

912



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

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

March 17, 2011

SUBJECT: Lease Option – Department of Public Social Services

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Lease Option and authorize the Chairman of the Board to execute the same on behalf of the county.

BACKGROUND:

On July 15, 2003, the Board of Supervisors entered into a lease for 16,100 square feet of office space at 1225 & 1267 W. Hobson Way, Blythe. The facility is occupied by the Department of Public Social Services (DPSS) and continues to meet the needs of the department. The lease agreement includes an option to extend the lease for one year, and approval of the attached option letter will extend the lease term through June 30, 2012.

(Continued)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Samuel Wong 3/16/11
SAMUEL WONG

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 306,794	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 12,088	Budget Adjustment:	No
	Annual Net County Cost:	\$ 12,088	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 55.92% Federal; 34.05% State; 3.94% County; 6.09% Realignment	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: Susan Loew 3/16/11
SUSAN LOEW, Director
Department of Public Social Services
Departmental Concurrence

Susan Loew

- Dept Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.23 of 7/15/03; 3.19 of 1/04/05; 3.12 of 4/07/09; 3.12 of 4/08/08

District: 4

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.18

BACKGROUND: (Continued)

Lessor: Desert Alliance for Community Empowerment
53990 Enterprise Way
Coachella, California 92236

Premises Location: 1225 & 1267 W. Hobson Way
Blythe, California

Size: Approximately 16,100 square feet

Term: One year, effective July 1, 2011 – June 30, 2012

Rent:

Current	New
\$ 1.37 per sq. ft.	\$ 1.41 per sq. ft.
\$ 22,107.88 per month	\$ 22,771.12 per month
\$265,294.56 per year	\$273,253.44 per year

Rent Option: 3% increase.

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

Interior/Exterior Maintenance: Provided by Lessor.

Market Data:

1293 W. Hobson Way, Blythe	\$1.51 SF
84060 Van Buren Blvd., Coachella	\$1.50 SF
1030 6 th Street, Coachella	\$1.45 SF

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 budget for these costs in FY 2011/12. While Economic Development Agency (EDA) will front the costs for this lease with the property owner, DPSS will reimburse EDA for all associated lease costs.

Attachments:

Exhibit A
Lease Option letter

Exhibit A

DPSS Lease Cost Analysis FY 2011/12 1225 & 1267 Hobson Way, Blythe, California

Proposed Square Footage:

Current office:	16,100 SQFT		
Cost Per Sq. Ft:	\$ 1.41		
Lease Cost per Month		<u>\$ 22,771.12</u>	
Total Lease Cost included in Budget for FY 2011/12			\$ 273,253.44

Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12		
Estimated Utility Costs per Month		<u>\$ 1,932.00</u>	
Total Budgeted Utility Cost for FY 2011/12			\$ 23,184.00

EDA Lease Management Fee (Based @ 3.79%) \$ 10,356.31

TOTAL ESTIMATED LEASE COST FOR FY 2011/12 \$ 306,793.75

TOTAL COUNTY COST 3.94% \$ 12,087.67



February 8, 2011

Mr. Jeffrey Hays
Desert Alliance for Community Empowerment
53990 Enterprise Way
Coachella, CA 92236

RE: Exercise of Lease Option Rights – Lease Agreement dated July 15, 2003
1225 & 1267 W. Hobson Way, Blythe, California

Dear Mr. Hays:

Please consider this letter formal written notice pursuant to paragraph six (6) of the above referenced lease agreement by and between the County of Riverside ("County") and Desert Alliance for Community Empowerment, successor in interest to Blythe Village Center LP, ("Lessor"), that the County of Riverside formally exercises its option to extend the term of said lease one (1) year, commencing July 1, 2011, through June 30, 2012.

We look forward to our continued tenancy with Desert Alliance for Community Empowerment.

COUNTY OF RIVERSIDE

By: _____
Bob Buster, Chairman
Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

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

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