

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

328



SUBMITTAL DATE:
January 17, 2013

FROM: Economic Development Agency / Facilities Management

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: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Lisette Rose 1/15/13
Lisette Rose

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 737	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 36	Budget Adjustment:	No
	Annual Net County Cost:	\$ 4,082	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: 85.24% Federal, 9.83% State, 4.93% County	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: Jennifer L. Sargent
Jennifer L. Sargent

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: January 29, 2013
xc: EDA, DPSS, Auditor

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

3-16

Prev. Agn. Ref.: 3.9 of 5/11/99; 3.23 of 7/27/04; 3.15 of 3/1/11

District: 5/4

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: Susan Loew 1/17/13
PATRICIA MUNROE
Departmental Concurrence
BY: Susan Loew
Susan Loew, Director
Department of Public Social Services

Dept't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

BACKGROUND:

On March 1, 2011, the Board of Supervisors entered into a Second Amendment to Lease Agreement for 3,546 square feet of office space at 14-201 Palm Drive, #109(A), 110 – 112, Desert Hot Springs, California. The facility is occupied by the Department of Public Social Services (DPSS) and continues to meet the needs of the department. The Second Amendment to Lease Agreement includes an option to extend the lease for two years, and approval of the attached option letter will extend the lease term through January 31, 2015.

Lessor: DIBA Real Estate Investments, LLC
28008 Harrison Parkway
Valencia, California 91355

Premises Location 14-201 Palm Drive, #109(A), 110 – 112, Desert Hot Springs, California

Size: Approximately 3,546 square feet.

Term: Extending two years commencing February 1, 2013 and terminating January 31, 2015

Rent:	Current	New
	\$ 1.70 per sq. ft.	\$ 1.74 per sq. ft.
	\$ 6,028.20 per month	\$ 6,170.04 per month
	\$72,338.40 per year	\$74,040.48 per year

Rent Adjustment: 2.5% annually commencing February 1, 2013

Utilities: County pays electric, gas and telephone. Lessor pays all others.

Interior/Exterior
Maintenance: Provided by Lessor.

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 budgeted for these costs in FY 2012/13. While EDA will front the costs for this lease with the property owner, DPSS will reimburse EDA for all associated lease costs. Although the cost increase was not budgeted by the Economic Development Agency (EDA), the amount of the increase is not material; therefore, the EDA is not requesting a budget adjustment at this time.

ATTACHMENTS:

Exhibit A
Exhibit B
Lease Option Letter

Exhibit A

DPSS Lease Cost Analysis FY 2012/13 14201 Palm Drive, Suites 109(A), 110 - 112, Desert Hot Springs, California

Total Square Footage to be Leased:

EXPECTED AMOUNTS

Current office: 3,546 SQFT
Total Expected Lease Cost for FY 2012/13 \$ 72,338.40

ACTUAL AMOUNTS

Current Office: 3,546 SQFT

Approximate Cost per SQFT (July - Jan)	\$	1.70	
Approximate Cost per SQFT (Feb - June)	\$	1.74	
Lease Cost per Month (July - Jan)	\$	6,028.20	
Lease Cost per Month (Feb - June)	\$	6,170.04	
Total Lease Cost (July - Jan)	\$	42,197.40	
Total Lease Cost (Feb - June)	\$	30,850.20	
Total Actual Lease Cost for FY 2012/13			\$ 73,047.60
Total Lease Cost Variance for FY 2012/13			\$ 709.20

Estimated Additional Costs:

EXPECTED AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month	\$	425.52	
Total Budgeted Expected Cost for FY 2012/13			\$ 5,106.24
EDA Lease Management Fee (Based @ 3.93%)	\$	2,842.90	
Total Estimated Expected Cost for FY 2012/13			\$ 7,949.14

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12	
Costs per Month (July - June)	\$	425.52	
Total Estimated Actual Utility Cost for FY 2012/13	\$	5,106.24	
EDA Lease Management Fee (Based @ 3.93%)	\$	2,870.77	
Total Estimated Actual Cost for FY 2012/13			\$ 7,977.01
Total Estimated Cost Variance for FY 2012/13			\$ 27.87
TOTAL ESTIMATED COST FOR FY 2012/13			\$ 737.07
TOTAL COUNTY COSTS: 4.93%			\$ 36.34

Exhibit B

DPSS Lease Cost Analysis FY 2013/14

14201 Palm Drive, Suites 109(A), 110 - 112, Desert Hot Springs, California

Current Square Feet Occupied:

Current Office:		3,546	SQFT	
Approximate Cost per SQFT (July - Jan)	\$	1.74		
Approximate Cost per SQFT (Feb - June)	\$	1.78		
Lease Cost per Month (July - Jan)			\$	6,170.04
Lease Cost per Month (Feb - June)			\$	6,311.88
Total Lease Cost				\$ 74,749.68
Total Expected Lease Cost for FY 2013/14				\$ 74,749.68

Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			\$	425.52
Total Estimated Utility Cost for FY 2013/14			\$	5,106.24
EDA Lease Management Fee (Based @ 3.93%)			\$	2,937.66
TOTAL ESTIMATED COST FOR FY 2013/14				\$ 82,793.58
TOTAL COUNTY COST: 4.93%				\$ 4,081.72



November 26, 2012

DIBA Real Estate Investments, LLC
c/o Mountain Woods
28008 Harrison Parkway
Valencia, CA 91355

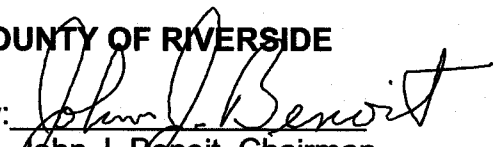
ATT: Landlords

RE: Exercise of Lease Option Rights – Second Amendment to Lease dated March 1, 2011
14-201 Palm Drive, #109(A), 110 - 112, Desert Hot Springs, California

Dear Mr. Safeviah and Mr. Banayan:

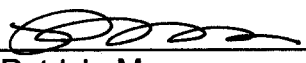
Please consider this letter formal written notice pursuant to paragraph three of the above referenced second amendment to lease agreement by and between the County of Riverside (County) and DIBA Real Estate Investments, LLC, successor in interest to Eun Hee Lee, Wilshire State Bank and First Western Land Management, (Lessor), that the County of Riverside formally exercises its option to extend the term of said lease two years, commencing February 1, 2013, through January 31, 2015.

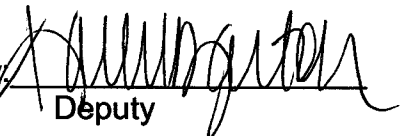
We look forward to our continued tenancy with DIBA Real Estate Investments, LLC.

COUNTY OF RIVERSIDE
By: 
John J. Benoit, Chairman
Board of Supervisors

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 
Patricia Munroe
Deputy County Counsel

By: 
Deputy

TA:ra/112612/15.532/DH003

JAN 29 2013 3-16