



# Los Angeles County AUDIT COMMITTEE

Lori Glasgow, Chair  
5th District  
Genie Chough, Vice-Chair  
3rd District  
Louisa Ollague, Chair  
1st District  
Dorinne Jordan  
2nd District  
Carl Gallucci, Chair  
4th District

August 02, 2011

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

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

#9 AUGUST 2, 2011

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

### **SUNSET REVIEW FOR THE REAL ESTATE MANAGEMENT COMMISSION (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

#### **SUBJECT**

Request to extend the sunset review date for the Real Estate Management Commission.

#### **IT IS RECOMMENDED THAT YOUR BOARD:**

Approve introduction of ordinance extending the Real Estate Management Commission's sunset review date to December 31, 2015.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Real Estate Management Commission (Commission) was created by the Board pursuant to Chapter 3.58 of the Los Angeles County Code. The Board approved the most recent sunset review extension on September 12, 2006, which expired on December 31, 2010.

The Commission advises the Board, County departments and related entities on real estate purchases, sales, leases, exchanges and rentals. The Commission is also required to review and provide recommendations on leases of ten years or longer, except for leases and concessions in small craft harbors.

The Commission, even with low attendance successfully fulfilled its duties. During this review period, the Commission reviewed 22 County leases. The Commission approved 21 of the 22 leases, and terminated the negotiations for the other lease.

### **FISCAL IMPACT/FINANCING**

The Chief Executive Office (CEO) provides the Commission with staff support, and estimates that they paid approximately \$500 for staff support and stipends during Fiscal Year 2009-10.

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

The Commission has five members, one appointed by each Supervisor, and is required to meet at least monthly. Commissioners receive a \$50 stipend for each meeting attended, not to exceed 24 meetings per year and may be reimbursed for Commission-related travel expenses. Commissioners are knowledgeable about real estate, and have worked with brokers, developers, investors, etc.

During this review period from January 2007 to September 2010, the Commission met 11 times (approximately three times per year) with an average attendance of 3.9 (78%) members. The Commission's low meeting frequency was due to a reduction in the number of County real estate transactions and fewer leases with ten-year terms. The economic downturn and County curtailments have decreased the County's real estate activity, and many departments have opted to renew their leases for shorter, three to five year terms. The Commission plans to keep the monthly meeting requirement in anticipation of increased activity as the economy improves.

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

For the next evaluation period, the Commission's objectives are to continue to review and make recommendations on County leases, and advise the County on other real estate matters.

The Honorable Board of Supervisors

8/2/2011

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Respectfully submitted,

A handwritten signature in black ink that reads "Lori Glasgow". The signature is written in a cursive, flowing style.

LORI GLASGOW

Chair

LG:tpk

Enclosures

c: Executive Officer of the Board  
Auditor-Controller  
County Counsel  
Chief Executive Officer  
Chair, Real Estate Management Commission  
Real Estate Division, Chief Executive Office  
Janet Logan, Chief, Board Operations  
Angie Johnson, Chief, Commission Services



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE  
AUDITOR-CONTROLLER

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAIMO  
JUDI E. THOMAS

May 11, 2011

TO: Audit Committee

FROM: Wendy L. Watanabe *Wendy L. Watanabe*  
Auditor-Controller

SUBJECT: **SUNSET REVIEW FOR THE LOS ANGELES COUNTY REAL ESTATE  
MANAGEMENT COMMISSION**

**RECOMMENDATION**

The Audit Committee recommend to the Board of Supervisors (Board) to extend the Los Angeles County Real Estate Management Commission's sunset review date to December 31, 2015.

**BACKGROUND**

The Los Angeles County Real Estate Management Commission (Commission) was created by the Board pursuant to Chapter 3.58 of the Los Angeles County Code. The Board approved the most recent sunset review extension in September 2006.

The Commission advises the Board, County departments and related entities on real estate purchases, sales, leases, exchanges and rentals. The Commission is also required to review and provide recommendations on leases of ten years or longer, except for leases and concessions in small craft harbors.

The Commission has five members, one appointed by each Supervisor, and is required to meet at least monthly. Commissioners are knowledgeable about real estate, and have worked as brokers, developers, investors, etc. Commissioners receive \$50 for each meeting attended, not to exceed 24 meetings per year, and may be reimbursed for Commission-related travel expenses. The Chief Executive Office (CEO) provides the Commission with staff support, and estimates that they paid approximately \$500 for staff support and stipends during Fiscal Year 2009-10.

## **JUSTIFICATION**

Between January 2007 and September 2010, the Commission met 11 times (approximately three times a year) with an average attendance of 3.9 (78%) members. The Commission indicated that the low meeting frequency was due to a reduction in the number of County real estate transactions and fewer leases with ten-year terms. The Commission indicated that the economic downturn and County curtailments have decreased the County's real estate activity, and many departments have opted to renew their leases for shorter, three to five year terms. The Commission plans to keep the monthly meeting requirement in anticipation of increased activity as the economy improves.

Although the Commission's meeting frequency was low, the Commission successfully fulfilled its duties. During this sunset review period, the Commission reviewed 22 County leases. The Commission approved 21 of the 22 leases, and negotiations for the other lease were terminated. For the next review period, the Commission's objectives are to continue to review and make recommendations on County leases, and advise the County on other real estate matters.

Please call me if you have any questions, or your staff may contact Robert Campbell at (213) 253-0101.

WLW:JLS:RGC:TK

### Attachments

- c: Sidney Y. Kikkawa, Senior Assistant Chief Executive Officer, Chief Executive Office
- Thomas J. Griego, Chair, Real Estate Management Commission
- William L. Dawson, Director, Real Estate Division, Chief Executive Office
- Robin A. Guerrero, Chief, Board Operations
- Angie Montes, Acting Chief, Commission Services

**COMMISSION SUNSET REVIEW**  
**LOS ANGELES COUNTY REAL ESTATE MANAGEMENT COMMISSION**  
**REVIEW COMMENTS**

**Mission.** (Does the mission statement agree with the Board of Supervisors' purpose and expectations?)

The stated mission is as set forth in the Board order establishing the Commission. **CONCUR.**

**Section 1. Relevance.** (Is the mission still relevant and in agreement with the Board of Supervisors' purpose and expectations?)

The Commission continues to review real estate lease transactions and recommend manageable, cost-effective solutions.

The Commission's mission appears to be **RELEVANT.**

**Section 2. Meetings and Attendance.** (Are required meetings held and is attendance satisfactory?)

The Commission is required to meet at least monthly. However, between January 2007 and September 2010, the Commission met 11 times (approximately three times per year), with an average attendance of 3.9 (78%) members.

Although the Commission's meeting frequency is **UNSATISFACTORY**, the Commission's attendance is **SATISFACTORY**. The Commission indicated that the low meeting frequency was due to a reduction in the number of County real estate transactions and fewer leases with ten-year terms. The Commission indicated that the economic downturn and County curtailments have decreased the County's real estate activity, and many departments have opted to renew their leases for shorter, three to five year terms. The Commission plans to keep the monthly meeting requirement in anticipation of increased activity as the economy improves. Although the Commission's meeting frequency was low, the Commission successfully fulfilled its duties.

**Sections 3 and 4. Accomplishments and Results.** (Are listed accomplishments and results significant?)

During this sunset review period, the Commission reviewed 22 County leases. The Commission approved 21 of the 22 leases, and negotiations for the other lease were terminated.

The Commission's accomplishments and results are **SIGNIFICANT.**

**Section 5. Objectives.** (Are the objectives compatible with the mission and goals and relevant within the current County environment?)

The Commission's objectives for the coming period are to continue to review and make recommendations on County leases, and advise the County on other real estate matters.

The Commission's future objectives appear **RELEVANT**.

**Section 6. Resources.** (Are the resources utilized by the entity in support of the entity's activities warranted in terms of the accomplishments and results?)

Commissioners receive \$50 for each meeting attended, not to exceed 24 meetings per year, and may be reimbursed for Commission-related travel expenses. The CEO provides the Commission with staff support and estimates that they paid approximately \$500 for stipends and staff support during Fiscal Year 2009-10.

The Commission's expenses appear to be **WARRANTED**.

**Section 7. Recommendation.**

**EXTEND THE SUNSET REVIEW DATE FOR THE LOS ANGELES COUNTY REAL ESTATE MANAGEMENT COMMISSION TO DECEMBER 31, 2015.**

Los Angeles County Real Estate Management Commission  
Attendance Record

Commissioner	Nominated by:	3/31/07	6/30/07	9/30/07	12/31/07	3/31/08	6/30/08	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	Totals	% Attended
Number of Meetings per Quarter		1	1	2	2	1	1	1	0	0	0	1	0	1	0	0	11	
Thomas J. Griego	1st District	1	1	1	2	1	1	1	0	0	0	0	0	1	0	0	9	82%
David Farrar	2nd District	1	1	2	2	1	1	1	0	0	0	1	0	1	0	0	11	100%
Bradley H. Mindlin	3rd District	1	1	2	2	1											7	100%
Vacant	3rd District						0	0	0								0	0%
Glenn Rosten	3rd District									0	0	1	0	1	0	0	2	100%
David Mercer	4th District	1	1	1	2	0	1	0	0	0	0	1	0	1	0	0	8	75%
CeCelia Jake-Truman	5th District	1	0	2	0	1	0	1	0	0	0	0	0	1	0	0	6	55%
<b>Totals</b>		<b>5</b>	<b>4</b>	<b>8</b>	<b>8</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>43</b>	
Average Attendance per Meeting ----->																		
3.9																		

Legend:  Vacancy filled or Commissioner did not serve during this period.