



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
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DAVID E. JANSSEN
Chief Administrative Officer

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YVONNE BRATHWAITE BURKE
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MICHAEL D. ANTONOVICH
Fifth District

December 16, 2003

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:

**FIVE-YEAR LEASE AMENDMENT FOR THE SHERIFF AND COUNTY COUNSEL
101 CENTRE PLAZA DRIVE, MONTEREY PARK
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Instruct the Chairman to execute the attached five-year lease amendment with Paul and Eleanor Sade (Lessor) for the continued occupancy of 37,590 rentable square feet of office space, including 125 off-street parking spaces for the Sheriff and County Counsel at the current monthly rent of \$46,987.50, of which 90 percent is a 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 and Section 15062 (b) (3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Administrative Office (CAO), Sheriff and County Counsel to implement the project. The lease term will commence upon acceptance of the seismic retrofit improvements by the County which will be provided by the Lessor.

The Honorable Board of Supervisors
December 16, 2002
Page 2

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On December 12, 2002, your Board adopted a temporary one-year lease agreement with the Lessor for the continued occupancy of the Sheriff and County Counsel at the subject location. The current lease agreement provides a total of 37,590 gross square feet of office space for the Sheriff's Personnel Administration Bureau, which occupies approximately 32,834 gross square feet and County Counsel's Appellate Unit of the Children's Services Division, which occupies approximately 4,756 gross square feet in the building.

The Lessor agreed to enter into a one-year split service lease with the County pending the relocation of the staff to another location as part of the backfill of the Hall of Justice project, which has now been extended. In addition, the one-year lease afforded the County an opportunity to complete a detailed seismic survey of the building. The Department of Public Works (DPW) survey recommended the building be retrofitted to meet the requirements of Chapter 95 of the Los Angeles County Building Code (LACBC).

The Lessor has agreed to incur the cost to seismically retrofit the building as a condition precedent to a five-year lease extension, with a right to cancel anytime after three years with nine months prior written notice. The current agreement will terminate on December 15, 2003 and the holdover provision of the lease allows continued occupancy at the current rental rate for two-month periods. The Lessor has formally consented to a holdover of the lease pending completion of the seismic retrofit work and commencement of the new term.

The proposed five-year lease amendment will allow the Sheriff's approximately 200-member staff and County Counsel's 22-member staff to continue their co-occupancy of the building. The cancellation right after the third year provides the County with the flexibility to relocate and backfill staff upon completion of the Hall of Justice project or any other backfill opportunities that may become available. In addition, the Appellate Unit may be provided an opportunity to backfill space that could become available in the Edmund D. Edelman's Children's Courthouse in the future. If the Appellate Unit vacates their current space during the new lease term, the Sheriff or another County department will be afforded an opportunity to submit space requests to the Chief Administrative Office for authorization to backfill the vacated space.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we strengthen the County's fiscal capacity (Goal 4). The continued lease of this property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). In this case, a Countywide Sheriff administrative function is consolidated and County Counsel is co-located to better serve clients.

FISCAL IMPACT/FINANCING

The Sheriff portion of the monthly rental cost, or approximately \$41,044, is 100 percent net County cost, funded through an allocation from the Sheriff's Operational Budget. Funding for County Counsel's monthly rental cost, or approximately \$5,944, is included in its operating budget and is billed via intra-fund transfers to the Department of Children and Family Services, which in turn receives State and Federal subvention for this program. The proposed lease amendment provides an annual CPI adjustment of the base rent capped at three percent.

101 Centre Plaza Dr., Monterey Park	Existing Lease	Proposed Lease	Change
Area (square feet)	37,590	37,590	None
Term	1 Year (12/16/02 to 12/16/03)	5 Years (upon acceptance of seismic retrofit work)	+ 5 Years
Monthly Rent	\$46,987.50 (\$1.25 sq. ft. split service) (equivalent to \$1.61 if a full service lease)	Same	None
TI Allowance	None	None	None
Parking Included in Rent	125 off-street spaces	125 off-street spaces	None
Cancellation	Anytime with 90 days notice	After 3 years with nine months prior written notice	+ 3 years
Option to Renew	None	None	None
Rental Adjustment	None (1 year lease)	Annual adjustment capped at 3 percent	3 percent maximum adj. effective at thirteenth month

Sufficient appropriation for the proposed lease amendment is included in the 2003-04 Rent Expense Budget and will be charged back to the Sheriff and County Counsel. Sufficient appropriation has also been included in the 2003-04 Sheriff and County Counsel Operating Budgets to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Sheriff and County Counsel have been at this location since the building was refurbished for County use in August 1999. The proposed five-year lease agreement provides 37,590 rentable square feet and approximately 125 off-street parking spaces and will be effective upon completion of the seismic repair work and acceptance by the County.

The lease also contains the following provisions:

- The Lessor has provided written consent to continue the lease under the Holdover Provision pending completion of the seismic improvements and commencement of the new five-year lease term.
- The lease is split service. County is responsible for most of the repair and maintenance of the building. Lessor is responsible for repair, maintenance and replacement of HVAC equipment, structural, roof, elevator, sump pump, concealed plumbing, fire sprinklers, sewer/waste system, insurance and taxes.
- During the new lease term, the County has the right to cancel anytime after the third year with nine months prior written notice.
- On October 1, 2002, your Board approved the construction of emergency exits in the parking structure of the Children's Court. As part of this project, the Lessor consented to the temporary construction of two ingress/egress driveways in the premises' surface parking lot, which were completed in January 2003. Upon completion of the permanent exit in the Court parking structure targeted for May of 2004, the surface parking area will be restored to its original condition by the County. All work, including site restoration, shall be at the sole cost and expense of the County.

The Honorable Board of Supervisors
December 16, 2002
Page 5

DPW has inspected the facility and completed a detailed seismic review which recommended a retrofit of the building prior to extending the lease term at this location. In accordance with DPW's recommendation, the Lessor is prepared to undertake the recommended retrofit work at its sole cost and plans to commence construction of the retrofit project in January 2004, with an estimated completion date of June 2004.

CAO Real Estate staff did not conduct a survey of the leased properties in the service area to determine the availability of comparable and more economical sites because this lease is an interim solution pending the proposed implementation of the Hall of Justice project. Attachment B shows all County-owned facilities within the search area for this program. There are no County-owned facilities available for this program within close proximity to the current location.

Based upon a previous rental survey of similar properties within a three-mile radius of the site, staff has determined that the annual rental range is between \$15.60 and \$19.20 per rentable square foot split service. Thus, the current base annual rental rate of \$15.00 per square foot remains at the low end of the market range for the area surveyed.

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

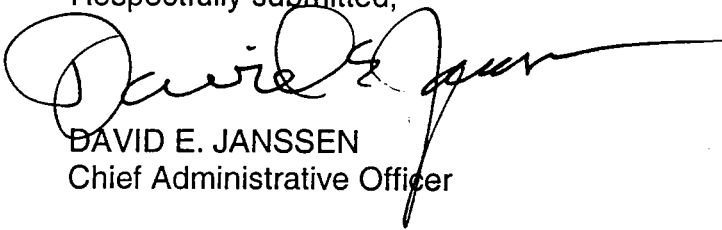
It is the finding of the CAO that the proposed five-year lease amendment is in the best interest of the County and will continue to provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, the Sheriff and County Counsel concur in this lease amendment recommendation.

The Honorable Board of Supervisors
December 16, 2002
Page 6

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease amendment and 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:CWW
CEM:TS:hd

Attachments (3)

c: County Counsel
Auditor-Controller
Sheriff

**CHILD SUPPORT SERVICES DEPARTMENT
101 CENTRE PLAZA DRIVE, MONTEREY PARK
Asset Management Principles Compliance Form¹**

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	X		
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sf of space per person? ²	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? 90%NCC / 10% Offset by S&F Funds	X		
D	If yes to 2 B or C; capital lease or operating lease with an option? This is a short term solution that a capital lease or capital project will address on a long term basis.		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? This Sheriff program is currently being considered as part of a backfill plan for existing County owned space (Sheriff Headquarters) if the Hall of Justice project is implemented. County Counsel may also be considered for backfill of Sheriff Headquarters or the Children's Court if space is made available at either location in the future.	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. ___ No suitable County occupied properties in project area.			
	3. ___ No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. <u>X</u> The Program is being co-located.			
E	Is lease a full service lease? ² Split Service, Lessor insisted on a triple net lease. A split service lease was negotiated whereby County is responsible for repair/maintenance and utilities.		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval? A detailed seismic survey has been completed by DPW and the owner will undertake a seismic retrofit of the building at its sole cost and expense.	X		
¹ As approved by the Board of Supervisors 11/17/98				

**SPACE SEARCH, THREE-MILE RADIUS OF
4700 W. RAMONA BOULEVARD, MONTEREY PARK (SHERIFF HEADQUARTERS)**

LACO	FACILITY NAME	ADDRESS	SQ.FT. GROSS	NET SQ.FT.	OWNERSHIP	SQ.FT. AVAILABLE
0837	Med Ctr-Personnel Office Bldg	1200 N State St., LA 90033	2980	1761	Owned	None
0838	Med Ctr-Quality Assur Utiliz Review	1200 N State St, LA 90033	2980	2341	Owned	None
3100	Eastlake Juvenile Crthse -1	1601 Eastlake Ave., LA 90033	47379	26024	Owned	None
3102	Juvenile Hall-Admin Bldg. - 4	1605 Eastlake Ave., LA 90033	75907	33945	Owned	None
3241	East Los Angeles Courthouse	214 S Fetterly Ave, ELA 90022	126972	63347	Financed	None
4231	Biscailuz-Training/Intelligence Fac	1060 N Eastern Ave., LA 90063	1660	1372	Owned	None
4364	Probation-East L.A. Area Office	144 S Fetterly Ave ELA 90022	15584	11327	Owned	None
4465	DF Kirby Ctr-Administration Bldg	1500 S McDonnell Ave Commerce 90022	18169	10117	Owned	None
4526	Biscailuz-Administration Bldg	1060 N Eastern Ave LA 90063	16571	11428	Owned	None
4799	PW Central Yard-Division Hdqtrs	1525 Alcazar St LA 90033	10438	7224	Owned	None
4946	Med Ctr-Interns & Residents Bldg	2020 Zonal Ave., LA 90033	142448	79494	Owned	None
5260	Coroner-Admin/Investigations Bldg	1102 N. Mission Rd., LA 90033	22479	14251	Owned	None
5412	Public Library-ELA Library	4801 E 3 rd St, ELA 90022	14848	11740	Owned	None
5805	Mental Health Courthouse	1150 N San Fernando Rd LA90065	28523	16817	Owned	None
5863	ISD-Administrative Hdqtrs	1100 N Eastern Ave, LA 90063	80309	58826	Financed	None
5870	ISD-Eastern Ave Complex Telcom Branch Bldg	1110 N Eastern Ave., LA 90063	37742	28973	Financed	None
6131	DCSS-E.L.A. Service Center	133 N Sunol Dr, ELA 90063	28514	21777	Owned	None
A930	Public Library-El Camino Real Library	4264 E Whittier Bl ELA 90023	3280	2563	Owned	None
T039	Sheriff-Eastern Complex Fleet Svcs Off	1104 N Eastern Ave LA 90063	1548	1428	Owned	None
X155	ISD-Eastern Ave Complex Telecom Butler Bldg.	1112 N Eastern Ave., LA 90063	4960	4638	Owned	None
X167	Sherman Block Sheriff's Hdqts Bldg	4700 W Ramona Bl, 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
X707	Public Library-Anthony Quinn Lib	3965 E Cesar Chavez Ave, ELA 90063	3612	1948	Owned	None
X900	Thomas A Tidemanson Public Wks Bl	900 S Fremont Ave., Alhambra 91803	536168	363876	Financed	None
Y135	Centro Maravilla Svc Ctr-Bldg B	4716 E Cesar Chavez Ave, ELA 90022	3612	1948	Owned	None
Y307	Public Library-City Terrace Library	4025 E City Terrace Dr, ELA 90063	8007	6984	Owned	None
Z367	HSG-Assisted Housing Div Offices	4800 E Cesar Chavez Ave ELA 90022	20000	18000	Owned	None

**AMENDMENT NO. 1
TO LEASE AGREEMENT NO. 74213**

THIS AMENDMENT NO. 1, TO LEASE AGREEMENT NO. 74213 made, entered and dated as of this _____ day of _____, 2003 by and between PAUL SADE AND ELENOR SADE REVOCABLE TRUST DATED AUGUST 6, 1985, AS AMENDED, hereinafter referred to as "LESSOR" and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "LESSEE".

W I T N E S S E T H

WHEREAS, a Lease and Agreement by and between PAUL SADE AND ELENOR SADE REVOCABLE TRUST DATED AUGUST 6, 1985, AS AMENDED, as Lessor, and the COUNTY OF LOS ANGELES as Lessee was executed November 12, 2002, pursuant to which Lessor leased to Lessee those certain Premises located at 101 Centre Plaza Drive, Monterey Park, California, more particularly described as approximately 37,590 rentable square feet of office space consisting of approximately 6,219 square feet in the basement, approximately 15,862 square feet on the first floor and approximately 15,509 square feet on the second floor of the building and;

WHEREAS, Lessor and Lessee desire to amend the terms of the Lease and Agreement to extend the term and based on the Lessor's seismic retrofit of the premises and;

WHEREAS, Lessor and Lessee desire to continue occupancy under the terms of the Holdover Provision of the Lease pending construction of the seismic retrofit by the Lessor, and review and acceptance of the seismic retrofit work by the County and;

WHEREAS, Lessor hereby consents to the holdover by the Lessee as provided in the Holdover Provision of the lease and;

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and the rents, covenants and agreements herein contained, and intending to be legally bound, Lessor and Lessee hereby covenant and agree as follows:

1. **TERM:**

Paragraph A., **ORIGINAL TERM**, shall remain in force until the Holdover Provision takes effect and is ended upon commencement of the **NEW TERM**.

The **NEW TERM**, Paragraph B., as amended shall commence upon completion of the seismic retrofit work by the Lessor and acceptance by the County after adoption by the Board of Supervisors, of Amendment No. 1, and shall end five years thereafter unless this Lease is cancelled or otherwise terminated in accordance with the provisions of the Lease. Lessor and Lessee shall promptly execute the

"Memorandum of Commencement Date" attached hereto as Exhibit "A" following commencement of the New Lease term. The Chief Administrative Officer, is hereby authorized to sign on behalf of Lessee.

2. **CANCELLATION:** Paragraph 5. is hereby amended as follows;

Upon acceptance of the seismic retrofit improvements and the extension of the original term of the Lease the cancellation language shall be deleted and is hereby amended as follows;

The Lessee shall have the right during the extended term to cancel this Lease at or any time after the thirty-sixth (36th) month by giving the Lessor not less than Ninety (90) days prior written notice.

3. **RENTAL ADJUSTMENTS** Paragraph 30, is hereby added to the Lease:

A. At the thirteenth (13) month of the **New Term** as evidenced by the executed Memorandum of Commencement Date and every twelve months thereafter, the rent shall be adjusted in accordance with the CPI formula set forth in Paragraph 30. The "Base Index" shall be the Index published for the first full month of the commencement of the New Term Commencement Date.

B. CPI Formula: The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84-100), herein referred to as "Index".

The rental adjustment for the Net Base rent shall be calculated by multiplying the Lessor's base rent of \$46,987.50 by a fraction, the numerator being the New Index which is the Index published for the month immediately preceding the month the adjustment is effective, which is the Index published for the first full month of the commencement of the New Term Commencement Date,

The formula shall be as follows:

$$\frac{[\text{New Index}]}{[\text{Base Index}]} \times \$46,987.50$$

The total of the Base Rent, the monthly cost to amortize additional tenant improvements and change orders, if any, shall be the new monthly rental rate, i.e.:

Base Rent
+ the amount to amortize additional Tenant Improvements, if any
+/- the amount to amortize change orders, if any

= New Monthly Base Rent

If the Index is changed so that the base year of the Index differs from that used as of the commencement date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United State Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to arbitration the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

- C. General Provisions: In no event shall the monthly rent adjustment based upon the CPI formula set forth in this Paragraph 30 result in an annual increase greater than three percent (3%) per year of the monthly base year rent of \$46,798.50 per month annually.

In no event shall the monthly rent adjusted by the CPI formula result in a lower monthly rent than was payable during the previous year of the lease.

4. **PREPARTION OF PREMISES**, Paragraph 31, is hereby added to the Lease:

Within thirty (30) days of the date the Lessor is notified in writing that the Board of Supervisors of the County of Los Angeles has approved this Amendment No. 1 to Lease 74213, Lessor, at Lessor's sole cost and expense, shall initiate construction per the final working drawings which have been prepared by the Lessor's licensed California engineer and reviewed and approved by the County of Los Angeles pursuant to and in compliance with Chapter 95 of the Los Angeles County Building Code.

5. Wherever a conflict exists in the terms or conditions of Amendment No. 1 to Lease No. 74231 and prior amendment(s), or the original Lease, the terms and conditions of Amendment No. 1 shall prevail. All other terms and conditions of the Lease remain unchanged and are hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 1 to Lease Agreement No. 74213 or caused it to be duly executed, and the County of Los Angeles has caused this Amendment to be executed on its behalf by the Chief Administrative Officer, or his designee and attested by the Clerk thereof the day, month, and year first above written.

LESSOR:
PAUL SADE AND ELENOR SADE,
REVOCABLE TRUST DATED AUGUST 6, 1985,

Paul Sade Trustee

By *Eleanor Sade, Trustee*

Its _____

LESSEE:
COUNTY OF LOS ANGELES

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer-Clerk
Of the Board of Supervisors

By _____
Chair, Board of Supervisors

By _____

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By *Francis E. Scott*
Deputy: Francis E. Scott

CWW:CEM
TS:hd

EXHIBIT A- MEMORANDUM OF COMMENCEMENT DATE

This Agreement is dated this ___ day of ___, 20___, for reference purposes only, by and between, Lessor and Lessee County of Los Angeles.

A. THE PARTIES HERETO HAVE ENTERED INTO A LEASE AMENDMENT NO. 1 TO LEASE NO. 74213 dated as of _____(the "Lease Amendment") for the leasing by Lessor to Lessee of the buildings located at 101 CENTRE PLAZA DRIVE, LOS ANGELES, ("the Premises").Lessor and Lessee hereby confirm the following:

1. That all seismic retrofit construction by Lessor has been completed, if any, required to be done pursuant to the terms of the Lease Amendment in all respects subject to any remaining punch list items;
2. That Lessee has accepted possession of the Premises and now occupies the same; and
3. That the term of the Lease commenced _____.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

By _____

Lessee:

COUNTY OF LOS ANGELES

By _____

Chuck W. West
Director of Real Estate

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