

April 30, 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:

**RENTAL INCREASE TO ASSESSOR LEASE
12440 FIRESTONE BOULEVARD, NORWALK
(FOURTH) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve an increase in monthly rental payments by an anticipated \$8,845 for the remaining two-month tenancy, as requested by Saddleback Square, LLC, (Lessor), for the continued occupancy of the leased premises at 12440 Firestone Boulevard, Norwalk and the use of 45 parking spaces for the Assessor's Norwalk Office, on a month-to-month tenancy, which is 30 percent revenue offset.
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 November 17, 1987 and Section 15061 (b) (3) of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the proposed action will provide the Assessor continued occupancy of the leased premises on a month-to-month tenancy until personnel at the subject facility can be relocated to the Assessor's regional office in Signal Hill.

The Assessor has leased the subject office space since June 13, 1989. The most recent lease was a five-year term which expired February 13, 2000. Since that date, occupancy has continued on a month-to-month basis. The Lessor has demanded a rental increase effective May 11, 2002 and has served the County with a 30-day notice.

The Honorable Board of Supervisors
April 30, 2002
Page 2

The Assessor estimates that the entire operation will be relocated to 1401 Willow Street, Signal Hill by the end of June 2002 as part of the Assessor's planned consolidation of the Lomita, Norwalk, and Long Beach offices.

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 (Goal 4, Strategy 2, Objective 2) by temporarily leasing space on a short-term basis until the Assessor's relocation in June 2002.

FISCAL IMPACT/FINANCING

12440 Firestone Blvd. Norwalk	Existing Lease	Proposed Action
Area	8,350 square feet	8,350 square feet
Annual Rent (including parking)	\$125,250 (full service)	\$178,320 (full service)
Annual Cost Per Square Foot	\$15.00/sq. ft.	\$21.36/sq. ft.
Term	month-to-month	month-to-month
Cancellation	Anytime upon 30 days notice	Anytime upon 30 days notice

Administrative expenses incurred by the Assessor which are allocable to cities and special districts are reimbursable from those entities. The Assessor has determined that about 30 percent of the costs associated with the subject lease will be offset. Therefore, the total net County cost increase will be approximately \$6,200 over the two-month period.

Sufficient funds are budgeted in the 2001-02 Rent Expense Budget and will be charged back to the Assessor, which also has sufficient funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Assessor operates its Norwalk satellite office consisting of residential and personal property appraisal staff along with a public counter at the subject facility under a five-year lease for the office space which expired February 13, 2000. The Assessor's tenancy has continued on a month-to-month holdover basis since that time.

- The County has continued payment of the rent in the amount of \$125,250 or \$15 per square foot per year including parking.
- The Department of Public Works has inspected this facility and finds it suitable for County's continued occupancy.
- The proposed lease is intended to be on a very short-term basis, i.e., less than two months, which the Assessor has determined is sufficient time to relocate staff and not adversely impair the County's ability to timely prepare the 2002-03 tax roll.
- The possibility of incorporating a child care facility was considered unfeasible due to the short-term nature of Assessor's continued occupancy.

CAO staff surveyed the Norwalk area to determine the market rate for comparable facilities. Based upon said survey, staff has established that the range of rental rates for similar properties in the Norwalk area is from \$17.10 to \$21.80 per useable square foot per year full service gross. Thus, the annual rental rate of \$21.36 per useable square foot specified by the proposed rental increase herein represents the high end of the market range. Attachment B shows County-owned and leased facilities within the search area that were considered for this use and none are available for this program.

ENVIRONMENTAL DOCUMENTATION

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 November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

The Honorable Board of Supervisors
April 30, 2002
Page 4

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed rental increase is in the best interest of the County to continue occupancy of the space necessary for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, the Assessor concurs in this rental increase recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the adopted, stamped Board letter, and two certified copies of the Minute Order to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:CK:hd

Attachments (2)

c: County Counsel
Auditor-Controller
Assessor

**ASSESSOR NORWALK OFFICE
12440 FIRESTONE BOULEVARD, NORWALK**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ² Assessor anticipates that its continued occupancy will be short term.		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 The ratio is 232 sq. ft. per person. Due to the necessity to retain historical records for each parcel, there is an unusually high amount of space dedicated to file storage.		X	
2. <u>Capital</u>		Yes	No	N/A
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? 70%	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 County's continuing need for this facility is short term, and will cease at such time that staff can be relocated to the Signal Hill facility. Therefore, a build to suit structure is not required.		X	
3. <u>Portfolio Management</u>		Yes	No	N/A
A	Did department utilize CAO Space Request Evaluation (SRE)? The request represents a continued use for an existing program and is initiated as a result of Lessor's request for a rental increase.		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. X No suitable County occupied properties in project area.			
	3. X 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	X		
F	Has growth projection been considered in space request? Assessor's growth projection was considered as part of the regional consolidations of various offices.		X	
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			

**SPACE SEARCH - IN CLOSE PROXIMITY TO THE
NORWALK OFFICE**

LACO	FACILITY NAME	ADDRESS	SQ FT GROSS	SQ FT NET	OWNERSHIP	SQ FT AVAILABLE
0005	BELLFLOWER COURTHOUSE	10025 E FLOWER ST, BELLFLOWER 90706	110286	346470	OWNED	NONE
A355	DC&FS-REGION IV OFFICES AND TRAINING CENTER	10355 SLUSHER DR, SANTA FE SPRINGS 90670	65568	50633	LEASED	NONE
A161	DMH-PATIENT EMERGENCY COORDINATION SERVICES	11401 BLOOMFIELD AVE METRO STATE HOSPITAL, NORWALK 90650	11546	10968	LEASED	NONE
Y531	STAR CENTER-ADMINISTRATION BUILDING	11515 S COLIMA RD, WHITTIER 90604	8884	5780	FINANCED	NONE
Y542	STAR CENTER-ACADEMY BUILDING M	11515 S COLIMA RD, WHITTIER 90604	9097	7847	FINANCED	NONE
Y534	STAR CENTER-ACADEMY BUILDING D	11515 S COLIMA RD, WHITTIER 90604	16551	10983	FINANCED	NONE
Y535	STAR CENTER-ACADEMY BUILDING E	11515 S COLIMA RD, WHITTIER 90604	19984	12864	FINANCED	NONE
Y533	STAR CENTER-ACADEMY BUILDING C	11515 S COLIMA RD, WHITTIER 90604	15578	8104	FINANCED	NONE
D812	PW-INC CITY OFFICE (SANTA FE SPRINGS)	11710 TELEGRAPH RD (CITY HALL), SANTA FE SPRINGS 90670	0	0	PERMIT	NONE
D210	PUBLIC LIBRARY-ALONDRA LIBRARY	11949 E ALONDRA BLVD, NORWALK 90650	6808	5061	PERMIT	NONE
5368	PUBLIC LIBRARY-NORWALK REGIONAL LIBRARY	12350 E IMPERIAL HWY, NORWALK 90650	33749	27529	OWNED	NONE
X168	HARRY HUFFORD REGISTRAR-RECORDER/CO CLERK BLDG	12400 E IMPERIAL HWY, NORWALK 90650	262510	240600	FINANCED	NONE
A068	SHERIFF-THE BECHTEL BUILDING-IMPERIAL CENTRE	12440 E IMPERIAL HWY, NORWALK 90650	159905	134899	LEASED	NONE
A022	ALT PUB DEFENDER-NORWALK OFFICE	12440 (A) FIRESTONE BLVD, NORWALK 90650	2150	1940	LEASED	NONE
5685	NORWALK COURTHOUSE	12720 NORW ALK BLVD, NORW ALK 90650	225008	111898	OWNED	NONE
D221	DPSS-NORWALK AP DISTRICT OFFICE	12727 NORW ALK BLVD, NORW ALK 90650	40500	30928	LEASED	NONE
A279	DPW -SOUTH WHITTIER DISTRICT/SHERIFF'S SUB-STN	13523 TELEGRAPH RD, SOUTH WHITTIER 90605	3104	2926	LEASED	NONE
0092	PW ROAD-DIV #146 SUBYARD OFFICE	13671 TELEGRAPH RD, SOUTH WHITTIER 90604	576	518	OWNED	NONE
E485	PUBLIC LIBRARY-SOUTH WHITTIER LIBRARY	14433 LEFFINGWELL RD, WHITTIER 90604	3294	2968	OWNED	NONE
A358	DPSS-COMPUTER SERVICES/ LEADER PROGRAM OFFICE	14714 CARMENITA RD, NORWALK 90650	44250	42038	LEASED	NONE
6059	DOWNEY ADMIN CTR-ADMINISTRATIVE CENTER BLDG	9150 E IMPERIAL HWY, DOWNEY 90242	655944	529072	FINANCED	NONE
A498	DC&FS-KINSHIP SUPPORT SERVICES PROGRAM CENTER	9834 NORWALK BLVD, SANTA FE SPRINGS 90670	5875	5580	LEASED	NONE
6444	PUBLIC LIBRARY-CLIFTON M BRAKENSIEK LIBRARY	9945 E FLOWER ST, BELLFLOWER 90706	20160	17078	OWNED	NONE