

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  
Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	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

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

**C.E.O. RECOMMENDATION:** APPROVE  
BY: Jennifer L. Sargent  
County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Buster, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Stone, Benoit and Ashley  
Nays: None  
Absent: Tavaglione  
Date: March 29, 2011  
xc: EDAS, DPSS: 13

Kecia Harper-Ihem  
Clerk of the Board  
By: [Signature]  
Deputy

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  
ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

Agenda Number: **3.18**

FORM APPROVED COUNTY COUNSEL  
BY: [Signature] DATE: 3/17/11  
SYNTHIA M. GUNZEL  
Departmental Concurrence  
Susan Loew, Director  
Department of Public Social Services

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

**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 <sup>th</sup> 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>	
<b>Total Lease Cost included in Budget for FY 2011/12</b>			<b>\$ 273,253.44</b>

### Estimated Additional Costs:

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

**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  
Bob Buster, Chairman  
Board of Supervisors

**APPROVED AS TO FORM:**

Pamela J. Walls  
County Counsel

**ATTEST:**  
Kecia Harper-Ihem  
Clerk of the Board

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

By: Kecia Harper-Ihem  
Deputy

HR:ad/012711/BL014/13.887 S:\Real Property\TYPING\Docs-13.500 to 13.999\13.887.doc MAR 29 2011 3:18