



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Fifth District

May 6, 2008

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 LEASE OPTION – LEASE NO. 58409
SHERIFF DEPARTMENT
MAGIC MOUNTAIN, SADDLE PEAK AND FROST PEAK MICROWAVE SITES
(THIRD AND FIFTH DISTRICTS) (3 VOTES)**

SUBJECT

This recommendation exercises a five-year option to extend the term of the lease for three microwave telecommunications sites vital for the Sheriff's Department operations.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the exercise of the option is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.
2. Exercise the option to extend the term of the current lease with American Tower Corporation (Lessor), for an additional five-year term. The initial lease costs will be \$105,777, and is not subject to further adjustment during the option term. These costs are 100 percent net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 1988, the Sheriff's Department (Sheriff) has utilized the three sites to house radio equipment to support public safety operations. The communications equipment is used by Sheriff personnel for dispatch in response to calls for service, logistical/tactical operations and mutual aid assistance with other law enforcement agencies. These facilities are an integral component to the Sheriff's Mobile Digital Communication System. There are no alternate sites available that can provide the level of public safety coverage that is provided in these strategically located sites. The current lease is due to expire on May 10, 2008. The proposed option will extend the lease term for an additional five-year term and provide the Sheriff with the continued use of the telecommunications sites.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide the public with the effective delivery of services and information (Goal 1); that we enhance the quality and productivity of the workforce (Goal 2); and that we increase public safety and security of all County residents (Goal 8). The proposed lease extension supports these goals by securing these critical sites for the continued use by the Sheriff for an additional five-year term.

FISCAL IMPACT/FINANCING

The initial annual base rent will be \$105,777, pursuant to the terms of the option. This amount is calculated based on the current base rent adjusted pursuant to the Consumer Price Index (CPI) not to exceed 3 percent annually at time of exercise of the option. The monthly base is not subject to any further adjustment during the term.

Magic Mountain, Saddle Peak and Frost Peak	Current Lease Term	Proposed Term	Change
Term (years)	Five years	Five years	None
Annual Rent	\$94,181	\$105,777	+ \$11,596
Utilities, Repair & Maintenance	Paid by the County	Same	None
Option To Extend Lease Term	One five-year option	Last option will be exercised	No option
Rental Adjustment	A CPI adjustment capped at 3 percent per year effective only at time of option exercise, a maximum of 15 percent over a five-year term	None after the initial increase at the beginning of the new term	None
Cancellation	At anytime upon 90 days prior written notice	Same	None

Sufficient funding for the proposed lease is included in the 2007-08 Rent Expense Budget and will be charged back to the Sheriff. The costs are 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed exercise of the option to extend the lease term for an additional five years provides the Sheriff with three communications sites vital for its operations. The lease will be renewed under the prevailing terms, conditions, and cancellation right. The base rental rate is subject to a one-time adjustment based on the CPI at a maximum of 3 percent per year, or 15 percent at time of the renewal. There are no other changes to the lease as indicated above.

The Lessor was provided with the proper and timely notice of the County's intent to recommend to the Board to exercise its option, as required by the lease.

The existing locations provide critical radio communications coverage for the required geographic areas. The ongoing use of the sites is essential to public safety and Sheriff operations. The identification of alternate sites was not undertaken due to extensive costs and time needed to identify and develop new radio communications sites.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

In accordance with your Board's policy on the housing of any County offices or activities, the Sheriff concurs with this recommendation to exercise the option.

The Honorable Board of Supervisors
May 6, 2008
Page 4

ENVIRONMENTAL DOCUMENTATIONS

The CEO has performed an initial study of environmental factors and has concluded the option exercise is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

CONCLUSION

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

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
CEM:MS:hd

Attachments (2)

c: County Counsel
Auditor-Controller
Sheriff Department

MagicMountain-SaddlePeak-FrostPeak.b

SHERIFF DEPARTMENT
MAGIC MOUNTAIN, SADDLE PEAK AND FROST PEAK
MICROWAVE SITES

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			X
2. <u>Capital</u>				
A	Should this program be in leased space to maximize State/Federal funding?			X
B	If not, is this a long term County program?	X		
C	Is it a substantial net County cost (NCC) program? 100%	X		
D	If yes to 2 B or C; is it a capital lease or an operating lease with an option to buy?		X	
E	If no, are there any suitable County-owned facilities available?		X	
F	If yes, why is lease being recommended over occupancy in County-owned space?			X
G	Is Building Description Report attached as Attachment B?		X	
H	Was build-to-suit or capital project considered?			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" parking area.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.			
E	Is lease a full service lease? ² County pays its own utilities and maintains improvements and equipment.		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?			