



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District
MARK RIDLEY-THOMAS
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

December 8, 2009

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. 1 TO LEASE NO. 75678 FOR
AGRICULTURAL COMMISSIONER/WEIGHTS AND MEASURES,
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS AND
SUBLEASE TO THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
335-337 EAST AVENUE K-10, LANCASTER
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for a lease amendment providing an additional 3,126 rentable square feet of office space to house the Agricultural Commissioner/Weights and Measures, Military and Veterans Affairs and a sublease for the Housing Authority of the County of Los Angeles (HA), who will use 1,035 rentable square feet of the 3,126 square feet provided in Amendment No.1.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Office to complete and file a Certificate of Fee Exemption for the project.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only*

2. Approve and instruct the Chair to sign Amendment No. 1 to Lease No. 75678 with Frank A. Visco (Landlord) for the occupancy of 3,126 rentable square feet of office space by the Agricultural Commissioner/Weights and Measures, Military and Veterans Affairs at 335-337 East Avenue K-10, Lancaster, at an initial annual rent of \$74,652 which is 100 percent net County cost offset by \$24,477 in annual sublease rent received from the Housing Authority of the County of Los Angeles who will occupy 1,035 square feet of the 3,126 square foot premises through a County sublease. The Amendment No. 1 to Lease No. 75678 will commence upon completion of tenant improvements and acceptance of the space by the County of Los Angeles.
3. Approve and instruct the Chair to sign upon presentation the Sublease with Housing Authority of the County of Los Angeles for the use of 1,035 rentable square feet at an annual rent of \$24,477.
4. Approve the appropriation adjustment of \$1,000,000 from the Capital Projects/Refurbishment budget under Antelope Valley One Stop Permitting Office CP No. 77142 to the Rent Budget to fund tenant improvement, furniture and telephone, data, and low voltage systems costs associated with the improvements at 335-337 East Avenue K-10 for Agricultural Commissioner/Weights and Measures, Military and Veterans Affairs and 335 East Avenue K-6 for the Departments of Public Works, Public Health, Regional Planning and Fire.
5. Authorize the Chief Executive Office and Agricultural Commissioner/Weights and Measures, Military and Veterans Affairs to reimburse the Landlord for additional tenant improvement/furniture allowance and telephone, data and low voltage systems for work performed at 335-337 East Avenue K-10, in an amount not to exceed \$156,300, of the \$1,000,000 transferred from the Capital Projects/Refurbishment budget, payable in lump sum within 60 days of completion.
6. Authorize the Chief Executive Office and the Departments of Public Works, Public Health, Regional Planning, and Fire to reimburse the Landlord for the refurbishment of 335 East Avenue K-6, to accommodate the backfill by the aforementioned departments in an amount not to exceed \$640,000, of the \$1,000,000 transferred from the Capital Projects/Refurbishment budget, payable in lump sum.
7. Authorize the Landlord and/or Director of Internal Services Department, at the discretion of the Chief Executive Office to acquire and pay in lump sum, telephone, data and low voltage systems for the Departments of Public Works, Public Health, Regional Planning, and Fire at a cost not to exceed \$203,700 for 335 East Avenue K-6 of the \$1,000,000 transferred Capital Projects/Refurbishment budget.

8. Approve the project and authorize the Chief Executive Office, Agricultural Commissioner/Weights and Measures, Military and Veterans Affairs and Internal Services Department to implement the project. The lease will be effective upon approval by your Board, but the term and rent will commence upon completion of the tenant improvements by the Landlord and acceptance by the County of Los Angeles.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed Amendment No. 1 to Lease No. 75678 will provide 3,126 rentable square feet of improved office space for the Agricultural Commissioner/Weights and Measures, Military and Veterans Affairs (tenant departments) at 335-337 East Avenue K-10, Lancaster. The proposed Sublease will provide 1,035 rentable square feet of office space for the HA, at the same location and is part of the 3,126 square feet and Tenant Improvements (TIs) provided in Amendment No.1.

The space currently occupied by the tenant departments and HA at the County Regional Center located at 335 East Avenue K-6, Suites A&B, will be backfilled by the Departments of Public Works, Public Health, Regional Planning and Fire. The space backfilled by the aforementioned departments will be refurbished to create an Antelope Valley One Stop Permitting Office.

The Agricultural Commissioner/Weights and Measures works with local County of Los Angeles farmers and residents in meeting regulation requirements established by Federal, State and local agencies related to fire hazards, consumer/agricultural insect control and regulation of agricultural related hazardous materials. The Department of Military and Veteran Affairs helps elderly veterans and their dependents by providing college fee waivers, nursing home purse claims and pensions, compensation and other assistance. The HA provides support to local farmers and residents through an on-site collaboration with the University of California's Farm Advisor Cooperative Extension programs related to urban gardens, horticulture, natural resource management, and other environmental concerns.

The 3,126 rentable square feet of improved office space provided in the proposed amendment will be used to accommodate the requirements of the tenant departments and HA. The relocation of these tenant departments and the HA will not impact the delivery of services to the public as their new location is only two blocks from their current location at the County Regional Center.

The proposed TIs for 335 East Avenue K-6 consists of demolition and removal of existing partitions and installation of new office furniture, carpet, paint, power/voice/data, electrical, mechanical, HVAC system and related upgrades as required.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we maximize the effectiveness of the County's processes, structure, and operations to support timely delivery of customer-orientated and efficient public services (Goal 1); and enrich lives through integrated, cost-effective and client-centered supportive services (Goal 2). In this case we have consolidated multiple departmental functions in accordance with Goal 1 and 2. The proposed lease amendment is in compliance with the Strategic Asset Management Principals, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease amendment will provide 3,126 rentable square feet of expansion space at a total annual rental increase of \$74,652.

335-337 EAST AVENUE K-10	EXISTING LEASE	PROPOSED LEASE AMENDMENT No.1	CHANGES
Area (Square feet)	22,040 sq.ft. office space	25,166 sq.ft. office space	+3,126 sq. ft.
Term	01/01/2007 to 12/31/2021	1/1/10 to 12/31/21 (projected; commences upon acceptance by County of TIs)	None
Annual Base Rent	\$526,315 (\$23.88/sq.ft.)	\$600,967 (\$23.88/sq.ft.)	+\$74,652
Annual Base Rent Adjustment	None	None	None
Base TIs Allowance	\$1,432,000 (included in rent)	\$1,650,820 (included in rent)	+\$218,820
Additional TIs Allowance*	\$600,000	\$756,300	+\$156,300
Parking	125 spaces	137 spaces	+ 12 spaces
Cancellation	12/31/2014 to 12/31/2017 with 180 days notice	12/31/2014 to 12/31/2017 with 180 days notice	None
Option to Renew	Two five-year options	Two five-year options	None
Rental Adjustment	None during the 15-year term	None during the term of the lease	None

*The additional TIs Allowance is payable via lump sum payment within 60 days of completion.

Approval of the attached appropriation adjustment will transfer \$1,000,000 from the Capital Projects/Refurbishments budget under Antelope Valley One Stop Permitting Office, CP No. 77142 to the Rent Expense budget to fulfill the funding requirement for the proposed TIs provided in the lease amendment. Upon your Board's approval of the appropriation adjustment sufficient funding for the proposed TIs for the lease amendment will be included in the 2009-10 Rent Expense budget.

Sufficient funding for the proposed lease amendment is included in the 2009-10 Rent Expense budget and will be billed back to the tenant departments. Sufficient funding is available in the tenant departments operating budget to cover the proposed lease costs. The sublease with the HA will provide an annual rent of \$24,477 collected as revenue to offset the expense charged for this space including TIs.

The annual lease cost for the County departments are 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment provides 3,126 rentable square feet of office space and 12 parking spaces. The amended lease contains the following provisions:

- The lease term begins upon completion of the improvements by the Landlord and acceptance of the improvements by the County at a monthly base rent of \$6,221.
- A TIs allowance to renovate the premises, per the County's preliminary plans and specifications, which are estimated to cost \$218,220 or \$70 per square foot is included in the base rental rate.
- The Landlord will provide an additional allowance of \$50.00 per square foot or \$156,300, for TI, including furniture, telephone, data and low voltage which is reimbursed to the Landlord in a lump sum payment within sixty (60) days after completion.
- The Landlord will provide parking for an additional 12 vehicles which is included in the rental rate.
- A cancellation provision in the lease allows the County to cancel the lease at the end of the 84th month (12/31/2014) and at the 120th month (12/31/2017) with not less than 180 days written notice.

- The lease is on a modified full-service basis whereby the Landlord is responsible for a portion of the operating and maintenance costs. The County is responsible for all utilities, exposed plumbing, lamps and tubes, interior walls, doors, janitorial services and supplies.
- The sublease with the HA will provide an annual rent of \$24,477 collected as revenue to offset the expense charged for this space.

Chief Executive Office (CEO) Real Estate staff surveyed the service area to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range including parking and TIs for similar property is between \$23.89 and \$36 per square foot per year modified full-service. Thus, the base annual rent of \$23.89 per square foot is at the low end of market for this area. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

The Department of Public Works has inspected this facility and has reported that the building meets current standards for the County's occupancy.

It is not feasible to house a child care center at the building. However, there are several private child care centers available within a three-mile radius of the subject location.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CEO has made an initial study of the environmental factors and has concluded that this project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk. The California Department of Fish and Game has determined that the project does not effect fish, wildlife and habitat, and payment of a CEQA filing is not required.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Amendment will allow the tenant departments and the HA to relocate to this space and allow Departments of Public Works, Public Health, Regional Planning and Fire to back-fill the space vacated by the tenant departments. The tenant departments and the HA concur with this recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the executed Amendment No. 1 to Lease No. 72058, two originals of the executed Sublease upon presentation, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, and Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



for WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:WLD
CEM:TS:hd

Attachments (5)

- c: Executive Office, Board of Supervisors
- County Counsel
- Auditor-Controller
- Agricultural Commissioner/Weights and Measures
- Military and Veterans Affairs
- Housing Authority of the County of Los Angeles
- Internal Services Department
- Public Works
- Public Health
- Regional Planning
- Fire Department

**Agricultural Commissioner/Weights and Measures, Military and Veteran Affairs
and Housing Authority of the County of Los Angeles
335 EAST AVENUE K-10, LANCASTER**

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 sq ft of space per person? 183 sf per person.	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? The lease is 67% NCC and the balance of the lease is revenue offset by \$24,477 in annual sublease rent.	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; capital lease or 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? No, size of project did not require build-to-suit or capital project because of availability of leased space.		X	
3. <u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X	
B	Was the space need justified? Tenant departments were re-located to allow expansion by Public Works, Regional Planning, Fire and Environmental Health.	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 This is a modified full service lease, the Landlord did not want to be responsible for certain maintenance and utility costs including janitorial.		X	
F	Has growth projection been considered in space request? No SRE was filed and departments used maximum space available.		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 3 MILES OF 335 EAST AVENUE K-6, LANCASTER

LACO	FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT. NET	OWNERSHIP	SQ. FT. AVAIL
A079	ASSESSOR-LANCASTER REGIONAL OFFICES	251 E AVENUE K-6, LANCASTER 93534	15,338	13,712	LEASED	NONE
A035	BOARD OF SUP-5TH DISTRICT FIELD OFFICE	1113 W AVENUE M-4, PALMDALE 93550	1,241	1,164	LEASED	NONE
X511	MICHAEL ANTONOVICH ANTELOPE VALLEY COURTHOUSE	42011 4TH ST W, LANCASTER 93534	304,126	234,299	FINANCED	NONE
A192	PROBATION-ANTELOPE VALLEY AREA OFFICES	321 E AVENUE K-4, LANCASTER 93535	6,400	6,080	LEASED	NONE
X495	PW-WATERWORKS NORTH MAINTENANCE AREA HQ BLDG	260 E AVENUE K-8 BETWEEN AVE K-8 AND K-10, LANCASTER 93535-4527	13,200	11,155	OWNED	NONE
X542	PW-WATERWORKS NORTH MAINT AREA OFFICE	260 E AVENUE K-8 BETWEEN AVE K-8 AND K-10, LANCASTER 93535-4527	2,000	1,900	OWNED	NONE
A642	DPSS-LANCASTER GR/GROW OFFICE	335 E AVENUE K-10, LANCASTER 93535-4539	22,040	20,938	LEASED	NONE
A008	ANTELOPE VALLEY SERVICE CENTER	335A AVENUE K-6, LANCASTER	51,000	42,803	LEASED	NONE
A433	ANTELOPE VALLET SERVICE CENTER B	349A-B AVENUE K-6, LANCASTER	51,000	33,932	LEASED	NONE

**AMENDMENT NO. 1 TO LEASE NO.75678
AGRICULTURAL COMMISSIONER/WEIGHTS AND MEASURES,
MILITARY AND VETERANS AFFAIRS AND THE FARM ADVISOR
335-337 EAST AVENUE K-10, LANCASTER**

This Amendment No. 1 to Lease No. 75678 ("Amendment" or "Amendment No. 1") is made and entered into this 12TH day of AUGUST, 2009 by and between FRANK A. VISCO hereafter referred to as "Landlord" and COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Tenant".

RECITALS:

WHEREAS, Landlord and Tenant entered into Lease No. 75678 dated March 24, 2006, pursuant to which Landlord leased to Tenant those certain premises located in the Building at 335-337 East Avenue K-10, Lancaster, California, ("Building") more particularly described as approximately 22,040 rentable square feet of office space; and

WHEREAS, the parties now wish to amend the Lease in certain respects.

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, the parties hereto agree the following amendments are effective upon the date first above written:

1. Paragraph 1(c) of the Lease is hereby deleted and the following substituted:

(c) Premises:

Premises 1 shall be approximately 22,040 rentable square feet in the Building as shown on Exhibit A attached hereto and incorporated herein by this reference.

Premises 2 shall be approximately 3,126 rentable square feet in the Building as shown on Exhibit A. The parties acknowledge that Tenant currently occupies Premises 1 prior to the commencement date of the term provided by Amendment No. 1.

The term "Premises" as used herein shall refer to Premises 1 and Premises 2, collectively.

2. Paragraph 1(i) of the Lease is hereby deleted and the following substituted:

(i) Basic Rent:

Premises 1 Basic Rent shall be \$43,859.60 per month (which is based upon a rental rate of \$1.99 per rentable square foot), adjusted only as provided in Section 2(b) hereof.

Premises 2 Basic Rent shall be \$6,220.74 per month (which is based upon a rental rate of \$1.99 per rentable square foot), adjusted only as provided in Section 2(b) hereof.

3. Paragraph 1(k) of the Lease is hereby deleted and the following inserted in substitution

(k) Rentable Square Feet in the Premises: 25,166

4. Paragraph 1(m) shall be amended to include add as a user:

Agricultural Commissioner/Weights and Measures, Military and Veterans Affairs and Housing Authority of the County of Los Angeles (HACoLA).

5. Paragraph 1(n) of the Lease is hereby deleted and the following inserted in substitution:

(n) Parking Spaces:

Premises 1 125 spaces

Premises 2 12 spaces

6. Paragraph 1.2(a) of the Lease is hereby deleted and the following inserted in substitution thereof:

(a) Base Tenant Improvement Allowance:

Premises 1 \$65.00 per square foot or \$1,432,600

Premises 2 \$70.00 per square foot or \$218,820

7. Paragraph 1(a) of Landlord's Work Letter of the Lease is hereby deleted and the following inserted in substitution thereof:

Premises 1 \$65.00 per square foot or \$1,432,600

Premises 2 \$70.00 per square foot or \$ 218,820

8. Paragraph 1.2(e) of the Lease is hereby deleted and the following inserted in substitution thereof:

(e) TI/Furniture Allowance and Amortization Rate:

Premises 1	\$27.22 per square foot or \$600,000. Amortized at 8% over the initial 15 years of the lease, or payable in a lump sum payment within sixty (60) days after the Commencement Date.
Premises 2	\$50.00 per square foot or \$156,300. Payable in a lump sum payment within sixty (60) days after the Commencement Date.

Paragraph 1(e) of Landlord's Work Letter of the Lease is hereby deleted and the following inserted in substitution thereof:

Premises 1	\$600,000.00
Premises 2	\$156,300.00

9. Landlord's Improvements to Premises 2. Prior to tendering to Tenant possession of Premises 2, Landlord shall first construct in Premises 2, at Landlord's expense, improvements comparable in type and quality (except as otherwise set forth in Amendment No. 1) to the improvements constructed by Landlord for Tenant in Premises 1 pursuant to the original Lease including but not limited to (collectively, the "Premises 2 Work"). Such work for the Premises 2 shall be performed in accordance with the outline specifications in Landlord's Work Letter which was executed concurrently with and forms part of, the Lease.

Landlord shall commence the Premises 2 Work by applying for a building permit to construct the Premises 2 Work within 30 days after execution of this Amendment No. 1. Landlord shall perform the Premises 2 Work in accordance with the following provisions of the Landlord's Work Letter modified for this transaction as follows:

(A) Within 10 days after the commencement of the Premises 2 Work, Landlord shall advise Tenant in writing of the estimated time of completion of such work if it is beyond a four-month estimate.

The Premises 2 Work, when completed, shall meet all applicable City, County, State, and Federal building codes, regulations and ordinances required for beneficial occupancy. Any work, including construction, that Landlord must undertake to obtain the necessary jurisdictional approvals for occupancy shall be at Landlord's sole cost and expense.

(B) Completion of the to Premises 2 Work may be delayed by:

(1) Reasonable acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the work), or

(2) Any act of God which Landlord could not have reasonably foreseen and provided for, or

(3) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

(4) Any war or declaration of a state of national emergency, or

(5) Unavailability of labor or materials or the imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the Premises 2 Work.

(C) If Landlord fails to obtain the building permit for the Premises 2 Work in a reasonable time, taking all factors into consideration; or if said work has not been substantially completed within 180 days from the estimated time of completion provided by Landlord pursuant to this Section 35(A), which period shall be extended for a reasonable time for delays enumerated in items (B) (1) through (5) above, then Tenant may, at its option, cancel the Lease as to Premises 2 (but not the entire Lease) upon 30 days written notice to Landlord unless the Premises 2 Work is completed within such 30-day period. In the event of any such cancellation as to Premises 2, the provisions in this Amendment No. 1 regarding the Base Rent, improvement allowances, and parking spaces shall be deemed adjusted to delete the portion of such items attributable to the cancelled space, without need for a formal written amendment to the Lease.

The Premises 2 Work shall be deemed "Substantially Completed" when such work to be completed by Landlord has been completed to such a degree that Premises 2 can be occupied for the purpose leased (general office use), and Landlord has obtained a final or temporary certificate of occupancy, or final inspection approval, or any other comparable approval by applicable governmental authorities for the legal occupancy of Premises 2. "Substantial Completion" shall not require the completion of "punch list" items, but Landlord shall diligently pursue the completion of such items.

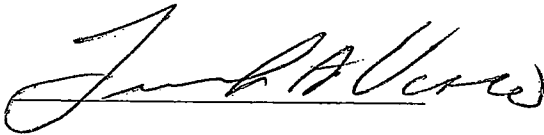
Tenant shall provide, install and maintain, at Tenant's expense, its own telecommunications and data system for Premises 2 and Landlord shall have no obligation or expense in connection with such system.

10. If there are any inconsistencies, variances or differences between any provision of the Lease and a provision of this Amendment No. 1, the provisions of this Amendment No. 1 will prevail and control. The Lease, as amended, is ratified, confirmed and approved. The terms "include" and "including" are not limiting and include the concept of "including but not limited to".

IN WITNESS WHEREOF, the Landlord has executed this Amendment No. 1 or caused it to be executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LANDLORD

By: Frank A. Visco

By: 

ATTESTED:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

By: _____
Deputy

TENANT

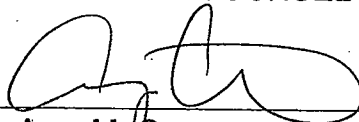
TENANT

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
ACTING COUNTY COUNSEL

By 
Amy M. Caves
Senior Deputy County Counsel



COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S NO. 060

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

December 8, 2009

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 09-10

3 - VOTES

SOURCES

USES

Various Capital Projects
Antelope Valley One Stop Permitting Office (5)
A01-CP-6014-65099-77142
Fixed Assets - Building and Improvements \$1,000,000
DECREASE APPROPRIATION

Rent Expense
A01-RE-97000-2000
Service & Supplies \$1,000,000
INCREASE APPROPRIATION

SOURCES TOTAL: \$ 1,000,000

USES TOTAL: \$ 1,000,000

JUSTIFICATION

This appropriation adjustment will transfer \$1,000,000 from Antelope Valley One Stop Permitting Office (CP No. 77142) to Rent Expense to fund the tenant improvements projects at 335-337 East Avenue K-10 and 335 East Avenue K-6.

AUTHORIZED SIGNATURE - David Jan Takata, Senior Manager, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR

- ACTION
RECOMMENDATION

- APPROVED AS REQUESTED
APPROVED AS REVISED

AUDITOR-CONTROLLER

Signature of Auditor-Controller

CHIEF EXECUTIVE OFFICER

Signature of Chief Executive Officer

B.A. NO. 058

Nov 24, 2009

Nov 25, 20 09

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

SUBLEASE

This Sublease is made as of the _____ day of _____, 2009 by and between County of Los Angeles, a body corporate and politic (hereinafter referred to as "Sublessor") and Housing Authority of the County of Los Angeles (hereinafter referred to as "Sublessee") with regard to the following facts.

RECITALS

A. Sublessor is the tenant under that certain lease adopted by the Board on May 30, 2006 and amended on _____, 2009 with Frank A. Visco (the "Landlord"), a copy of which Master Lease No. 75678 is attached hereto as Exhibit A and incorporated herein by this reference (the "Master Lease") concerning approximately 25,166 rentable square feet of office space (the "Premises") located at 335-337 East Avenue K-10, Lancaster, California.

B. Sublessee desires to sublease from Sublessor a portion of the Premises consisting of approximately 1,035 rentable square feet of space (which portion shall be hereafter referred to as the "Subleased Premises") more particularly set forth on Exhibit B attached hereto and incorporated herein by this reference, and Sublessor has agreed to sublease the Subleased Premises to Sublessee upon the terms, covenants and conditions herein set forth.

C. Landlord has provided written consent to Sublease between Sublessor and Sublessee.

AGREEMENT

In consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows.

1. Sublease. Sublessor hereby subleases to Sublessee and Sublessee hereby hires and takes from Sublessor the Subleased Premises.

2. Term. The term of this Sublease, following the approval of the Board of Supervisors, shall commence upon issuance of a Certificate of Occupancy and execution of the Memorandum of Commencement Date attached hereto as Exhibit C and incorporated herein by this reference and shall terminate upon termination of the Master Lease which is currently set to terminate on January 1, 2022. Sublessee shall have the option of terminating this Sublease upon giving Sublessor at least 90 days notice in writing.

3. Rent and Operating Expenses.

3.1) Sublessee shall pay base rent during the term of this Sublease in the initial amount of \$1.99 per rentable square foot of the Subleased Premises per month, payable monthly in advance on the first day of each month in equal monthly

installments of \$2,059.65. Furthermore, in the event that the term of this Sublease shall begin or end on a date which is not the first day of a month, base rent shall be prorated as of such date. Payments shall be payable on the first day of each and every month of the term hereof and shall be made by check or draft issued and payable to the County of Los Angeles, and mailed or otherwise delivered to the County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Rent / Budget.

3.2) Sublessee shall pay their proportionate share of 33.11% (as calculated by the use of 1,035 rentable square feet out of a total of 3,126 rentable square feet) of the utilities, janitorial services, and any other operating expenses incurred, which shall be billed on a monthly basis to Sublessee.

4. Use. Sublessee covenants and agrees to use the Premises in accordance with the provisions of the Master Lease and for no other purpose and otherwise in accordance with the terms and conditions of the Master Lease and this Sublease.

5. Master Lease. As applied to this Sublease, the words "Landlord" and "Tenant" as used in the Master Lease shall be deemed to refer to Sublessor and Sublessee hereunder, respectively. Sublessee and this Sublease shall be subject in all respects to the terms of, and the rights of the Landlord under the Master Lease. Except as otherwise expressly provided in Section 7 hereof, the covenants, agreements, terms, provisions and conditions of the Master Lease insofar as they relate to the Subleased Premises and insofar as they are not inconsistent with the terms of this Sublease are made a part of and incorporated into this Sublease as if recited herein in full, and the rights and obligations of the Landlord and the Tenant under the Master Lease shall be deemed the rights and obligations of Sublessor and Sublessee respectively hereunder and shall be binding upon and inure to the benefit of Sublessor and Sublessee respectively. As between the parties hereto only, in the event of a conflict between the terms of the Master Lease and the terms of this Sublease, the terms of this Sublease shall control.

6. Landlord's Performance Under Master Lease.

6.1 Sublessee acknowledges and agrees that Sublessor is not in a position to render any of the services or to perform any of the obligations required of Sublessor by the terms of this Sublease. Therefore, notwithstanding anything to the contrary contained in this Sublease, Sublessee agrees that performance by Sublessor of its obligations hereunder are conditional upon due performance by the Landlord of its corresponding obligations under the Master Lease and Sublessor shall not be liable to Sublessee for any default of the Landlord under the Master Lease. Sublessee shall not have any claim against Sublessor by reason of the Landlord's failure or refusal to comply with any of the provisions of the Master Lease unless such failure or refusal is a result of Sublessor's act or failure to act. This Sublease shall remain in full force and effect notwithstanding the Landlord's failure or refusal to comply with any such provisions of the Master Lease and Sublessee shall pay the base rent and any

additional rent and all other charges provided for herein without any abatement, deduction or setoff whatsoever. Sublessee covenants and warrants that it fully understands and agrees to be subject to and bound by all of the covenants, agreements, terms, provisions and conditions of the Master Lease, except as modified herein. Furthermore, Sublessee and Sublessor further covenant not to take any action or do or perform any act or fail to perform any act which would result in the failure or breach of any of the covenants, agreements, terms, provisions or conditions of the Master Lease on the part of the Tenant thereunder.

6.2 Whenever the consent of Landlord shall be required by, or Landlord shall fail to perform its obligations under, the Master Lease, Sublessor agrees to use its best efforts to obtain, at Sublessee's sole cost and expense, such consent and/or performance on behalf of Sublessee.

6.3 Sublessor represents and warrants to Sublessee that the Master Lease is in full force and effect, all obligations of both Landlord and Sublessor thereunder have been satisfied and Sublessor has neither given nor received a notice of default pursuant to the Master Lease.

6.4 Sublessor covenants as follows: (i) not to voluntarily terminate the Master Lease, (ii) not to modify the Master Lease so as to adversely affect Sublessee's rights hereunder, and (iii) to take all actions reasonably necessary to preserve the Master Lease.

7. Variations from Master Lease. The following covenants, agreements, terms, provisions and conditions of the Master Lease are hereby modified or not incorporated herein.

7.1 The parties hereto represent and warrant to each other that neither party dealt with any broker or finder in connection with the consummation of this Sublease and each party agrees to indemnify, hold and save the other party harmless from and against any and all claims for brokerage commissions or finder's fees arising out of either of their acts in connection with this Sublease. The provisions of this Section 7.2 shall survive the expiration or earlier termination of this Sublease.

7.2 Notwithstanding anything contained in the Master Lease to the contrary, as between Sublessor and Sublessee only, all insurance proceeds or condemnation awards received by Sublessor under the Master Lease shall be deemed to be the property of Sublessor.

7.3 Any notice which may or shall be given by either party hereunder shall be either delivered personally or sent by certified mail, return receipt requested, to CDC/Housing Authority of the County of Los Angeles, 2 Coral Circle, Monterey Park, California 91755, Attention: Bobbette Glover (if to the Sublessee), or to Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012 (if to the Sublessor).

7.4 All amounts payable hereunder by Sublessee shall be payable directly to Sublessor.

7.5 Sublessor shall deliver the Subleased Premises to Sublessee in its current "as is" condition.

7.6 Sublessee shall not be required to remove any improvements located in the Subleased Premises upon the expiration of the term hereof.

8. Indemnity. Sublessee hereby agrees to indemnify and hold Sublessor harmless from and against any and all claims, losses and damages, including, without limitation, reasonable attorneys' fees and disbursements, which may at any time be asserted against Sublessor by (a) the Landlord for failure of Sublessee to perform any of the covenants, agreements, terms, provisions or conditions contained in the Master Lease which by reason of the provisions of this Sublease Sublessee is obligated to perform, or (b) any person by reason of Sublessee's use and/or occupancy of the Subleased Premises. The provisions of this Section 8 shall survive the expiration or earlier termination of the Master Lease and/or this Sublease, except to the extent any of the foregoing is caused or by the negligence of Sublessor.

9. Cancellation of Master Lease. In the event of the cancellation or termination of the Master Lease for any reason whatsoever or of the involuntary surrender of the Master Lease by operation of law prior to the expiration date of this Sublease, Sublessee agrees to make full and complete attornment to the Landlord under the Master Lease for the balance of the term of this Sublease and upon the then executory terms hereof at the option of the Landlord at any time during Sublessee's occupancy of the Premises, which attornment shall be evidenced by an agreement in form and substance reasonably satisfactory to the Landlord. Sublessee agrees to execute and deliver such an agreement at any time within ten (10) business days after request of the Landlord, and Sublessee waives the provisions of any law now or hereafter in effect which may give Sublessee any right of election to terminate this Sublease or to surrender possession of the Subleased Premises in the event any proceeding is brought by the Landlord under the Master Lease to terminate the Master Lease.

10. Certificates. Each party hereto shall at any time and from time to time as requested by the other party upon not less than ten (10) days prior written notice, execute, acknowledge and deliver to the other party, a statement in writing certifying that this Sublease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications, if any) certifying the dates to which rent and any other charges have been paid and stating whether or not, to the knowledge of the person signing the certificate, that the other party is not in default beyond any applicable grace period provided herein in performance of any of its obligations under this Sublease, and if so, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by others with whom the party requesting such certificate may be dealing.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has executed this Sublease or caused it to be duly executed by its Chair, and Sublessee has caused this Sublease to be executed in its behalf by its duly authorized officer, this day, month, and year first above written.

SUBLESSEE:

HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

COUNTY OF LOS ANGELES

By: _____

By: _____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk of
The Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By: _____
Senior Deputy County Counsel

EXHIBIT A
THE MASTER LEASE

DRAFT

EXHIBIT B

THE SUBLEASED PREMISES

DRAFT

EXHIBIT C

MEMORANDUM OF COMMENCEMENT DATE

Reference is made to that certain sublease ("Sublease") dated _____, 2009; between the County of Los Angeles, a body politic and corporate ("Sublessor"), and Housing Authority of the County of Los Angeles ("Sublessee"), whereby Sublessor leased to Sublessee and Sublessee leased from Sublessor certain premises in the building located at 335-337 East Avenue K-10, Lancaster, CA ("Premises"),

Sublessor and Sublessee hereby acknowledge as follows:

- (1) Sublessor delivered possession of the Premises to Sublessee in a Substantially Complete condition on _____ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Sublease commenced on _____ ("Commencement Date");
- (4) The Premises contains 1,035 rentable square feet of space; and
- (5) Basic Rent Per Month is \$2,059.65.

IN WITNESS WHEREOF, this Memorandum is executed this _____ day of _____, 2009.

**SUBLESSOR
COUNTY OF LOS ANGELES**

**SUBLESSEE
HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES**

By: _____

By: _____

Its: _____

Its: _____