburse DOFM for all associated lease costs.

Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	\$157,814
10000-7200600000-529540 - Utilities	\$ 7,992
10000-7200400000-572500 – Intra – Leases	(\$157,814)
10000-7200600000-573800 – Intra – Utilities	(\$ 7,992)

Exhibit A

DPSS Lease Cost Analysis for FY 2008/09 68-615 Perez Road, Suites 8A & 9A, Cathedral City

Proposed Square Footage:

Proposed Square Footage:	Suites 8A & 9A	22,200 SQFT	
Cost per Square Foot:		\$1.67	
Rent per Month		\$37,049.00	
Lease Cost per Month (April 1, 2009 - June 30, 2009)		<u>\$ 111,147</u>	
Total Estimated Lease Cost for FY 2008/09			\$ 111,147

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs (April 1, 2009 - June 30, 2009)		<u>\$ 7,992</u>	
Total Estimated Utility Cost for FY 2008/09			\$ 7,992
Tenant Improvement Cost: (1/3 payment of \$140,000.00)			\$ 46,667
RCIT Improvements:			\$ 22,200 ✓
FM Lease Management Fee (Based @ 4.21%)			<u>\$ 6,644</u>
Total Estimated Lease Cost FY 2008/09:			\$ 194,650
Current FY Net General Cost at 9.9%:			\$ 19,270

Exhibit B

DPSS Lease Cost Analysis for FY 2009/10 68-615 Perez Road, Suites 8A & 9A, Cathedral City

Proposed Square Footage:

Office:	Suites 8A & 9A	22,200 SQFT		
Cost per Square Foot:		\$	1.67	
Estimated Lease Cost Per Month (July 1, 2009 - June 30, 2010)		\$	444,588 ✓	
Annual Increase at 3%		\$	13,338 ✓	
Estimated Lease Cost (July 1, 2009 - June 30, 2010)			\$	457,926 ✓

Estimated Utility Costs:

Utility Cost per Square Foot		\$	0.12	
Estimated Utility Costs (July 1, 2009 - June 30, 2010)			\$	31,968 ✓
Tenant Improvement Cost: (1/3 payment + 9% interest)			\$	50,867 ✓
FM Lease Management Fee (Based @ 3.79%)			\$	19,283 ✓
Total Estimated Lease Cost FY 2009/10:			\$	560,044
Annual Net General Fund Cost at 9.9%:			\$	55,444 ✓