



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

May 18, 2010

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. 2 TO LEASE NO. 74213
SHERIFF DEPARTMENT
101 CENTRE PLAZA DRIVE, MONTEREY PARK
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for the approval of a lease amendment which would extend the lease term by five years allowing for the continued occupancy of 37,590 rentable square feet of office space and 125 parking spaces for the Sheriff's Department (Sheriff).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the lease amendment is categorically exempt from the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the lease amendment with Paul Sade and Eleanor Sade, trustees of the Paul and Eleanor Sade Revocable Trust (Lessor) to extend the term of the lease for a five-year period for the continued occupancy of 37,590 rentable square feet of office and 125 parking spaces for the Sheriff's Department located at 101 Centre Plaza Drive, Monterey Park, at a maximum first year annual rent of \$631,399 which is 100 percent net County cost.
3. The lease amendment for the five-year extension will commence upon approval by your Board.

"To Enrich Lives Through Effective And Caring Service"

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Board of Supervisors
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First District

MARK RIDLEY-THOMAS
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Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Sheriff has been housed in the building since August 1999, and has been on a month-to-month tenancy since the current lease expired on August 31, 2009. The proposed Amendment No. 2 will allow the County of Los Angeles (County) to extend the term of the lease for five years. The Sheriff's staff has occupied the entire building since backfilling the space vacated by the County Counsel's office in 2007. The space is used by 171 staff of the Sheriff's Personnel Administrative Bureau. The units housed in the space include the Business Operations Unit, Special Projects Unit, Staffing Unit, Employees Service Unit, Personnel Operations Unit, Test Research and Development Unit, and Pre-Employment Unit.

Retaining the Premises will provide continued occupancy of the administrative office space for the Sheriff with the ability to cancel the lease after 36 months and relocate to the Hall of Justice.

Due to its proximity near the Sheriff's Headquarters building, the Sheriff is requesting that the Personnel Administrative Bureau remain at its current site thus offering efficiency in conducting business with division headquarters, department executives, and with personnel representatives for each of the Sheriff's Divisions. Renewal of this lease will allow the Sheriff to continue providing the wide range of employment services to its employees throughout the County.

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 the Strategic Asset Management Principles, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The maximum rental cost for the first and second years will be \$631,399, and will be adjusted 3 percent annually for the third, fourth, and fifth years.

101Centre Plaza	EXISTING LEASE	AMENDED LEASE	CHANGES
Area (Square feet)	37,590 sq. ft.	37,590 sq. ft.	None
Term	9/01/2004 to 8/31/2009 Month to Month 9/01/2009	Five years, upon Board approval	+Five years
Annual Base Rent	\$631,399 (\$16.80/sq.ft.)	\$631,399 (\$16.80/sq.ft.)	None
Maintenance Costs	Lessor maintained elevator and HVAC	Reimburse Lessor annually, to a maximum of \$2,000 each for elevator and HVAC maintenance contracts	+\$4,000 Reimburse Lessor annually, to a maximum of \$2,000 each for elevator and HVAC maintenance contracts
Parking Included in Rent	125 vehicles	125 vehicles	None
Cancellation	After 36 th month upon 90 days notice	After 36 th month upon 120 days notice	+30 days notice for cancellation
Option to Renew	None	None	None
Rental Adjustment	Annual CPI with a cap of 3 percent	First and second years' rent remains flat with fixed increase of 3 percent annually thereafter	First and second years' rent remains flat with fixed increase of 3 percent annually thereafter

Sufficient funding for the proposed lease amendment is included in the 2009-10 Rent Expense budget and will be billed back to Sheriff. Sufficient funding is available in the Sheriff's operating budget to cover the proposed lease costs. The annual lease cost for the Sheriff is 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The amended lease contains the following provisions:

- Five-year lease renewal with the base rate remaining at its current level the first and second years of the renewal. The base rent during the first and second year is \$631,399.

- The lease continues on a split-service basis and the Lessor is responsible for all interior and exterior maintenance except Lessee is responsible for interior walls, floor coverings, replacement of lamps and tubes, janitorial, and all utility costs.
- The Lessor will provide parking for up to 125 vehicles, included in the rental rate.
- Lessee shall reimburse Lessor for up to \$2,000 per year in HVAC maintenance contract costs and up to \$2,000 per year in elevator maintenance contract and maintenance cost.
- A cancellation provision is included in the lease allowing the County to cancel the lease anytime after the 36th month of the extension period upon 120 days prior written notice.

The 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 for similar property is between \$18 and \$24 per square foot per year split-service. Thus, the base annual rent of \$16.80 per square foot for the base lease cost, is below 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.

Notices have been sent to the City of Monterey Park pursuant to Government Code Sections 65402 and 25352. The City has no objection to the proposed lease extension.

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.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board per Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Amendment No. 2 to Lease No. 74213 will allow the Sheriff's Personnel Administrative Bureau to continue providing personnel services at this location. The Sheriff concurs with this recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the executed Amendment No. 2 to Lease No. 74213, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SK:WLD
CEM:TS:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Sheriff Department

**SHERIFF 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 sq ft of space per person? ² Space allows 221 sf per person and includes interview and testing rooms.		X	
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? The lease cost is 100% NCC.	X		
B	Is this a long term County program?	X		
C	If yes to 2 B or C; is it a 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? The immediate availability of leased space at favorable lease terms in proximity to the Sheriff's headquarters makes this use more feasible at this time. The lease is cancelable after three years which allows for future planning of alternative housing.		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO 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. ___ 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 Lessor was not willing to change the original terms of the lease which required the County to provide certain maintenance and janitorial including payment of all utility charges when due.		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				
² If not, why not?				

**SHERIFF DEPARTMENT
WITHIN 5 MILES OF SHERRIF'S HEADQUATERS AND UNIVERSITY CENTRE BUILDING**

Laco	Name	Address	Gross SQFT	Net SQFT	Owner-ship	SQFT Available
A423	SHERIFF-PERSONNEL AND RECRUITMENT CENTER	101 CENTRE PLAZA DR, MONTEREY PARK 91754	75,180	67,662	LEASED	NONE
3542	FIRE-ADMINISTRATIVE HEADQUARTERS BUILDING	1320 N EASTERN AVE, LOS ANGELES 90063-3294	39,015	24,288	FINANCED	NONE
5863	ISD-ADMINISTRATIVE HEADQUARTERS	1100 N EASTERN AVE, LOS ANGELES 90063	80,309	58,578	OWNED	NONE
5870	ISD-EASTERN AVE COMPLEX TELECOM BRANCH BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	37,742	28,973	FINANCED	NONE
T039	SHERIFF-EASTERN COMPLEX FLEET SERVICES OFFICE	1104 N EASTERN AVE, LOS ANGELES 90063	1,548	1,428	OWNED	NONE
X155	ISD-EASTERN AVE COMPLEX TELECOM BUTLER BLDG	1112 N EASTERN AVE, LOS ANGELES 90063	4,960	4,638	OWNED	NONE
Y307	PUBLIC LIBRARY - CITY TERRACE LIBRARY	4025 E CITY TERRACE DR, EAST LOS ANGELES 90063	8,007	6,984	OWNED	NONE
4231	BISCAILUZ-TRAINING / INTELLIGENCE FACILITY	1060 N EASTERN AVE, LOS ANGELES 90063	1,660	1,372	OWNED	NONE
4526	BISCAILUZ-ADMINISTRATION BUILDING	1060 N EASTERN AVE, LOS ANGELES 90063	16,571	11,428	OWNED	NONE
A324	FIRE-EMPLOYEE RELATIONS OFFICE	1255 CORPORATE CENTER DR, MONTEREY PARK 91754	3,079	2,925	LEASED	NONE
A015	DCFS CORPORATE CENTER OFFICE	2525 CORPORATE PL, MONTEREY PARK 91754	29,542	27,820	LEASED	NONE
A023	LASD / FIRE / OPS / ISD CORPORATE PLACE	2525 CORPORATE PL, MONTEREY PARK 91754	43,764	29,712	LEASED	NONE
Y136	CENTRO MARAVILLA SERVICE CENTER-BLDG C	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	4,073	3,112	OWNED	NONE
X707	PUBLIC LIBRARY- ANTHONY QUINN LIBRARY	3965 E CESAR E CHAVEZ AVE, CITY TERRACE 90063	7,275	6,077	OWNED	NONE
Y135	CENTRO MARAVILLA SERVICE CENTER-BLDG B	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	3,612	1,948	OWNED	NONE
6131	DCSS-EAST LOS ANGELES SERVICE CENTER	133 N SUNOL DR, EAST LOS ANGELES 90063	28,514	20,597	OWNED	NONE
4946	MED CTR-INTERNS & RESIDENTS BUILDING	2020 ZONAL AVE, LOS ANGELES 90033	142,448	79,494	OWNED	NONE
3102	JUVENILE HALL- ADMINISTRATION BUILDING-4	1605 EASTLAKE AVE, LOS ANGELES 90033	75,907	33,945	OWNED	NONE
4799	PW CENTRAL YARD- DIVISION ADMINISTRATION	1525 ALCAZAR ST, LOS ANGELES 90033	10,438	7,224	OWNED	NONE
A471	THE ALHAMBRA COMPLEX - EAST TOWER	1000 S FREMONT AVE, ALHAMBRA 91803	385,519	325,138	LEASED	NONE
A473	THE ALHAMBRA COMPLEX - SHERIFF'S OMBUDSMAN	1000 S FREMONT AVE, ALHAMBRA 91803	3,774	3,265	LEASED	NONE
0837	MED CTR- PERSONNEL OFFICE BUILDING	1200 N STATE ST, LOS ANGELES 90033	2,980	1,761	OWNED	NONE
0838	MED CTR-QUALITY ASSURANCE UTILIZATION REVIEW	1200 N STATE ST, LOS ANGELES 90033	2,980	2,341	OWNED	NONE
5260	CORONER-ADMINISTRATION / INVESTIGATIONS BLDG	1102 N MISSION RD, LOS ANGELES 90033	22,479	14,251	OWNED	NONE
0122	THOMAS A TIDEMANSON BUILDING-ANNEX BUILDING	900 S FREMONT AVE, ALHAMBRA 91803	87,000	73,950	FINANCED	NONE
A930	PUBLIC LIBRARY- EL CAMINO REAL LIBRARY	4264 E WHITTIER BLVD, EAST LOS ANGELES 90023	3,280	2,563	OWNED	NONE
X900	THOMAS A TIDEMANSON PUBLIC WORKS BUILDING	900 S FREMONT AVE, ALHAMBRA 91803	536,168	363,876	FINANCED	NONE
4364	PROBATION-EAST LOS ANGELES AREA OFFICE	4849 E CIVIC CENTER WAY, EAST LOS ANGELES 90022	15,584	10,705	OWNED	NONE
5412	EAST LOS ANGELES COUNTY HALL	4801 E 3RD ST, EAST LOS ANGELES 90022	14,848	10,741	OWNED	NONE
4465	DF KIRBY CENTER- ADMINISTRATION BUILDING	1500 S MCDONNELL AVE, COMMERCE 90022	18,170	10,055	OWNED	NONE
X327	PROBATION-CENTRAL TRANSCRIBING OFFICE	200 W WOODWARD AVE, ALHAMBRA 91801	11,273	7,360	OWNED	NONE

**AMENDMENT NO. 2 TO LEASE NO. 74213
SHERIFF DEPARTMENT
101 CENTRE PLAZA DRIVE, MONTEREY PARK**

This Amendment No. 2 to Lease No. 74213 ("Amendment" or "Amendment No. 2") is made and entered into as of _____, 2010, by and between PAUL SADE and ELEANOR SADE, TRUSTEES OF THE PAUL AND ELEANOR SADE REVOCABLE TRUST DATED AUGUST 6, 1985, AS AMENDED, hereinafter collectively referred to as "Lessor", and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee".

RECITALS:

WHEREAS, Lessor and Lessee entered into County of Los Angeles Lease and Agreement (Lease No. 74213) dated November 12, 2002, and Amendment No. 1 to Lease Agreement No. 74213 dated December 16, 2003 (collectively, the "Lease") pursuant to which Lessor leased to Lessee those certain premises located in the Building at 101 Centre Plaza Drive, Monterey Park, California ("Building") more particularly described as approximately 37,590 rentable square feet of office space consisting of the entire Building ("Premises");

WHEREAS, the current term of the Lease expired as of August 31, 2009, and Lessee has continued in month-to-month tenancy under the Lease with Lessor's consent since that date; 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 that the following amendments are effective upon the date first above written:

1. Section 2 of the Lease is hereby amended to provide that the term of the Lease shall continue for a period of five (5) years beginning upon approval of this Amendment by Lessee's Board of Supervisors ("Extended Term Commencement Date") and ending sixty (60) months thereafter (the "Extended Term"). Additionally, Lessee already occupies the Premises as of the date of this Amendment No. 2. Lessor and Lessee shall promptly execute the "Memorandum of Extended Term Commencement Date" attached hereto as Exhibit "A" following the commencement of the Extended Term.

2. Article 5 of the Lease is hereby deleted and the following inserted in substitution thereof:

CANCELLATION OF LEASE: Lessee shall have the right to cancel this Lease at any time after the thirty-sixth (36th) month of the Extended Term by giving Lessor one hundred twenty (120) days prior written notice, by letter from Lessee's Chief Executive Officer ("CEO") of its intention to cancel.

3. Sections 3 and 30 of the Lease, and Article 3 of the First Amendment, are hereby deleted and the following inserted in substitution thereof:

RENT: Lessee hereby agrees to pay as rent for the Premises during the Extended Term the sum of Fifty-Two Thousand Six Hundred Sixteen and 57/100 Dollars (\$52,616.57) per month within fifteen (15) days after the first day of each and every month during the Extended Term. Lessee shall pay Lessor all rent and other payments due to Lessor under the Lease, as amended by this Amendment, provided Landlord files a payment voucher therefore prior to the Extended Term Commencement Date and thereafter annually during the month of June with the Auditor of the County of Los Angeles (the "County"). Rent for any partial month shall be prorated in proportion to the number of days in such month. Commencing on the third calendar anniversary date of the Extended Term Commencement Date, and on each calendar anniversary date thereafter, the monthly rent as set forth above shall be increased by three (3) percent annually from the then previous month's rent.

4. Section 9 of the Lease is hereby amended by adding the following to Paragraph A (LESSOR RESPONSIBILITIES) as follows:

Lessee shall reimburse, in addition to monthly rent, Lessor for up to \$2,000 per year in HVAC maintenance contract and other maintenance costs and up to \$2,000 per year in elevator maintenance contract and other maintenance costs, within thirty (30) days following receipt of invoice from Lessor.

5. Section 29 of the Lease is hereby deleted and the following inserted in substitution thereof:

In consideration for the time and expense that Lessee will invest including but not limited to preliminary space planning, and legal review in reliance on Lessor's covenant to lease to Lessee under the terms of this Amendment No. 2, the Lessor irrevocably promises to keep this offer open until May 31, 2010, provided that Lessee continues to perform under the provisions of Lessee's month-to-month tenancy at the Premises. If Lessee shall fail to execute and deliver to Lessor a counterpart of this Amendment No. 2 on or before May 31, 2010, Lessor shall have the right to terminate this Amendment No. 2 by written notice to Lessee given at any time thereafter.

6. If there are any inconsistencies, variances or differences between any provision of the Lease and a provision of this Amendment No. 2, the provisions of this Amendment No. 2 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 Lessor has executed this Amendment No. 2 or caused it to be executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 2 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.

LESSOR


PAUL SADE, TRUSTEE


ELEANOR SADE, TRUSTEE

ATTESTED:

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

By: _____
Deputy

LESSEE

COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
COUNTY COUNSEL

By: 
Amy M. Caves, Senior Deputy County Counsel

EXHIBIT A – MEMORANDUM OF EXTENDED TERM COMMENCEMENT DATE

This Memorandum is dated as of _____, for reference purposes only, by and between the undersigned Lessor and Lessee, County of Los Angeles.

- A. THE PARTIES HERETO HAVE ENTERED INTO AN AMENDMENT NO. 2 TO LEASE NO. 74213 dated as of _____ (the "Lease Amendment") for the leasing by Lessor to Lessee of the building located at 101 CENTRE PLAZA DRIVE, LOS ANGELES (the "Premises"). Lessor and Lessee hereby confirm that the Extended Term Commencement Date (as defined in the Lease Amendment) is _____.

IN WITNESS WHEREOF, Lessor and lessee have respectfully signed this Memorandum.

Lessor:


PAUL SADE, TRUSTEE


ELEANOR SADE, TRUSTEE

Lessee:

COUNTY OF LOS ANGELES

By _____