

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

555



**FROM:** Economic Development Agency / Facilities Management

**SUBMITTAL DATE:**  
November 8, 2012

**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**

**Robert Field**  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	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

<b>SOURCE OF FUNDS:</b> CORAL Bond Proceeds	<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 Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended and is set for public meeting on or after December 11, 2012 @ 9:00 a.m.

**Ayes:** Buster, Stone, Benoit and Ashley  
**Nays:** None  
**Absent:** Tavaglione  
**Date:** November 20, 2012  
**xc:** EDA, CIP, COB

**Kecia Harper-Ihem**  
Clerk of the Board  
By:   
Deputy

**Prev. Agn. Ref.:** 3.40 of 8/28/12

**District:** 4/4

**Agenda Number:** 3.14

FORM APPROVED COUNTY COUNSEL  
DATE 11/7/12  
BY: PATRICIA MUNROE  
Departmental Counsel

FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
DATE 11/7/12  
BY: SAMUEL WONG

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

**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 1<sup>st</sup> 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.

ROLL CALL:

Ayes: Buster, Stone, Benoit, and Ashley  
Nays: None  
Absent: Tavaglione

The foregoing is certified to be a true copy of a  
resolution duly adopted by said Board of Super-  
visors on the date therein set forth.

KECIA HARPER-IHEM Clerk of said Board  
By \_\_\_\_\_ Deputy

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