

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

555



SUBMITTAL DATE:
November 8, 2012

FROM: Economic Development Agency / Facilities Management

SUBJECT: Resolution No. 2012-220, Notice of Intent to Purchase a Building and Improvements, City of Indio, County of Riverside, California

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2012-220, Notice of Intent to Purchase the Building and Improvements, located at 47-940 Arabia Street, in the City of Indio, County of Riverside, Assessor's Parcel Number 614-150-032, from Riverside County Office, Inc., a California Corporation;
2. Authorize the Economic Development Agency to exercise the option to purchase the building and improvements on 5.33 acres of land identified as Assessor's Parcel Number 614-150-032 at a price not to exceed \$1,000,000;

(Continued)

REVIEWED BY CIP
Christopher Hans
Christopher Hans

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 1,020,500	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No	
SOURCE OF FUNDS: CORAL Bond Proceeds	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*
County Executive Office Signature Jennifer L. Sargent

Dep't Recomm.: Consent Policy Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.40 of 8/28/12 District: 4/4 Agenda Number: **3.14**

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *Samuel Wong* 11/7/12
 SAMUEL WONG
 FORM APPROVED COUNTY COUNSEL
 BY: *Patricia Munroe* 11/7/12
 PATRICIA MUNROE
 DATE

RECOMMENDED MOTION: (Continued)

3. Authorize the Economic Development Agency to incur typical due diligence and transaction costs in the amount of approximately \$20,500; and
4. Direct the Clerk of the Board to give notice pursuant to Government Code Section 6063.

BACKGROUND:

The County occupies two leased office buildings in the city of Indio located at 47-940 Arabia Street and 47-950 Arabia Street consisting of 15,000 square feet and 34,000 square feet respectively. The facilities were developed on 5.33 acres of County owned land in the late 90's through a Request for Proposal and ground lease to the developer. The buildings were then leased back to the County through building leases for a 20 year term.

The lease agreements provide rights to the County at various time periods during the lease term to purchase the buildings and improvements and upon consummation of the purchase, the ground lease and building leases terminate, giving County full ownership of the improvements and the property. The time period for acquisition of 47-950 Arabia Street, Indio is within 90 days prior to November 4, 2012 and the time period for acquisition of 47-940 Arabia Street is within 90 days prior to January 1, 2013.

On August 28, 2012, the Board adopted Resolution No. 2012-174, Notice of Intent to Purchase the Building and Improvements located at 47-950 Arabia Street. The purpose of this subsequent submittal and Resolution is to acquire the facility and improvements located at 47-940 Arabia Street.

The Probation Department occupies the 15,000 square foot facility located at 47-940 Arabia Street. Probation's usage is primarily for client services. They plan to occupy the facility on a long term basis as demand for their services continues at a high level.

The acquisition of this building will provide the County with the necessary facilities for operation of this program on a long term basis and in addition will provide for savings to the County. The current lease rate in effect for 47-940 Arabia Street, Indio, is \$2.06 per square foot, exclusive of utilities. The estimated rate for County maintenance and County custodial upon County ownership is approximately \$0.79 per square foot, exclusive of utilities.

The sales price per the option contained in the lease agreement for the facilities is \$1,000,000, which equated to \$67.00 per square foot. The acquisition of this building and the improvements by the County at the price set forth above achieves a real property value significantly below replacement cost. Replacement cost is estimated to be \$210 - \$250 per square foot.

This Resolution has been approved as to legal form by County Counsel.

FINANCIAL DATA: (Commences on Page 3)

FINANCIAL DATA:

The following summarizes the funding necessary to acquire the building and other improvements situated on Assessor's Parcel Number 614-150-032:

Purchase Price	\$ 1,000,000
Estimated Escrow and Closing Charges	\$ 9,000
Advertising Costs	\$ 2,500
Acquisition Administration	\$ 9,000
Total Estimated Acquisition Cost	\$ 1,020,500

The Economic Development Agency has already covered the costs for due diligence (preliminary title report) and will be reimbursed by the Executive Office. The remaining costs associated with the acquisition will be paid directly by the Executive Office. Any necessary budget adjustments will be brought forward under separate cover seeking authorization to purchase the real property. No additional County costs will be incurred as a result of this transaction.

Attachments:
Resolution No. 2012-220

1 Board of Supervisors

County of Riverside

2
3 Resolution No. 2012-220
4 Notice of intent to Purchase Building and Improvements
5 in the City of Indio, County of Riverside, California
6 Assessor's Parcel Numbers: 614-150-032

7 BE IT RESOLVED AND DETERMINED that the Board of Supervisors of the County of
8 Riverside, in regular session assembled on November 20, 2012, hereby directs the Clerk of the
9 Board of Supervisors to give notice pursuant to Government Code Section 6063 of the
10 following:

11 NOTICE IS HEREBY GIVEN by the Board of Supervisors of the County of Riverside, at
12 its public meeting on or after December 11, 2012, at 9:00 a.m. in the meeting room of the
13 Board of Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon
14 Street, Riverside, California, intends to authorize and consummate a transaction in which the
15 County of Riverside will purchase from Riverside Office Inc., a California corporation, a certain
16 building and improvements at the property located at 47-940 Arabia Street, City of Indio,
17 County of Riverside, State of California, also identified as Assessor's Parcel Numbers 614-150-
18 032, consisting of one building and improvements (15,000 square feet) on a portion of 5.33
19 acres of land, at a purchase price not to exceed One Million Dollars (\$1,000,000), plus
20 miscellaneous escrow and closing costs in the approximate amount of \$20,500, as stated
21 below.

22 BE IT RESOLVED AND DETERMINED that the Chairman of the Board of Supervisors
23 of the County of Riverside is authorized to execute the documents to complete the purchase of
24 the real property and this transaction.

25 BE IT FURTHER RESOLVED AND DETERMINED that the Economic Development
26 Agency is to expend an amount not to exceed Twenty Thousand Five Hundred Dollars
27 (\$20,500) to complete due diligence on the property, including staff time and miscellaneous
28 other duties as deemed necessary.

JRF:ra/092712/033EO/15.329 S:\Real Property\TYPING\Docs-15.000 to 15.499\15.329.doc

FORM APPROVED COUNTY COUNSEL
BY: PATRICIA MUNROB
DATE: 11/7/12