



County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

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

February 21, 2006

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 OPTION TO RENEW LEASE NO. 68558
CHILD SUPPORT SERVICES DEPARTMENT
1020 EAST PALMDALE BOULEVARD, PALMDALE
(FIFTH) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Exercise the option to renew (renewal) the lease for a five-year term with COAST UNITED ADVERTISING COMPANY, Inc. (Coast United) for 16,500 rentable square feet of office space, located at 1020 East Palmdale Boulevard, Palmdale, for the Child Support Services Department (CSSD) at an annual first year rent not to exceed \$281,526, which is 100 percent subvented by State and Federal funds.
2. Find that the lease renewal is categorically 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 15301 of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this renewal will provide CSSD continued occupancy of this space, which is used to house Division VI personnel who perform case management to service clients in the Palmdale/Antelope Valley and the Northern Santa Clarita areas. Although the current square footage is approximately 14 percent greater than the need identified by CSSD, the use of the existing space, with its favorable lease terms and no need for new tenant improvement costs, is more cost effective to the County than moving to a smaller space.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we improve the well-being of children and families in Los Angeles County as measured by the achievements in the five outcome areas adopted by the Board: good health; economic well-being; safety and survival; social and emotional well-being; and education/workforce readiness (Goal 5). In this case, we are re-leasing the office space for CSSD which will continue to provide services which enhance the ability of children to live in safe, stable, and nurturing families (Strategy 3). This proposed lease complies with the Strategic Asset Management Principles, as shown in Attachment A.

FISCAL IMPACT/FINANCING

This lease originally contained two consecutive five-year renewal options. This is the first Board request by the Chief Administrative Office (CAO) for a renewal. The cost for this first year shall not exceed \$281,526 based on the terms and conditions of the lease, which limits annual Consumer Price Index (CPI) rental adjustments to no more than four percent a year.

1020 EAST PALMDALE BLVD., PALMDALE	EXISTING LEASE AND AMENDMENT NO.1 LEASE NO. 68558	5-YEAR LEASE OPTION	CHANGE
Area (Square feet)	16,500	16,500	None
Term	02/23/1996 - 02/22/2006	02/22/2006 – 02/22/2011	+ 5 years
Annual Base Rent	\$270,698	\$281,526	+ \$10,828
Parking (included in base rent)	78 parking spaces	78 parking spaces	None
Cancellation	County may cancel after the 36 th month upon 60 days prior written notice	County may cancel after 36 th month upon 60 days prior written notice	None
Option to Renew	Two five-year options	First five-year option exercised	One 5-year option remains
Rental Adjustment	Base Rent subject to annual CPI adjustment to a maximum of 4% of Base	Same	None

Sufficient funding for the proposed five-year extension is included in the 2005-06 Rent Expense budget and will be billed back to CSSD. CSSD has sufficient funds in its 2005-06 operating budget to cover the projected lease costs. The rental cost is 100 percent offset with State and Federal funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County entered into this modified gross lease in February 1996 and amended the lease in October 2000 to increase the square footage from 12,000 square feet of office space to 16,500 square feet of office space. The original lease contains a rental adjustment provision to limit annual CPI increases to a maximum of four percent. Notice of intent to exercise this first option has been timely given. This lease requires your Board to exercise the options. County Counsel has reviewed the Lease option to renew and approved it as to form.

CAO Real Estate staff surveyed the Palmdale/Antelope Valley area as specified by CSSD in order to maintain close proximity within the service area. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the surrounding Palmdale/Antelope area and there are no County-owned or leased facilities available for the programs.

Based upon a market survey of similar properties in the Palmdale/Antelope Valley area, staff has determined that the base rental range including parking for similar properties is between \$17.00 and \$24.00 per square foot per year modified full-service gross. Thus, the proposed lease renewal base annual rent of \$17.06 per square foot represents a market rental rate in the low end of the rental range.

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 pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no disruption of services to the public as this is an exercise of an option to renew the lease term with no other changes to the terms and conditions of the lease.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CAO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012.

Respectfully submitted,


DAVID E. JANSSEN
Chief Administrative Officer

DEJ:WLD
CEM:TS:hd

Attachments (2)

c: County Counsel
Child Support Services Department

1020palmdale.b

CHILD SUPPORT SERVICES DEPARTMENT
1020 EAST PALMDALE BOULEVARD, PALMDALE
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 DPSS also serves clients from this complex.	X		
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Larger space is required to house lawyers and interviewing staff in offices.		X	
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? 100% State and Federal Funding.		X	
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?	X		
G	Was build-to-suit or capital project considered? The size of the program does not warrant a build-to-suit consideration.		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 Net utilities, the Lessor negotiated the County is responsible for all electricity costs associated with the space.		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			

²If not, why not?

**SPACE SEARCH – WITHIN SERVICE AREA OF CSSD CLIENT PARTICIPANTS,
1020 EAST PALMDALE BOULEVARD, PALMDALE
CHILD SUPPORT SERVICES DEPARTMENT**

LACO	FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT. NET	OWNERSHIP	SQ. FT. AVAIL
0059	PW Road –Div #551 Maintenance	4859 W Ave L-12 Quartz Hill	1,2501	1,125	OWNED	NONE
D620	Public Library-Quartz Hill	42018 N 50 th St. W., Quartz Hill	3,530	3,291	LEASED	NONE
B636	DPSS Lancaster Office Center	43770 N 15 th Street W, Lancaster	4,020	3,901	LEASED	NONE
A079	Assessor's Regional Office	251 E Avenue K-6, Lancaster	15,338	13,712	LEASED	NONE
A035	Board of Supervisors 5 th District Field Office	1113 W 4 th Street W, Lancaster	1,241	1,164	LEASED	NONE
X511	Antelope Valley Courthouse	42011 4 th St, W, Lancaster	389,000	267,610	FINANCED	NONE
A008	Antelope Valley Service Center	335 A E Avenue K-6, Lancaster	51,000	242,803	LEASED	NONE
A433	Antelope Valley Service Center B	349 A-B E Avenue K-6, Lancaster	51,000	33,932	LEASED	NONE
A492	DPSS Lancaster IHSS Annex	43424 Copeland Cir., Lancaster	2,400	2,280	LEASED	NONE
A192	Probation –Antelope Valley Area	321 E Avenue K-4, Lancaster	6,400	6,000	LEASED	NONE
X495	PW Waterworks North Maintenance Area	260 E Avenue K-8 Between K-8 and K-10, Lancaster	13,200	11,150	OWNED	NONE
A125	Lake Los Angeles Library	16921 E Avenue O, Palmdale	3,245	2,921	LEASED	NONE
A125	Lake Los Angeles Clinic	16921 E Avenue O, Palmdale	2,457	2,211	LEASED	NONE
A380	DPSS Antelope Valley CAIN	1050 E Palmdale Blvd., Palmdale	18,795	17,855	LEASED	NONE
A509	Palmdale Courthouse	38256 Sierra Highway, Palmdale	18,528	16,256	OWNED	NONE