



SACHI A. HAMAI
Chief Executive Officer

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>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

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Third District

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Fourth District

MICHAEL D. ANTONOVICH
Fifth District

November 15, 2016

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

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 November 15, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**LEASE AMENDMENT
DEPARTMENT OF PUBLIC SOCIAL SERVICES
3216 ROSEMEAD BOULEVARD, EL MONTE
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT

A five-year lease amendment for renewal of approximately 41,836 square feet of office space, and 167 on-site parking spaces for the Department of Public Social Services.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act, pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the five-year lease amendment with M & A Gabae, a California Limited Partnership, for the renewal of approximately 41,836 square feet of office space, and 167 on-site parking spaces located at 3216 Rosemead Boulevard, El Monte, for the Department of Public Social Services, at an annual first year base rent not to exceed \$928,759.20. The costs for the Department of Public Social Services are approximately 91 percent funded from State and federal funds, and nine percent is net County cost.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the lease amendment, and authorize the Chief Executive Officer and the Director of Public Social Services or their designees to take actions necessary and appropriate to implement the project. The lease amendment will be effective upon approval by the Board of Supervisors, and expire five years thereafter.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The building at 3216 Rosemead Boulevard, El Monte, will continue to house the Department of Public Social Services' (DPSS) Greater Avenues for Independence (GAIN) Program, together with the County's GAIN Program, MIE, and CalWorks Programs next door located at 3220 Rosemead Blvd., El Monte, under Lease No. 71378, which will allow DPSS to provide uninterrupted employment-related services to the residents of San Gabriel Valley and the adjacent communities. Supervisors and support staff have been in the facility continuously since 1999. GAIN is a direct-service program. This lease amendment will renew the lease, which has been on holdover since July 12, 2015, while negotiating with the Lessor to provide at his sole cost, interior improvements to the reasonable satisfaction of the County, and will commence upon approval by the Board of Supervisors.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Community Support and Responsiveness (Goal 2) directs that we enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges. The proposed lease amendment is in conformance with the Asset Management Principles, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The first year lease cost for the proposed lease amendment will be approximately \$77,396.60 per month (\$1.85 per square foot) or \$928,759.20 annually. The total base rental cost will be 91 percent subvented from State and federal funds, and nine percent is net County cost. The five-year term rent will be approximately \$4,643,796, subject to annual adjustment capped at \$2,321.89 per month, or approximately three percent per year. The cost after subvention over the term will be approximately \$417,941.64.

Sufficient funding for the proposed lease renewal costs is included in the Fiscal Year (FY) 2016-17 Rent Expense budget, and will be billed back to DPSS. DPSS has sufficient funds in their FY 2016-17 operating budget to cover the lease renewal costs. Attachment B is an overview of the proposed lease renewal costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment includes the following provisions:

- The term commences upon the Board of Supervisors' approval, and expires five years thereafter.
- There is a termination provision allowing the County the right to cancel the lease effective at or any time after the 36th month of the amended lease term by giving 90 days prior written notice.

- The proposed lease amendment includes 167 on-site parking spaces.
- This is a full-service lease whereby M & A Gabae, a California Limited Partnership (Lessor), is responsible for all maintenance costs.
- The base rent is subject to annual adjustments according to the Consumer Price Index (CPI) not to exceed \$2,321.89 per month (approximately 3 percent per year).
- Upon approval of the lease amendment, the Lessor will provide, at its sole cost, interior improvements to the reasonable satisfaction of the County, as described in Amendment No. 1 and depicted on Exhibit A of Amendment No. 1 for the premises.

The Department of Public Works has inspected this facility and finds it suitable for the County's continued occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

County Counsel has reviewed the proposed lease amendment and has approved it as to form.

The Chief Executive Office (CEO) Real Estate Division staff surveyed the El Monte area as specified by DPSS, in order to maintain close proximity within the service area. Staff was unable to identify any sites in the surveyed area that could accommodate the requirement more economically at this time. Attachment C shows all County-owned and leased facilities within a five-mile radius of the subject facilities, and there are no County-owned or leased facilities available for the programs.

Staff expanded its search to surrounding areas and based upon this market survey of properties in the surrounding areas, a full-rental range including parking for office properties is between \$22.80 and \$27.60 per square foot, per year, full-service. The proposed lease amendment provides a base annual rent of \$22.20 per square foot, which represents a rate below the market range for the area.

The proposed lease amendment will provide continued occupancy in a convenient and appropriate location, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

ENVIRONMENTAL DOCUMENTATION

This proposed lease amendment is exempt from the California Environmental Quality Act (CEQA), as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

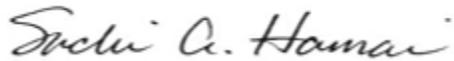
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will provide the necessary office space for this County requirement. DPSS concurs with this recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return two originals of the executed lease amendments, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



SACHI A. HAMAI

Chief Executive Officer

SAH:DPH:CMM

SH:JT:ns

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor Controller
Public Social Services
Public Works

**DEPARTMENT OF PUBLIC SOCIAL SERVICES
3216 Rosemead Boulevard, El Monte
Asset Management Principles Compliance Form¹**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does the lease consolidate administrative functions? ² 3220 Rosemead Blvd. – GAIN Program, MIE, and CalWorks Programs	X		
B	Does the lease co-locate with other functions to better serve clients? ² (Child Care Resources & Referral, Clinical Assessors, and Managed Care Solutions)	X		
C	Does the lease centralize business support functions? ²			X
D	Does the lease meet the guideline of 200 sq. ft of space per person? ²	X		
E	Does the lease meet the 4/1000 sq.ft. parking ratio guideline? ²	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease locations? ²	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? 91 percent State and federal Funding in 2016.		X	
B	Is this a long term County program?	X		
C	If yes to 2 B or C; 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 C?	X		
G	Was build-to-suit or capital project considered?		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. ___ 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. X The Program is being co-located. See 1B.			
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		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not? Please bold any written responses.			

**FISCAL IMPACT / FINANCING
3216 ROSEMEAD BOULEVARD, EL MONTE
OVERVIEW OF LEASE CHANGES**

3216 ROSEMEAD BOULEVARD, EL MONTE	EXISTING LEASE NO. 72387	FIVE-YEAR LEASE AMENDMENT NO.1	CHANGE
Area (square feet)	41,836	41,836	None
Term	09/07/99 – 7/12/15 On Month to Month	Upon Board approval	+Five years
Annual Base Rent	\$939,112.08	\$928,759.20	-\$10,352.88
Annual Operating Expense Rent	None	None	None
Tenant Improvement Reimbursement	None	None	None
Maximum Existing/ First Year Rent	\$939,112.08	\$928,759.20	-\$10,352.88
Parking	167 parking spaces	167 parking spaces	None
Termination	End of the fifth year by the County	Any time after the 36 th month of Amendment No.1 Lease term	Any time after the 36 th month of Amendment No.1 Lease term
Option to Renew	One option to renew for five years	None This is an exercise of an option without the right to renew.	No option to renew
Rental Adjustment	Annual CPI adjustment capped at 3 percent of Base Rent.	Annual CPI adjustment capped at \$2,321.89 per month (approx'y 3%)	Annual CPI adjustment capped at \$2,321.89 per month

**SPACE SEARCH – WITHIN A FIVE MILE RADIUS FOR COMPARABLE SIZE SPACE
DEPARTMENT OF PUBLIC SOCIAL SERVICES
3216 Rosemead Boulevard, El Monte**

LACO	FACILITY NAME	ADDRESS	OWNERSHIP	GROSS SQFT	NET SQFT	BLDG USE	SQFT AVAIL ABLE
A493	San Gabriel Valley Family Service Center I	3350 Aerojet Ave El Monte	Leased	120,000	108,000	Office	None
A554	San Gabriel Valley Family Service Center II	3400 Aerojet Ave El Monte	Leased	131,806	120,000	Service Center	None
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S City Of Industry	Leased	55,000	41,943	Office	None
6144	Maclaren Children's Center	4024 N Durfee Ave El Monte	Owned	71,733	39,095	Office	None
Y467	DHS - El Monte Comprehensive Health Center	10953 Ramona Blvd El Monte	Financed	90,149	49,537	Interm. Care	None
A497	DPSS - San Gabriel Valley Gain Program Reg III	3216 Rosemead Blvd El Monte	Leased	41,836	39,744	Office	None
X900	Thomas A. Tidemanson Public Works Building	900 S Fremont Ave Alhambra	Financed	536,168	363,876	Office	None
0122	Thomas A. Tidemanson Building - Annex Building	900 S Fremont Ave Alhambra	Financed	43,500	36,945	Office	None
A522	Telstar El Monte County Center	9320 Telstar Ave El Monte	Leased	163,000	146,700	Office	None
A507	DPSS-Administrative Headquarters West Annex	12820 Crossroads Pkwy South City of Industry	Leased	33,331	28,331	Office	None
B002	DPSS-Administrative Headquarters East Annex	12900 Crossroads Pkwy South City of Industry	Leased	34,245	31,420	Office	None

FACILITY LOCATION POLICY ANALYSIS

- **Proposed Lease Agreement:** Amendment No.1 to renew lease for a 5-year term for the Department of Public Social Services (DPSS) at 3216 Rosemead Boulevard, El Monte in the 1st Supervisorial District. County has the right to cancel any time after the 36th month of the lease amendment term by giving the Lessor 90 days prior written notice

A. Establish Service Function Category – The space will continue to house the Greater Avenues for Independence (GAIN) program. GAIN is a direct-service program.

Determination of the Service Area –The proposed lease amendment will allow DPSS to continue its operations at the subject facility where it has been since 1999.

B. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Yes, needs to be accessible to residents of San Gabriel Valley and adjacent communities.
- Need for proximity to existing County facilities: No
- Need for proximity to Los Angeles Civic Center: No
- Economic Development Potential: N/A
- Proximity to public transportation: The location is conveniently located near public transportation.
- Availability of affordable housing for County employees: The surrounding area provides for affordable rental opportunities.
- Use of historic buildings: N/A
-
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The Department of Public Works previously inspected the facilities and its recommendation concluded the facilities met the requirements for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

C. Estimated acquisition/construction and ongoing operational costs

The initial annual base rent of \$928,759.20, comprises the total annual lease rent for the facility. The five-year term rent will be approximately \$4,643,796 subject to annual adjustment capped at \$2,321.89 per month, or approximately 3 percent per year. The cost after subvention over the term will be approximately \$417,941.64. Sufficient funding for the proposed lease is included in the Fiscal year (FY) 2016-17 Rent Expense Budget and will be charged back to DPSS. DPSS has sufficient funding in its FY 2016-17 operating budget. Proposed lease costs are currently 91 percent funded by federal and State subvention and 9 percent is County cost. Attachment B is an overview of the lease costs.

D. Analyze results and identify location alternatives

The Chief Executive Office (CEO) Real Estate Division (RED) conducted a market survey of properties within the project area to determine the availability of comparable and more economical sites. Based upon this market survey of properties in the El Monte surrounding areas, a base rental range including parking for office properties is between \$22.80 and \$27.60 per square foot per year full-service. The proposed lease renewal terms provide a base annual rent of \$22.20 per square foot, which represents a rental rate below the market range. The proposed facility provides the most viable space to house DPSS's program at this time. Attachment C shows County-owned and leased facilities within a five-mile radius of the existing site for this program and none are available to house this program.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

This program is anticipated to continue in the long-term; therefore, the space that is currently occupied will not change.

**AMENDMENT NO. 1 TO LEASE NO. 72387
DEPARTMENT OF PUBLIC SOCIAL SERVICES
3216 ROSEMEAD BOULEVARD, EL MONTE**

This Amendment No. 1 to Lease No. 72387 ("Amendment" or "Amendment No. 1") is made and entered into this 15th day of November, 2016, by and between M & A Gabae, a California Limited Partnership, hereafter referred to as "Lessor" and COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee."

RECITALS:

WHEREAS, Lessor and Lessee entered into Lease No. 72387 which was adopted by the County of Los Angeles Board of Supervisors on September 7, 1999, and commenced on July 5, 2000, and pursuant to which Lessor leased to Lessee those certain premises ("Premises") located in the Building at 3216 Rosemead Boulevard, El Monte, ("Building") more particularly described as approximately 41,836 rentable square feet of office space consisting of the entire Building; and

WHEREAS, the Lease was renewed for a five-year term commencing with an exercise of a lease option to renew by the County of Los Angeles Board of Supervisors on July 13, 2010, and expired on July 12, 2015, and Lessee currently occupies the Premises on a month-to-month holdover; 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. Paragraph 2 of the Lease is amended by insertion of the following:

2. (C) First Amended Term: The term of the Lease pursuant to Amendment No. 1 shall be for a period of five (5) years, beginning on the first day of the first calendar month following execution of Amendment No. 1 by the Board of Supervisors and ending sixty (60) months thereafter (the "First Amended Term").

2. Paragraph 3 of the Lease is amended by insertion of the following:

RENT: During the First Amended Term, Lessee hereby agrees to pay as rent for the Premises during the term hereof the sum of Seventy-Seven Thousand Three Hundred Ninety-Six and 60/100 Dollars (\$77,396.60) per month or \$1.85 per rentable square foot per month. Lessee shall pay Lessor all rent and other payments due to

Lessor hereunder (including, without limitation, rent during the Term hereof, within fifteen (15) days after a claim therefor for each such month has been filed by Lessor with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Rent for any partial month shall be prorated in proportion to the number of days in such month. Commencing on the first calendar anniversary of the commencement of the Extended Term, and on each calendar anniversary thereafter, the monthly rent as set forth above shall be increased in accordance with the provisions of Paragraph 19 of the Lease using \$77,396.60 as the new monthly base rent number when calculating the annual adjustment. In addition, the new base index shall be the index published for the month the lease commences, and the new maximum increase shall be Two Thousand Three Hundred Twenty One and 89/100 Dollars (\$2,321.89) per month.

3. Paragraph 5 of the Lease is hereby amended by inserting the following: Lessee shall have the right to cancel this Lease at or any time after the thirty-sixth month of the First Amended Lease term by giving Lessor ninety (90) days prior written notice.

4. Paragraph 9(a) of the Lease is hereby amended by inserting the following: "Notwithstanding any provisions of this Lease to the contrary, Lessee at its sole option and approval, acting through the Chief Executive Office of the County of Los Angeles (CEO), may request from Lessor, without any obligation on the part of Lessor to accept said request, to perform, supply and administer repairs, maintenance and day porter services and reimburse Lessor for such additional costs as an additional rent.

5. The Lease is hereby amended by insertion of Paragraph 30:

PREPARATION OF PREMISES FOR LEASE AMENDMENT NO. 1: Lessor will cause, at its sole cost and expense, to be constructed at the Premises interior improvements, to begin upon approval of this Lease and to be completed within one hundred eighty (180) days, unless there are delays caused by Lessee and/or its operations at the Building/Premises thereafter, as follows to the satisfaction of the Lessee:

Improve the Premises per the plans attached hereto as Exhibit A of Amendment No. 1 and dated 5/18/16, 9/11/15, and 9/10/15, to include but not limited to:

- Build a 45-foot wall
- Install three (3) doors with keycard readers
- Upgrade lighting controls and relocate electrical outlets
- Make adjustments to the HVAC system
- Relocate fire sprinklers

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

Should Lessor fail to comply, except if lack of performance is caused by Lessee, with completion of tenant improvements within the above-referenced 180-day period, County may perform such duties and subtract the cost of such tenant improvements from the monthly rent.

6. The Lease is hereby amended by insertion of Paragraph 31:

COMPLIANCE WITH LAW: Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Lessee. Lessor, not Lessee, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Lessee or Lessor during the term hereof, including without limitation the Americans with Disabilities Act, to the satisfaction of Lessee, except to the extent such compliance is made necessary as a result of Lessee's particular use of or alterations or improvements to the Premises.

7. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Lessor understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action. No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease; and Lessor may not rely upon any representations to the contrary.

8. If there are any inconsistencies, variances or differences between any provision of the Lease and any 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 Lessor 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 Chair of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

By: M & A Gabae, a California Limited Partnership

By: [Signature]
Mark Gabay, President

LESSEE:

COUNTY OF LOS ANGELES
a body politic and corporate



By: Hilda J. Solis
Name: HILDA L. SOLIS
Chair, Board of Supervisors

ATTEST:

LORI GLASGOW
Executive Officer-Clerk
of the Board of Supervisors

By: Lachelle Amitheman
Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

LORI GLASGOW
Executive Officer
Clerk of the Board of Supervisors

By: Lachelle Amitheman
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: [Signature]
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

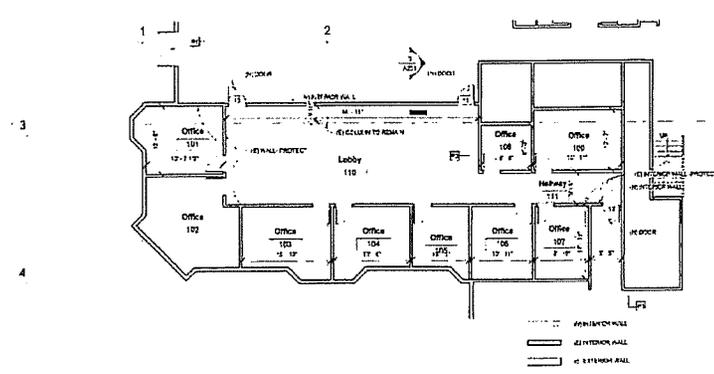
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NOV 15 2016

Lori Glasgow
LORI GLASGOW
EXECUTIVE OFFICER

72387
Supplement No. 1

EXHIBIT A



2 SECOND LEVEL PLAN
1/8" = 1'-0"

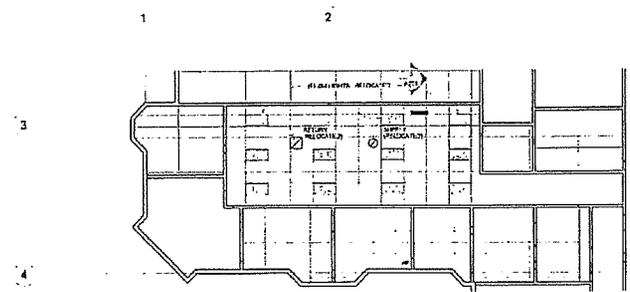
PART OF FINISH ANALYSIS (SAC 3415 0013)

PARTIAL	COMMON NAME	TYPE	FINISH
F1	8" C	8" C	8" C
F2	12" C	12" C	12" C
F3	4" C	4" C	4" C

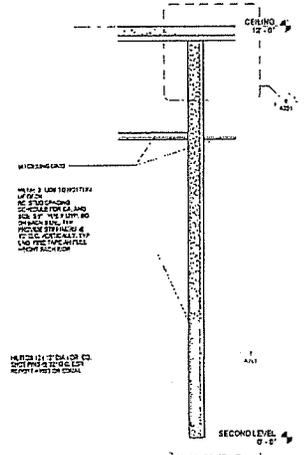
Door Type A
(VISION LITE DOOR)
Door Schedule
1/4" = 1'-0"

Project Name
Rosemead Springs

Project Address
2318 Rosemead Boulevard
Chico, CA 95921

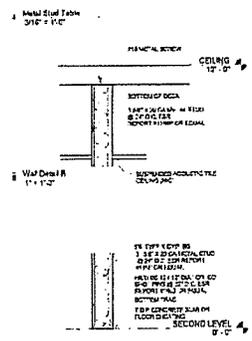


3 REFLECTED CEILING PLAN
1/8" = 1'-0"



5 WALL SECTION
3/4" = 1'-0"

NO.	TYPE	FINISH	THICKNESS	UNIT	QTY	SCALE
101	8" C	8" C	8" C	8" C	8" C	8" C
102	12" C	12" C	12" C	12" C	12" C	12" C
103	4" C	4" C	4" C	4" C	4" C	4" C



7 WINDOW A
1" = 1'-0"

Pre-Construction Phase
Construction Phase

Drawing No. AAAL-001
Project No. AAAL-001
Drawn by: RYAN
Checked by: Cheung
Date: 05/10/15
Scale: As indicated
Sheet Description

FLOOR PLAN

SHEET NUMBER
A201

m.g. 8/2/16