



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

July 20, 2004

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

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**OPTION TO EXTEND FOR FIVE YEARS – LEASE NO. 72146
DEPARTMENT OF HEALTH SERVICES
6851 LENNOX AVENUE, VAN NUYS
(THIRD DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached option to extend Lease No. 72146 with 6851 LENNOX, LLC (Lessor) for an additional five-year term. The lease is for 7,587 rentable square feet at 6851 Lennox Avenue, Van Nuys, for the Department of Health Services (DHS) Environmental Health Offices at an annual rental rate of \$127,526, covered by environmental health fees.
2. Find that this lease is exempt from the provisions of 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 15601 (b) (3) of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 1999, the County has leased 7,587 rentable square feet for the Environmental Health Office. The Environmental Health Office is comprised of the North Area Housing Inspection Office, the Mid-Valley Food Inspection Office, the Environmental Protection Office, the Consumer Protection Office and the North West Food Manager's Office. The 55 staff members provide State mandated regulatory public health services which include the following: retail and wholesale food inspections, housing inspections, plan check review for new and remodeled food facilities, review of water well construction/destruction, private sewage systems inspections, child care facility inspections, vector control suppression activities, swimming pool inspections, and investigations of citizen complaints of general public health issues.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide the public with easy access to quality information and services that are both beneficial and responsive (Goal 1). Renewal of the lease supports this goal with a centrally located office to service San Fernando Valley residents who visit this office approximately 40 times a day.

FISCAL IMPACT/FINANCING

The annual cost of this lease renewal option will be \$127,526. The Lessor and County have negotiated a monthly renewal rent of \$10,627 (\$1.41 per rentable square foot).

6851 Lennox Ave.	Current Lease	Renewal	Change
Area	7,537 sq. ft.	7,537 sq. ft.	None
Term	7/21/99 to 7/20/04	7/21/04 to 7/20/09	+ 5 years
Annual Rent	\$127,033	\$127,526	+\$493
Cancellation	At or anytime after 3 years with 180 days notice. Cancellation fee of \$1,700 per remaining months in term.	At or anytime after 3 years with 180 days notice. No cancellation fee.	Cancellation fee eliminated.
Rent Adjustment	Annual CPI adjustment not to exceed 4% of the preceding rent period.	Annual CPI adjustment not to exceed 4% of the preceding rent period.	None

Sufficient funding for the proposed lease renewal is included in the 2004-05 Rent Expense Budget and will be charged back to the DHS operating budget. Current Environmental Health fees cover 100 percent of the total costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease renewal provides 7,537 rentable square feet of office space on the third and fourth floors with up to 28 parking spaces. The department was approved for 10,000 square feet of space but due to budget constraints has elected not to incur the cost of moving and is willing to stay in 7,537 square feet of space for at least another three years. The lease contains the following provisions:

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- This is a full-service lease. Lessor pays all expenses.
- The Option to Renew paragraph in the lease provides the County an option to renew at the same terms and conditions except that the rental rate is the average fair rental value of all office space within 6851 Lennox Avenue, Van Nuys. The Lessor provided a rent schedule that averages to \$1.41 per square foot per month full-service gross.
- The monthly rent shall be subject to an annual Consumer Price Index adjustment not to exceed 4 percent of the previous year's rent.
- The County has the right to cancel at or anytime after the 36th month by giving 180 days prior written notice with no cancellation fee.
- The lease provides 28 parking spaces which is less than the 80 percent County guideline which in this case would equate to 35 spaces based on the number of staff at the site. Due to budget constraints DHS cannot purchase additional spaces at this time. Also, street parking is available. However, 80 percent of DHS staff provides services to clients in the field which reduces the demand for staff parking at this location.

Based upon a survey of the San Fernando Valley office market in this general area, staff has established that the base rental rate range for similar property on a full-service basis is between \$1.35 and \$1.95 per square foot per month. Therefore, the monthly rent proposed herein of \$1.41 per square foot, full-service gross, is within the lower range of market for the area.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

This project is categorically exempt from 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 15601 (b) (3) of the State CEQA Guidelines.

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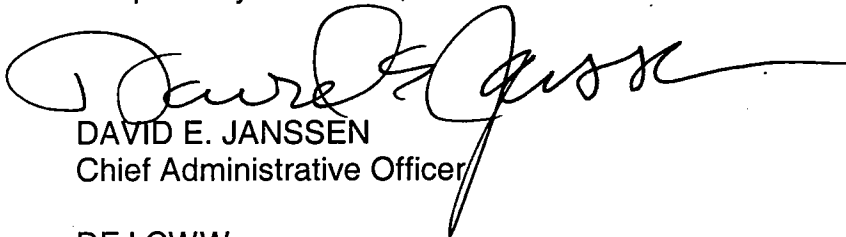
IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the Chief Administrative Office (CAO) that the proposed option to renew is in the best interest of the County and will allow DHS to remain at this location until such time as DHS has available funding to relocate to 10,249 square feet of space which has been approved by the CAO for the 55 staff. In accordance with your Board's policy on the housing of any County offices or activities, the Director of Health Services concurs with this recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed Notice of Exercise of Option and 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 for further processing.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CEM:JWP:hd

Attachments (3)

c: County Counsel
Department of Health Services

DEPARTMENT OF HEALTH SERVICES
6851 LENNOX AVENUE, VAN NUYS
 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?		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? Because of small amount of space needed, this requirement doesn't meet requirements for build-to-suit.		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	X		
F	Has growth projection been considered in space request	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?

* When lease was originated in 1999 two Environmental Health Offices were consolidated into one office and North West Food Manager's Office was co-located here.

**Boundaries for search:
118 Freeway: North
101 Freeway: South
5 Freeway: East
Topanga Canyon Boulevard: West**

LACO FACILITY NAME	ADDRESS	SF GROSS	SF NET	SF AVAIL.	
A076	BOARD OF SUP-5TH DISTRICT FIELD OFFICE	21949 PLUMMER, CHATSWORTH 91311	1,200	1,140	LEASED NONE
X165	CHATSWORTH COURTHOUSE	9425 PENFIELD AVE, CHATSWORTH 91311	302,435	165,247	FINANCED NONE
A362	DPSS-CANOGA PARK REGIONAL MEDI-CAL OFFICE	9035 CANOGA AVE, CANOGA PARK 91304	44,835	32,052	LEASED NONE
A503	DPSS-WEST VALLEY CALWORKS/GAIN REG II PROGRAM	21415 PLUMMER ST, CHATSWORTH 91311	97,280	87,552	LEASED NONE
A504	DPSS-WEST VALLEY CALWORKS/IHSS PROGRAM OFFICE	21615 PLUMMER ST, CHATSWORTH 91311	67,220	60,498	LEASED NONE
5858	DHS-PACOIMA PUBLIC HEALTH CENTER	13300 VAN NUYS BLVD, PACOIMA 91331	5,404	3,098	OWNED NONE
Y582	FIRE-PACOIMA FORESTRY DIV OFFICES (6)	12605 OSBORNE ST, PACOIMA 91331	3,712	3,465	OWNED NONE
A502	HEALTH SERVICES-FOOTHILL CENTER BUILDING	12502 VAN NUYS BLVD, PACOIMA 91331	7,514	6,806	LEASED NONE
F309	PW FLOOD-HANSEN YARD OFFICE	10179 GLENOAKS BLVD, SUN VALLEY 91352	2,236	1,901	OWNED NONE
T562	WHITEMAN AIRPORT-ABLE AVIONIX OFFICES	12653 OSBORNE ST, PACOIMA 91331	5,677	4,637	OWNED NONE
5872	DHS-CANOGA PARK HEALTH CENTER (P/PP SITE)	7107 REMMET AVE, CANOGA PARK 91303	5,308	3,094	OWNED NONE
A213	DHS-NORTH DISTRICT HEALTH FACILITIES OFFICE	15643 SHERMAN WAY, VAN NUYS 91406	3,712	3,600	LEASED NONE
A316	SHERIFF-NORTH HILLS T.R.A.P. UNIT	8353 N SEPULVEDA BLVD, NORTH HILLS 91343	1,500	1,500	LEASED NONE
A285	ALT PUBLIC DEFENDER-VAN NUYS OFFICE	6320 VAN NUYS BLVD, VAN NUYS 91401	3,100	3,100	LEASED NONE
D310	DPSS-EAST VALLEY WS DISTRICT OFFICE	14545 LANARK ST, PANORAMA CITY 91402	96,360	39,588	OWNED NONE
0505	MID VALLEY-FORMER BOWLING ALLEY(NONHABITABLE)	7501 VAN NUYS BLVD, VAN NUYS 91405	28,269	22,615	OWNED 22,615
6359	MID VALLEY-SAN FERNANDO VALLEY SERVICE CENTER	7555 VAN NUYS BLVD, VAN NUYS 91405	17,698	10,623	FINANCED NONE
4705	PROBATION-EAST SAN FERNANDO VALLEY AREA OFFIC	14414 W DELANO ST, VAN NUYS 91401	15,825	8,362	OWNED NONE
A491	PROBATION-VAN NUYS AREA JUVENILE SERVICES	14540 HAYNES ST, VAN NUYS 91411	13,500	11,475	LEASED NONE
A494	PROBATION-VAN NUYS JUVENILE SERVICES ANNEX	7100 VAN NUYS BLVD, VAN NUYS 91405	1,900	1,710	LEASED NONE
5273	VAN NUYS COUNTY ADMINISTRATIVE CENTER BLDG	14340 W SYLVAN ST, VAN NUYS 91401	9,849	6,992	OWNED NONE
7278	VAN NUYS COURTHOUSE - EAST	6230 SYLMAR AVE, VAN NUYS 91401	180,296	88,650	OWNED NONE
4400	VAN NUYS COURTHOUSE - WEST	14400 ERWIN ST (IN MALL), VAN NUYS 91402	320,391	125,801	FINANCED NONE
Y472	VAN NUYS COURTHOUSE-BUILDING A	6280 SYLMAR AVE, VAN NUYS 91401	4,740	3,165	OWNED NONE
Y473	VAN NUYS COURTHOUSE-BUILDING B	6280 SYLMAR AVE, VAN NUYS 91401	4,740	3,148	OWNED NONE
Y474	VAN NUYS COURTHOUSE-BUILDING C	6280 SYLMAR AVE, VAN NUYS 91401	4,740	3,148	OWNED NONE
Y476	VAN NUYS COURTHOUSE-BUILDING E	6280 SYLMAR AVE, VAN NUYS 91401	3,373	1,987	OWNED NONE
Y477	VAN NUYS COURTHOUSE-BUILDING F	6280 SYLMAR AVE, VAN NUYS 91401	576	495	OWNED NONE
T027	VAN NUYS COURTHOUSE-TRAILER C	6230 SYLMAR AVE, VAN NUYS 91401	3,164	2,824	OWNED NONE
T026	VAN NUYS COURTHOUSE-TRAILER D	6230 SYLMAR AVE, VAN NUYS 91401	8,116	7,086	OWNED NONE
Y442	VAN NUYS COURTHOUSE-TRAILER F	14400 W DELANO ST, VAN NUYS 91401	11,037	6,470	OWNED NONE
A501	DCSS-BURBANK ADULT PROTECTIVE SERVICES	2501 W BURBANK BLVD, BURBANK 91502	5,702	5,132	LEASED NONE
A377	DPSS-EAST SAN FERNANDO GAIN REGION VII OFFICE	3307 N GLENOAKS BLVD, BURBANK 91504	35,772	32,195	LEASED NONE

NOTICE OF EXERCISE OF OPTION PURSUANT
TO LEASE NO. 72146
DEPARTMENT OF HEALTH SERVICES
6851 LENNOX AVENUE, VAN NUYS

TO: 6851 LENNOX, LLC
("LESSOR")

FROM: COUNTY OF LOS ANGELES, A BODY POLITIC and CORPORATE
("LESSEE")

DATE: JULY 20, 2004

PLACE: LOS ANGELES, CA

RECITALS

A. Lessor and Lessee are the parties to a Lease and Agreement dated June 8, 1999 (the "Lease"), for certain premises described therein (the "Premises") located at 6851 Lennox Avenue, Van Nuys. The term of the Lease commenced July 21, 1999 and will expire on July 20, 2004.

B. The Lease and Agreement provides the County with the option to extend this Lease for five years by providing Lessor written notice of its intention to exercise its option.

C. Lessee now wishes to exercise its Option to extend the term an additional five years by giving notice of such exercise to Lessor, in accordance with Paragraph 2 B of Lease No. 72146.

Therefore, Lessee hereby notifies Lessor as follows:

1. Lessee hereby exercises Lessee's Option to extend the term of the Lease on the terms and conditions regarding the Option set forth in Lease No. 72146. In compliance with Paragraph 2 B of Lease No. 72146, Lessee is enclosing with this notice evidence of the final approval by Los Angeles County Board of Supervisors of their exercise of Lessee's Option.
2. The initial rental rate shall be Ten Thousand Six Hundred Twenty-Seven and 17/100 Dollars (\$10,627.17) per month, i.e. \$1.41 per rentable square foot per month, subject to the provisions of Paragraph 26 RENTAL ADJUSTMENT.
3. Lessee shall have the right to cancel this lease under the terms and conditions set forth in Paragraph 5 CANCELLATION except there shall be no cancellation fee.

IN WITNESS WHEREOF, Lessee has executed this Notice of Exercise of Option pursuant to Lease No. 72146 or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Notice to be executed on its behalf by the Chair of said Board and attested by the Clerk thereof the day, month, and year first above written.

ATTESTED:

LESSEE

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

COUNTY OF LOS ANGELES

By: _____
Deputy

By _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

OFFICE OF THE COUNTY COUNSEL

By *Franco E. Smith*
Deputy