

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

616



SUBMITTAL DATE:
February 16, 2011

FROM: EDA/FACILITIES MANAGEMENT

SUBJECT: Third Amendment to Lease – Department of Public Social Services

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Approve and direct the Auditor-Controller to make the budget adjustment as shown on Schedule A, attached.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Samuel Wong 2/15/11
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (37,018)	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ (1,111)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 16,584	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 50% Federal; 31% State; 3% County; 16% Realignment	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
County Executive Office Signature Jennifer L. Sargent

ATTACHMENTS FILED WITH THE CLERK OF SUPERVISORS
 Consent Policy

Prev. Agn. Ref.: 3.11 of 12/14/99; 3.15 of 05/01/01; 3.11 of 02/01/05; 3.20 of 01/10/06

District: 2

Agenda Number:

3.13

BACKGROUND: (Continued)

The Department of Public Social Services has occupied this office for use by their Children's Services Program since March, 2000. The office continues to meet the requirements of the department and this Third Amendment to Lease extends the lease three (3) years and includes an 18% rent reduction.

Location: 3610 Central Avenue
Suites 300, 500, & 600
Riverside, CA 92506

Lessor: B. H. Central LLC
11111 Santa Monica Blvd.
Suite 1800
Los Angeles, CA 90025

Size: 23,643 square feet.

Term: Extended three (3) years commencing March 1, 2011.

Rent:	<u>Current</u>	<u>New</u>
	\$ 2.13 per sq.ft.	\$ 1.75 per sq.ft.
	\$ 50,291.88 per month	\$ 41,375.25 per month
	\$603,502.56 per year	\$496,503.00 per year

Savings per square foot:	18% reduction
Savings per month:	\$ 8,916.63
Savings per year:	\$106,999.56

Rent Adjustments: Two (2%) percent annually.

Utilities: County pays a portion of electric service. Lessor provides all others.

Custodial: Provided by Lessor.

Interior/Exterior
Maintenance: Provided by Lessor.

Market Data: 3880 Lemon St. Riverside \$2.00 SF
1595 Spruce St. Riverside \$1.85 SF
1955 Chicago Ave. Riverside \$1.75 SF

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

FINANCIAL DATA: (Commences on Page 3)

FINANCIAL DATA:

All associated costs for this Lease will be fully funded through the Department of Public Social Services' 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.

ATTACHMENTS:

Schedule A
Exhibit A
Exhibit B
Third Amendment to Lease

Schedule A

Decrease Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings	\$ 35,667
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Decrease Estimated Revenues:

47220-7200400000-777330 – Leasing Services	\$ 35,667
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Exhibit A

DPSS Lease Cost Analysis FY 2010/11 3610 Central Avenue, Suites 300, 500 & 600, Riverside, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:	23,643 SQFT		
Cost Per Sq. Ft:	\$ 2.13		
Lease Cost per Month	\$ 50,291.88		
Total Lease Cost included in Budget for FY 2010/11		\$	603,502.56

ACTUAL AMOUNTS

Current office:	23,643 SQFT		
Approximate Cost per SQFT (July - Feb)	\$ 2.13		
Approximate Cost per SQFT (Mar - June)	\$ 1.75		
Lease Cost per Month (July - Feb)	\$ 50,291.88		
Lease Cost per Month (Mar - June)	\$ 41,375.25		
Total Lease Cost (July - Feb)	\$ 402,335.04		
Total Lease Cost (Mar - June)	\$ 165,501.00		
Total Lease Cost for FY 2010/11		\$	567,836.04
TOTAL LEASE COST SAVINGS FOR FY 2010/11		\$	(35,666.52)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$ 0.12		
Estimated Utility Costs per Month	\$ 2,837.16		
Total Budgeted Utility Cost for FY 2010/11		\$	34,045.92

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$ 0.12		
Costs per Month (July - June)	\$ 2,837.16		
Total Estimated Actual Utility Cost for FY 2010/11		\$	34,045.92
Total Additional Estimated Utility Cost for FY 2010/11		\$	-

EDA Lease Management Fee (Based @ 3.79%) \$ (1,351.76)

TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2010/11 \$ (37,018.28)

TOTAL COUNTY COST 3% \$ (1,110.55)

Exhibit B

DPSS Lease Cost Analysis FY 2011/12
3610 Central Avenue, Suites 300, 500 & 600, Riverside, California

Current Square Feet Occupied:

Office: 23,643 SQFT

Cost per Square Foot: \$ 1.75
Cost per Square Foot: \$ 1.79

Lease Cost per Month (July 1, 2011 - February 29, 2012) \$ 41,375.25
Lease Cost per Month (March 1, 2012 - June 30, 2012) \$ 42,202.76

Lease Cost (July - February) \$ 331,002.00
Lease Cost (March - June) \$ 168,811.02
Total Estimated Lease Cost for FY 2011/12 \$ **499,813.02**

Estimated Utility Costs:

Utility Cost per Square Foot \$ 0.12

Estimated Utility Costs per Month (July 1, 2011 - June 30, 2012) \$ 2,837.16

Total Estimated Utility Cost for FY 2011/12 \$ **34,045.92**

EDA Lease Management Fee (Based @ 3.79%) \$ **18,942.91**

Total Estimated Lease Cost FY 2011/12: \$ **552,801.85**

TOTAL COUNTY COST 3% \$ **16,584.06**