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
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WILLIAM T FUJIOKA
Chief Executive Officer

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

6 DECEMBER 8, 2009

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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:

FIVE-YEAR OPTION TO RENEW LEASE NO. 71502
CHILD SUPPORT SERVICES DEPARTMENT
600 COMMONWEALTH AVENUE, LOS ANGELES
(SECOND DISTRICT) (3 VOTES)

SUBJECT

This recommendation is for a five-year lease renewal for the Child Support Services Department (CSSD) for the continued occupancy of 18,322 rentable square feet of office space.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the lease renewal 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 on November 17, 1987, and Section 15301 of the State California Environmental Quality Act Guidelines.

2. Exercise the option to renew the lease for a five-year term with Commonwealth Enterprises (Landlord) for 18,322 rentable square feet of office space, located at 600 Commonwealth Avenue, Los Angeles, for Child Support Services Department, at a maximum first year rent of $411,159. The rental costs are to be funded by State funds covering 34 percent and Federal funds covering 66 percent.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

CSSD has been housed on the 18th floor of the building since November 1999, providing court–related child support functions to approximately 3,000 to 4,000 clients per month. CSSD is a local child support agency within the definition of California Family Code Section 17304. CSSD is charged under federal and state law with establishing parentage for certain children born out of wedlock, establishing orders for child support (including orders for medical support), and enforcing child and spousal support orders. California Family Code Section 4251 requires that support cases handled by a local child support agency must be heard by a child support commissioner.

Like all other child support services in California, CSSD is wholly dependent upon judicial processes of the court system to carry out virtually all of its statutory duties. In order to comply with the Family Code Section 4251, most of the cases where CSSD provides services are decided by child support commissioners located at the Superior Court at 600 Commonwealth Avenue in the City of Los Angeles, otherwise known as Central Civil West (CCW).

CCW houses virtually all of the court files in those cases where CSSD is providing support services. Legal documents related to CSSD support enforcement cases are filed with court clerks at CCW. Legal proceeding/hearings in these cases are held primarily at CCW. The participants in these cases (mother, father, guardian), appear at CCW on a daily basis for various legal proceedings. On average, CSSD processes 220 cases per day at CCW. The renewal will allow CSSD to continue its operation at CCW commencing upon the expiration of the existing lease term on December 31, 2009.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we maximize the effectiveness of the County of Los Angeles (County) 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). The proposed lease supports these goals as the department enhances the ability of children and families to access quality care and to live in safe, stable and nurturing families. This proposed lease renewal complies with the Strategic Asset Management Principles, as shown in Attachment A.

FISCAL IMPACT/FINANCING

The maximum first year rental costs for this lease renewal will be approximately $411,159.

600 COMMONWEALTH AVE	EXISTING LEASE NO. 71502	FIVE-YEAR LEASE OPTION	CHANGE
Area	18,322 sq. ft.	18,322 sq. ft.	None
Term	01/01/2005 – 12/31/2009	01/01/2010 – 12/31/2014	+ Five years
Annual Base Rent	$396,966 or $21.66/sq.ft.	$411,159 or $22.44q.ft.	+ $14,193
Parking	100 parking spaces	100 parking spaces	None
Cancellation	County may cancel one time between 1/31/2008 and 04/01/2008 upon 120 days prior written notice	County may cancel one time between 1/31/2012 and 05/01/2012 upon 120 days prior written notice	None
Option to Renew	One five-year option	Five-year option exercised	No options remain
Rental Adjustment	Annual CPI capped at 4 percent of the monthly base rent of $29,568	Annual CPI capped at 4 percent of the monthly base rent of $29,568	None

Sufficient funding for the proposed rental costs are included in the 2009-10 Rent Expense budget and will be billed back to CSSD. The annual cost for CSSD is 34 percent State funded and 66 percent Federal funded.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

CSSD's space request was approved for 21,674 square feet. Due to the current budget constraints, CSSD can afford only to maintain a lease at the existing facility at the same terms, conditions and rental rate rather than relocating to a 21,674 square foot facility. The lease renewal contains the following provisions:

- The renewal commences January 1, 2010, and ends five years thereafter.
- The lease is full service whereby the Landlord is responsible for all interior and exterior maintenance.

- County may cancel one time between 01/31/2012 and 05/01/2012 upon 120 days prior written notice.

Chief Executive Office (CEO) Real Estate staff did not survey the service area as this is a lease renewal for office space that the department determined it wished to renew. CSSD did not want to incur moving, relocation and travel costs associated with moving to another facility.

Based upon a market survey of similar office properties, staff has determined that the base rental range including parking for similar properties is between $26.50 and $28.94 per square foot per year full-service gross. Thus, the $22.44 base rental rent of the proposed lease renewal is below the market rental rate for the area.

The Department of Public Works had inspected the facility and found it suitable for County 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 five-mile radius of the subject location.

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 California Environmental Quality Act Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no disruption of services as this is an exercise of an option to renew the lease for a five-year term. CSSD 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, 4th Floor, Los Angeles, CA 90012.

Respectfully submitted,

Lari Sheehan
for WILLIAM T FUJIOKA
Chief Executive Officer

WTJ:SK:WLD
CEM:TS:hd

Attachments (2)

c: Executive Officer, Board of Supervisors
Acting County Counsel
Auditor-Controller
Child Support Services Department

600Commonwealth b

Attachment A

CHILD SUPPORT SERVICES DEPARTMENT
600 COMMONWEALTH AVENUE, LOS ANGELES

Asset Management Principles Compliance Form[1]

1.	Occupancy		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.	Capital				
	A	Is it a substantial net County cost (NCC) program? **The program is 34% State funded and 66% Federal funding.**		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? **Lease renewal at same site.**		X	
	G	Was build-to-suit or capital project considered? **The proposed space is available at a competitive market rate and CSSD has requested to remain at the site.**		X	
3.	Portfolio Management				
	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.			
	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?			