

September 3, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 2 TO LEASE NO. 71061 - SHERIFF HOMICIDE BUREAU
5747 RICKENBACKER ROAD, COMMERCE
(FIRST) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached Amendment No. 2 to Lease No. 71061 for an additional five-year term with AMB Institutional Alliance Fund II, L.P. (Lessor) for 17,460 rentable square feet of office space including 69 parking spaces for the Sheriff's Homicide Bureau at 5747 Rickenbacker Road, Commerce at an initial annual cost of \$252,192. Rental costs are 100 percent net County cost.
2. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.
3. Authorize the Chief Administrative Office (CAO) and the Sheriff to implement the project. The Amendment will be effective upon approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this proposed Amendment to extend the lease term for five years will allow the Sheriff to continue to house 150 staff members of its Homicide Bureau at 5747 Rickenbacker Road, Commerce. There is insufficient space to house this program at the Sheriff's Headquarters building at 4700 Ramona Avenue, Monterey Park, therefore, the Sheriff has requested a term extension at the subject facility. This facility is located within six miles of the Sheriff's Headquarters in Monterey Park.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we invest in public infrastructure in order to strengthen the County’s fiscal capacity. The lease of property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). In this case, we are leasing space on a short-term basis for a program which is likely to be relocated if and when the Hall of Justice renovation project is completed.

FISCAL IMPACT/FINANCING

The annual rent cost will initially be \$252,192.

5747 RICKENBACKER	EXISTING LEASE	AMENDMENT	CHANGE
Area	17,460 rentable sq. ft.	17,460 rentable sq. ft.	None
Term	7/20/99 - 10/13/00 Holdover 10/14/00 to present	5 years (upon board approval)	5 years
Annual Rent (including parking)	\$252,192 (\$14.44/sq. ft.) Net utilities	\$252,192 ¹ (\$14.44/sq. ft.) \$280,596 ² (\$16.07/sq. ft.) Net utilities	None \$28,404
T. I. Allowance	None	Improvements to be paid by Lessor	None
Parking (incl. in rent)	69	69	None
Cancellation	None	At or after the 36 th month with six months prior written notice	Yes
Option to renew	One 2-year option	None	Yes
Rental Adjustment	Annual CPI adjustment based on operating expenses capped at 5%	Annual CPI adjustment based on operating expenses capped at 5%	None

¹ From Board approval to September 30, 2004

² From October 1, 2004 to October 16, 2006

Sufficient funding for the proposed amendment is included in the 2002-03 Rent Expense Budget and will be charged back to the Sheriff. Sufficient appropriation is available in the 2002-2003 Adopted Budget for the Sheriff to cover the projected lease costs.

The cost associated with the proposed Amendment will be 100 percent net County cost.

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The monthly rent under the proposed Amendment will be subject to an annual CPI adjustment not to exceed five percent of the operating expense portion of the base rent which by agreement is \$5,381. Therefore, the CPI increase will not exceed \$269.05 annually.

Lower rent during the first 24 months of the term was negotiated anticipating a possible relocation of this program to the Hall of Justice.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Sheriff's Homicide Unit has occupied the facility since February 1994. Historically, this unit was located in the Hall of Justice in the Civic Center, but since that facility was closed, the program was relocated to this site. The Amendment contains the following provisions:

- The term will commence upon approval of this Amendment by the Board of Supervisors.
- A cancellation right at or after the 36th month, with six months prior written notice was negotiated. This right will allow the County to relocate this program to the Hall of Justice if and when that renovation project is completed. It has not yet been determined which programs will be transferred to the Hall of Justice.
- The Lessor shall provide 69 parking spaces for County's non-exclusive use.
- At his expense, the Lessor will remodel the restrooms and install a new HVAC system within the premises. The Lessor has also agreed to increase the frequency and improve the method of cleaning the carpet within the premises.

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CAO Real Estate staff conducted a rental rate survey to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range, including parking, for a similar property is between \$17.40 and \$21.60 per square foot annually on a modified full-service gross basis whereby Lessor is responsible for all costs associated with the County's occupancy except utilities. Therefore, the initial annual rate proposed herein of \$14.44 per square foot is below market range. Additionally the annual rental rate of \$16.07 after the increase of October 1, 2004 is also below market rate. Attachment B shows all County-owned and leased facilities within the search area for this program.

The Department of Public Works has inspected this facility and has no objection to the County's occupancy.

The space is too small for a child care facility to be incorporated into the premises area and the five-year term is too short to amortize the cost of a child care center within budgeted funding.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15061(b)(3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed Amendment is in the best interest of the County and will adequately provide the space necessary for this program. In accordance with your Board's policy on the housing of any County offices or activities, the Sheriff concurs in this Amendment recommendation.

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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the executed Amendment; the adopted, stamped, Board letter and; two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
WLD:CK:pb

Attachments (5)

c: County Counsel
Auditor-Controller
Sheriff

SHERIFF'S DEPARTMENT
5747 RICKENBACKER ROAD, COMMERCE
 Asset Management Principles Compliance Form¹

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ² There is insufficient space to accommodate consolidation		X	
B	Does lease co-locate with other functions to better serve clients? ² County-owned space in close proximity was not available		X	
C	Does this lease centralize business support functions? ²			X
D	Does this lease meeting the guideline of 200 sf of space per person? ² 116 sf per person	X		
2. <u>Capital</u>				
A	Should program be in leased space to maximize State/Federal funding?		X	
B	If not, is this a long term County program?	X		
C	Is it a net County cost (NCC) program? 100.00%	X		
D	If yes to 2 B or C; capital lease or operating lease with an option?		X	
E	If no, are there any suitable County-owned facilities available?		X	
F	If yes, why is lease being recommended over occupancy in County- owned space?			X
G	Is Building Description Report attached as Attachment B?	X		
H	Was build-to-suit or capital project considered? The cost to occupy the subject facility is substantially less than a build- to-suit structure. This program is planned to be relocated at the Hall of Justice.		X	
3. <u>Portfolio Management</u>				
A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?	X		
D	Why was this program not co-located?			
	1. ___ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.			
E	Is lease a full service lease? ² Lessor refused to be responsible for utilities.		X	
F	Has growth projection been considered in space request? This is a temporary use pending the renovation of the Hall of Justice			X
G	Has the Dept. of Public Works completed seismic review/approval?	X		

¹As approved by the Board of Supervisors 11/17/98

²If not, why not?

**SPACE SEARCH - 6 MILE RADIUS OF SHERIFF'S HEADQUARTERS
4700 W. RAMONA, MONTEREY PARK
HOMICIDE BUREAU**

LACO	FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT NET	OWNERSHIP	SQ. FT. AVAILABLE
0122	THOMAS A TIDEMANSON BUILDING-ANNEX	900 S FREMONT AVE, ALHAMBRA 91803	43500	36975	FINANCED	NONE
0155	COUNTY COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	794459	441761	FINANCED	NONE
0156	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438095	259523	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012	958090	581818	FINANCED	NONE
3100	EASTLAKE JUVENILE COURTHOUSE-1	1601 EASTLAKE AVE, LOS ANGELES 90033	47379	26024	OWNED	NONE
3102	JUVENILE HALL-ADMINISTRATION BLDG-4	1605 EASTLAKE AVE, LOS ANGELES 90033	75907	33945	OWNED	NONE
3154	CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER	210 W TEMPLE ST, LOS ANGELES 90012	1036283	399535	FINANCED	NONE
3155	THE MUSIC CENTER-DE LISA BLDG/ THE ANNEX	301 N GRAND AVE, LOS ANGELES 90012	27582	17978	OWNED	NONE
3241	EAST LOS ANGELES COURTHOUSE	214 S FETTERLY AVE, EAST LOS ANGELES 90022	126972	63347	FINANCED	NONE
3542	FIRE-ADMINISTRATIVE HEADQUARTERS BUILDING	1320 N EASTERN AVE, LOS ANGELES 90063	39015	24288	FINANCED	NONE
4946	MED CTR-INTERNS & RESIDENTS BLDG	2020 ZONAL AVE, LOS ANGELES 90033	142448	79494	OWNED	NONE
5266	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	303434	125469	FINANCED	NONE
5274	AVALON-CARVER SERVICE CENTER	4920 S AVALON BLVD, LOS ANGELES 90011	26822	16647	OWNED	NONE
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115242	89650	OWNED	NONE
5428	DPSS-BELVEDERE AP DISTRICT OFFICE	5445 E WHITTIER BLVD, EAST LOS ANGELES 90022	70493	49261	OWNED	NONE
5456	HEALTH SERVICES ADMINISTRATION BLDG	313 N FIGUEROA ST, LOS ANGELES 90012	221359	134851	OWNED	NONE
5805	MENTAL HEALTH COURTHOUSE	1150 N SAN FERNANDO RD, LOS ANGELES 90065	28523	16817	OWNED	NONE
5863	ISD-ADMINISTRATIVE HEADQUARTERS	1100 N EASTERN AVE, LOS ANGELES 90063	80309	58826	FINANCED	NONE
5870	ISD-EASTERN AVE COMPLEX TELECOM BRANCH BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	37742	28973	FINANCED	NONE
5979	CENTRAL ARRAIGNMENT COURTHOUSE	429 BAUCHET ST, LOS ANGELES 90012	83692	30638	FINANCED	NONE
6131	DCSS-EAST LOS ANGELES SERVICE CTR	133 N SUNOL DR, EAST LOS ANGELES 90063	28514	21777	OWNED	NONE
6518	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LOS ANGELES 90007	215439	183874	OWNED	NONE
6578	DPSS-METRO EAST AP DISTRICT OFFICE	2855 E OLYMPIC BLVD, LOS ANGELES 90023	63066	29220	OWNED	NONE
A015	DHS-ENVIRONMENTAL HEALTH HDQTRS	2525 CORPORATE PL, MONTEREY PARK 91754	29542	23680	LEASED	NONE
A133	CHILD SUPPORT SERVICES-ADMINISTRATIVE HDQTRS	5770 S EASTERN AVE, CITY OF COMMERCE 90040-2924	80000	60052	LEASED	NONE
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	83164	79006	LEASED	NONE
A188	SHERIFF-INTERNAL AFFAIRS BUREAUS/RISK MANAGEMENT	4900 S. EASTERN, CITY OF COMMERCE 90040	27990	23792	LEASED	NONE
A198	DPSS-EL MONTE AP DISTRICT OFFICE	3405 RIO HONDO AVE, EL MONTE 91731	31960	23970	LEASED	NONE
A198	DPSS-EL MONTE AP DISTRICT OFFICE	3405 RIO HONDO AVE, EL MONTE 91731	31960	23970	LEASED	NONE
A204	DPSS-SAN GABRIEL VALLEY AP DIST OFFICE	3403 RIO HONDO AVE, EL MONTE 91731	30485	22271	LEASED	NONE
A204	DPSS-SAN GABRIEL VALLEY AP DIST OFFICE	3403 RIO HONDO AVE, EL MONTE 91731	30485	22271	LEASED	NONE
A275	COMMUNITY DEVELOPMENT COMM HEADQUARTERS	2 CORAL CIR, MONTEREY PARK 91755	67500	60750	LEASED	NONE
A332	CHILD SUPPORT SERVICES-COMPUTER SYSTEMS DIV	5500 S EASTERN AVE, CITY OF COMMERCE 90040	42250	40138	LEASED	NONE
A387	DPSS-GAIN PROGRAM HDQRTS/DA-CLAIMS UNIT	3220 ROSEMEAD BLVD, EL MONTE 91731	20435	19413	LEASED	NONE
A423	SHERIFF-PERSONNEL & RECRUITMENT CTR	101 CENTRE PLAZA DR, MONTEREY PARK 91754	37590	33831	LEASED	NONE
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST (KAWADA BUILDING), LOS ANGELES 90012-3503	30452	27703	LEASED	NONE
A446	FIRE-INFORMATION MANAGEMENT DIVISION OFFICES	5815 RICKENBACKER RD, CITY OF COMMERCE 90040	5500	5000	LEASED	NONE
A460	HEALTH-FERGUSON ADMIN SRVCS CTR	5555 FERGUSON DR, CITY OF COMMERCE 90022	268400	246550	LEASED	NONE
A471	THE ALHAMBRA COMPLEX - EAST TOWER	1000 S FREMONT AVE (EAST TOWER), ALHAMBRA 91803	79578	67350	LEASED	NONE
A493	DPSS-SAN GABRIEL VALLEY FAMILY SERVICE CENTER	3350 AEROJET AVE, EL MONTE 91731	120000	108000	LEASED	NONE
A496	PUBLIC DEFENDER-L.A. LAW CENTER BLDG	207 S BROADWAY, LOS ANGELES 90012	7100	6750	LEASED	NONE
A497	DPSS-SAN GABRIEL VALLEY GAIN PROGRAM REG III	3216 ROSEMEAD BLVD, EL MONTE 91731	41836	39744	LEASED	NONE
A522	DHS/DPSS/DC&FS-TELSTAR COUNTY CENTER	9320 TELSTAR AVE, EL MONTE 91731	163000	146700	LEASED	NONE
A570	CHILD SUPPORT SERVICES-INTERSTATE DIVISION	5701 S EASTERN AVE, CITY OF COMMERCE 90040	55530	49977	LEASED	NONE
A823	FIRE-FIRE PREVENTION DIV/ FORESTRY DIV HEADQUARTERS	5823 RICKENBACKER RD, CITY OF COMMERCE 90040	21432	15939	LEASED	NONE
B460	DPSS-GAIN PROGRAM REGION VI OFFICE	5460 BANDINI BLVD, BELL 90201	31400	21815	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	42065	LEASED	NONE
C269	DPSS-LINCOLN HEIGHTS WS DIST OFFICE	4077 N MISSION RD, LOS ANGELES 90032	26094	18575	LEASED	NONE
C740	DPSS-FLORENCE AP DISTRICT OFFICE	1740 E GAGE AVE, LOS ANGELES 90001	60000	28601	OWNED	NONE
C760	DPSS-EAST L A GROW EMPLOYMENT SERVICES CENTER	2200 N HUMBOLDT ST, LOS ANGELES 90031	23655	17554	LEASED	NONE
X015	LOS ANGELES COUNTY LAW LIBRARY	301 W 1ST ST, LOS ANGELES 90012	215960	126000	OWNED	NONE
X167	SHERMAN BLOCK SHERIFF'S HEADQUARTERS BUILDING	4700 W RAMONA BLVD, MONTEREY PARK 91754	125000	106250	FINANCED	NONE
X201	EDMUND D EDELMAN CHILDREN'S COURT	201 CENTRE PLAZA DR, MONTEREY PARK 91754	275530	181958	FINANCED	NONE
X900	THOMAS A TIDEMANSON PWORKS BLDG	900 S FREMONT AVE, ALHAMBRA 91803	536168	363876	FINANCED	NONE
Y013	DPSS-CIVIC CENTER DIST/GROW CENTER OFFICE	813 E 4TH PL, LOS ANGELES 90013	39956	25158	OWNED	NONE
Z367	HSG-ASSISTED HOUSING DIVISION OFFICES	4800 E CESAR CHAVEZ AVE, EAST LOS ANGELES 90022	20000	18000	OWNED	NONE