

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

957



SUBMITTAL DATE:
August 19, 2010

FROM: Economic Development Agency

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 to execute the same on behalf of the County of Riverside (County); and
2. Authorize the Auditor Controller to adjust the Economic Development Agency's (EDA) FY 2010/11 Budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER

BY Samuel Wong 8/17/10
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL
DATA

Current F.Y. Total Cost: \$ 5,924
Current F.Y. Net County Cost: \$ 296
Annual Net County Cost: \$ 24,771

In Current Year Budget: No
Budget Adjustment: Yes
For Fiscal Year: 2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Federal 54%; State 35%; County 5%; Realignment 6%

Positions To Be
Deleted Per A-30 ☐

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent
Jennifer L. Sargent

County Executive Office Signature

Dep't Recomm.: ☒ Policy

Consent ☐

Per Exec. Ofc.: ☒ Policy

Consent ☐

Prev. Agn. Ref.: 8/15/00, #3.25; 11/8/05, #3.8;
1/31/06, #3.13; 5/23/06, #3.21; 11/7/06, #3.19;
9/18/07, #3.30

District: 1

Agenda Number:

3.42

BACKGROUND: The County of Riverside has been under lease at 10769 Hole Avenue, Riverside, since 2001. The facility, occupied by the Department of Public Social Services (DPSS), Child Protective Services program, continues to meet the needs of the department. The lease agreement expires on January 18, 2011, and includes an option to extend the lease term for one year. Approval of the attached letter by the Board of Supervisors will extend the lease term through January 18, 2012.

Location: 10769 Hole Avenue
Riverside, CA

Lessor: B. H. Properties, L.L.C.
11111 Santa Monica Blvd, Suite 1800
Los Angeles, CA 90025

Size: 30,188 square feet

Term: One (1) year commencing January 19, 2011.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.17 per sq.ft.	\$ 1.21 per sq.ft. Mod. Gross
	\$ 35,229.65 per month	\$ 36,286.54 per month
	\$422,755.80 per year	\$435,438.48 per year

Rental Adjustments: N/A

Utilities: County pays for telephone and electric services. Lessor pays for all other utility services.

Custodial: Provided by Lessor.

Interior/Exterior Maintenance: Provided by Lessor

Market Data:

2002 -2038 Iowa Ave., Riverside	\$1.25 per sq. ft.
21800-21838 Cactus Ave., Riverside	\$1.45 per sq. ft.
2085 Rustin Ave., Riverside	\$1.25 per sq. ft.

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

FINANCIAL DATA: All associated costs for this lease will be fully funded through the Department of Public Social Service's budget. DPSS has budgeted for these costs in FY 2010/11; however, the Economic Development Agency requires a budget adjustment to its FY 2010/11 budget to cover related transactional costs with the property owner. While EDA will front the costs for this lease with the property owner, DPSS will reimburse EDA for all associated lease costs.

Schedule A

Increase Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings	\$5,707
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Increase Estimated Revenue:

47220-7200400000-777330 – Leasing Services	\$5,707
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Exhibit A

DPSS Lease Cost Analysis for FY 2010/11 10769 Hole Avenue, Riverside

Proposed Square Footage:

Current Office: 30,188 SQFT

BUDGETED AMOUNTS

Cost per Square Foot:	\$ 1.17	
Cost per Month:		\$ 35,229.65
Total Lease Cost included in Budget for FY2010/11		\$ 422,755.80

PROJECTED ACTUAL AMOUNTS

Cost per Square Foot:	\$ 1.17	
Cost per Month:	\$ 35,229.65	
(For period July 1, 2010 - January 18, 2011)		\$ 232,515.69
Cost per Square Foot:	\$ 1.21	
Cost per Month:	\$ 36,286.54	
(For period January 19, 2011 - June 30, 2011)		\$ 195,947.32
		\$ 428,463.01
Total Estimated Lease Cost Change for FY 2010/11		\$ 5,707.21

Estimated Other Costs:

BUDGETED AMOUNTS

FM Lease Management Fee (Based @ 3.79%)	\$ 16,022.44
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PROJECTED ACTUAL AMOUNTS

FM Lease Management Fee (Based @ 3.79%)	\$ 16,238.75
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Total Increase in Other Costs FY 2010/11:	\$ 216.30
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Total Estimated Lease and Other Cost FY 2010/11:	\$ 5,923.51
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Current FY Net County Cost of 5%	\$ 296.18
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Exhibit B

DPSS Lease Cost Analysis for FY 2011/12 10769 Hole Avenue, Riverside

Square Footage:

Office:			30,188 SQFT	
Cost per Square Foot:	\$	1.21		
Estimated Lease Cost Per Month			<u>\$ 36,286.54</u>	
Estimated Lease Cost FY 2011/12				<u>\$ 435,438.48</u>

Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12		
Utility Cost per Month			\$ 3,622.56	
Estimated Utility Costs FY 2011/12				<u>\$ 43,470.72</u>
FM Lease Management Fee (Based @ 3.79%)				<u>\$ 16,503.12</u>
Total Estimated DPSS Lease Cost FY 2011/12:				<u><u>\$ 495,412.32</u></u>
Annual Net General Fund Cost @ 5%				<u>\$ 24,770.62</u>



July 15, 2010

Mr. Steve Gozini
B. H. Properties, L.L.C.
11111 Santa Monica Blvd., Suite 1800
Los Angeles, CA 90025

Re: Exercise of Lease Option rights – Third Amendment to Lease dated September 18, 2007
Department of Public Social Services, 10769 Hole Avenue, Riverside

Dear Mr. Gozini:

Please consider this letter formal written notice pursuant to paragraph four (4) of the above-referenced Lease Amendment by and between the COUNTY OF RIVERSIDE ("County") and B.H. PROPERTIES, L.L.C. ("Lessor"), that the COUNTY OF RIVERSIDE formally exercises its option to extend the term of said lease one (1) year, commencing January 19, 2011, through January 18, 2012, at a rent of \$36,286.54 per month.

We look forward to our continued tenancy with B. H. Properties, L.L.C.

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

COUNTY OF RIVERSIDE

By: _____
Deputy

By: _____
Marion Ashley, Chairman
Board of Supervisors

APPROVED AS TO FORM;
Pamela J. Walls
County Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel
Deputy County Counsel

HR:jw
07/08/10
RV262
13.509

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686 www.riverside.org

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