



# 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>

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August 5, 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 OPTION TO RENEW LEASE NO. 71387  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
3220 ROSEMEAD BOULEVARD, EL MONTE  
(FIRST DISTRICT) (3 VOTES)**

**SUBJECT**

This recommendation is for a five-year lease renewal of 20,435 square feet of office space and 100 parking spaces located at 3220 Rosemead Boulevard, El Monte, for the Department of Public Social Services (DPSS).

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the lease renewal 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 on November 17, 1987, and Section 15301 of the State CEQA Guidelines
2. Exercise the option to renew the lease for a five-year term with Town Investment, LLC, for 20,435 rentable square feet of office space, located at 3220 Rosemead Boulevard, El Monte, for DPSS at an annual first year rent not to exceed \$317,027. The rental cost is 91 percent subvented by State and Federal funds and 9 percent net County cost.

*"To Enrich Lives Through Effective And Caring Service"*

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**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of this lease renewal will provide DPSS continued occupancy of this space, which houses two operations. The Management Information & Evaluation (MIE) operation is responsible for departmental administrative activities, such as, audit liaison and corrective action. The Management Research Services (MRS) operation under the Food Stamp and Medi-Cal program conducts work measurement and processes assessment studies for the department.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we improve the well-being of children and families in Los Angeles County as measured by the achievements in the five outcome areas adopted by the Board: good health; economic well-being; safety and survival; social and emotional well being; and education/workforce readiness (Goal 5). In this case, we are re-leasing the office space for DPSS which will continue to provide services which enhance the ability of families to achieve self-sufficiency and economic well-being (Strategy 2). This proposed lease renewal complies with the Strategic Asset Management Principles, as shown in Attachment A.

**FISCAL IMPACT/FINANCING**

This lease contains a five-year renewal option. The rental cost for the first year of the option period shall not exceed \$317,027. Annual Consumer Price Index (CPI) rental adjustments are capped at 3 percent per year.

<b>3220 ROSEMEAD BLVD. EL MONTE</b>	<b>EXISTING LEASE NO. 71387</b>	<b>FIVE-YEAR LEASE OPTION</b>	<b>CHANGE</b>
Area (Square feet)	20,435	20,435	None
Term	07/15/1998 - 07/14/2008	Upon Board approval	+ Five years
Annual Base Rent	\$309,670	\$317,027	+ \$7,357
Parking (included in base rent)	100 parking spaces	100 parking spaces	None
Cancellation	County may cancel after the 36th month upon 60 days prior written notice	County may cancel upon 60 days prior written notice	None
Option to Renew	One five-year option	Five-year option exercised	No options remain
Rental Adjustment	Base Rent subject to annual CPI adjustment to a maximum of 3 percent of the Base Rent	Same	None

Sufficient funding for the proposed lease renewal costs is included in the 2008-09 Rent Expense budget and will be billed back to DPSS. DPSS has allocated sufficient funds in its 2008-09 operating budget to cover the projected lease renewal costs. State and Federal subvention will be used to fund 91 percent of the rental costs, and the remaining 9 percent will be net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The County entered into this full-service lease in July 1998 for 20,435 square feet of office space. The original lease contains a rental adjustment provision to limit annual CPI increases to a maximum of 3 percent of the base year rent. Notice of intent to exercise this option has been provided to the Landlord and the lease renewal requires your Board to exercise the option.

- The term commences upon Board approval and expires five years thereafter.
- There is a cancellation provision allowing the County to cancel anytime upon 60 days advance notice to the Landlord.
- The rent includes on-site parking for 100 vehicles.
- This is a full-service gross lease whereby the Landlord is responsible for all operating expenses associated with DPSS occupancy.
- The Base Rent is subject to annual CPI increases capped at 3 percent of the Base Year Rent throughout the term.

The Chief Executive Office (CEO) Real Estate staff surveyed the El Monte/San Gabriel Valley 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 this requirement more economically. Attachment B shows all County-owned and leased facilities within the surrounding El Monte/San Gabriel area and there are no County-owned or leased facilities available for the programs.

Based upon a market survey of similar properties in the El Monte/San Gabriel Valley area, staff has determined that the base rental range including parking for similar properties is between \$19.00 and \$26.00 per square foot per year full-service gross. The existing lease terms provide a \$15.51 per square foot base annual rent which represents a market rental rate below the lower range of market.

The Honorable Board of Supervisors  
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**NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The CEO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

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

**CONCLUSION**

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

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:DL:JSE  
CEM:TS:hd

Attachments (2)

c: County Counsel  
Department of Public Social Services

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
3220 ROSEMEAD BOULEVARD, EL MONTE  
Asset Management Principles Compliance Form<sup>1</sup>**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>			X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
C	Does this lease centralize business support functions? <sup>2</sup>			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>186 sq. ft. per person.</b>	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? <b>91 percent State and Federal Funding.</b>		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 B?	X		
G	Was build-to-suit or capital project considered? <b>The existing lease terms are lower than market rate and the program is State and Federally funded offsetting monthly rental costs.</b>		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. <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? <sup>2</sup>	X		
F	Has growth projection been considered in space request?		X	
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98			
	<sup>2</sup> If not, why not? Please <b>bold</b> any written responses.			

## Attachment B

**SPACE SEARCH – WITHIN SERVICE AREA OF DPSS CLIENT PARTICIPANTS  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
3220 ROSEMEAD BOULEVARD, EL MONTE**

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS	SQUARE FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
B119	Assessors Whittier Narrows Office	1190 Durfee Avenue South El Monte 91733	38,000	34,200	LEASED	NONE
A493	DPSS San Gabriel Valley	3216 Rosemead Blvd Rosemead 91713	20,435	19,876	LEASED	NONE
A275	Community Development Commission Hdqs.	2 Coral Circle, Monterey Park 91755	67,500	60,750	LEASED	NONE
23302	DCSS San Gabriel Valley Service Ctr	1441 Santa Anita Avenue S. El Monte 91731	17,650	12,701	OWNED	NONE
6064	El Monte Court House	11234 Valley Blvd. El Monte 91731	136,512	64,786	LEASED	NONE
6144	Maclaren Children Center	4024 N Durfee El Monte 91732	71,733	39,555	OWNED	VACANT
T680	Maclaren Children Center	4024 N Durfee El Monte 91732	3,600	3,240	OWNED	VACANT
X327	Probation Transcribing Ctr	200 W Woodward Ave Alhambra 91801	11,273	7,360	OWNED	NONE
A304	Sheriff Vehicle Theft Program Hdqs	9040 Telstar Avenue, El Monte 91731	5,320	5,054	LEASED	NONE
A522	DHS/DPSS/DCFS- Telstar El Monte Center	9320 Telstar El Monte 91731	163,000	146,700	LEASED	NONE
A493	DPSS San Gabriel Valley Service Center	3 350-52 Aerojet Avenue El Monte 91731	120,000	108,000	LEASED	NONE