

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

260



FROM: Department of Facilities Management

SUBMITTAL DATE:
March 13, 2009

SUBJECT: Lease Agreement – Transportation and Land Management Agency, Murrieta

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Lease Agreement 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 outlined on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: *[Signature]* 4/13/09
SUSANA GARCIA-BOCANEGRA

[Signature]

Robert Field
Assistant County Executive Officer/EDA/FM

| | | | | |
|---|--------------------------------------|-----------|---|-------------------------------------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 98,763 | In Current Year Budget: | Partially |
| | Current F.Y. Net County Cost: | \$ 83,948 | Budget Adjustment: | Yes |
| | Annual Net County Cost: | \$168,303 | For Fiscal Year: | 08/09 |
| SOURCE OF FUNDS: Development Related Fees 15%; General Fund 85% | | | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| | | | Requires 4/5 Vote | <input checked="" type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
Jennifer L. Sargent

County Executive Office Signature

Consent
 Policy
 Consent
 Policy

Dept's Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3/6/99, 3.10; 3/16/00, 3.10; 6/27/00, 3.47; 4/24/01, 3.36; 1/8/02, 3.18; 9/24/02, 3.22; 1/14/03, 3.13; 6/22/04, 3.15; 6/20/06, 3.19

District: 3

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.34

FORM APPROVED COUNTY COUNSEL
 BY: *[Signature]* 3-16-09
 SYNTHIA M. GUNZEL
 DATE: 3-16-09
 Departmental Concurrence

[Handwritten notes]
 Mike...
 3-16-09
 Departmental Concurrence

BACKGROUND:

On July 29, 2008, the Board of Supervisors approved an In-Principle Form 11 for the Transportation and Land Management Agency (TLMA) to locate replacement office space in the Murrieta area. The existing space located at 39493 Los Alamos Road, in Murrieta, was deemed excessive in size and the department's objective is to reduce the amount of office space at this location. The Department of Facilities Management (DOFM), Real Estate Division, issued a Request for Proposal and received responses from landlords in the area. Based upon the submittals received, TLMA opted to demise the existing office space with their current landlord from 21,255 sq. ft. to 8,476 sq. ft. to accommodate the basic needs of the department. The Real Estate Division has prepared a lease agreement with the landlord as follows:

Lessor: Yasi, Incorporated
2251 San Diego Avenue, Suite B-150
San Diego, California 92110

Premises Location: 39493 Los Alamos Road
Murrieta, California 92563

Size: Approximately 8,476 square feet

Term: Four (4) years; one (1) year option to extend

Rent: New
\$ 1.76 per square foot
\$ 14,917.76 per month
\$179,013.12 per year

Rental Adjustments:

| | |
|--------|-----------------------|
| Year 1 | \$14,917.76 per month |
| Year 2 | \$14,917.76 per month |
| Year 3 | \$15,365.29 per month |
| Year 4 | \$15,979.90 per month |

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

Custodial: Provided by Lessor.

Maintenance: Provided by Lessor.

RCIT: \$82,200.00 (paid by TLMA)

Parking: Sufficient to meet County requirements.

Tenant Improvements: \$138,352.50 (paid by Lessor)

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

FINANCIAL DATA:

All associated costs for this Lease Agreement will be fully funded through TLMA budget. TLMA has budgeted these costs in FY 2008/09; however, DOFM requires a budget adjustment to its FY 2008/09 budget to cover related transactional costs with the property owner, as well as ongoing utility costs.

While DOFM will front the costs for this Lease Agreement with the property owner, TLMA will reimburse DOFM for all associated costs. Code Enforcement/Building and Safety will be reimbursed from the County Capital Improvement Fund for all tenant improvements and IT facility infrastructure costs. No additional net county cost will be incurred as a result of this Lease Agreement.

Schedule A

Increase Appropriations:

| | |
|--|------------|
| 10000-7200400000-526700 – Rent/Lease Buildings | \$14,918 |
| 10000-7200600000-529540 – Utilities | \$ 1,017 |
| 10000-7200400000-572500 – Intra Leases | (\$14,918) |
| 10000-7200600000-573800 – Intra Utilities | (\$ 1,017) |

Exhibit A

TLMA Lease Cost Analysis for FY 2008/09 39493 Los Alamos Road, Murrieta

Current Square Feet Occupied:

Office: 8,476 SQFT

Cost per Square Foot: \$ 1.76

| | | |
|---|-----------|------------------|
| Lease Cost per Month (June 1, 2009 - June 30, 2009) | \$ 14,918 | |
| Total Estimated Lease Cost for FY 2008/09 | | \$ 14,918 |

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (June 1, 2009 - June 30, 2009) \$ 1,017

| | | |
|--|--|-----------------|
| Total Estimated Utility Cost for FY 2008/09 | | \$ 1,017 |
|--|--|-----------------|

Tenant Improvement Costs: \$ -

RCIT Improvements: \$ 82,200

FM Lease Management Fee (Based @ 4.21%) \$ 628

Total Estimated Lease Cost FY 2008/09: \$ 98,763

Current County Cost at 85%: \$ 83,948

Exhibit B

TLMA Lease Cost Analysis for FY 2009/10 39493 Los Alamos Road, Murrieta

Current Square Feet Occupied:

Office: 8,476 SQFT

Cost per Square Foot: \$ 1.76

Estimated Lease Cost Per Month (July 1, 2009 - June 30, 2010) \$ 179,013
Estimated Lease Cost (July 1, 2009 - June 30, 2010) \$ 179,013

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs (July 1, 2009 - June 30, 2010) \$ 12,205

FM Lease Management Fee (Based @ 3.79%) \$ 6,785

Total Estimated Lease Cost FY 2009/10: \$ 198,003

Annual Net County Cost at 85%: \$ 168,303

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3.17

On motion of Supervisor Stone, seconded by Supervisor Buster and duly carried, IT WAS ORDERED that the recommendation from Facilities Management to approve the Lease Agreement for Transportation and Land Management Agency, Murrieta, 3rd District is continued to Tuesday, April 28, 2009, at 9:00 a.m.

Roll Call:

Ayes: Buster, Tavaglione, Stone and Ashley
Nays: None
Absent: Wilson

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on April 14, 2009 of Supervisors Minutes.

(seal)

WITNESS my hand and the seal of the Board of Supervisors
Dated: April 14, 2009
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

By:  Deputy

AGENDA NO.

xc: Fac. Mgmt., COB ✓