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

Board of Supervisors
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September 6, 2011

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 September 6, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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:

AMENDMENT NO. 1 TO LEASE NO. 72379
PROBATION DEPARTMENT
14540 HAYNES STREET, VAN NUYS
(THIRD DISTRICT) (3 VOTES)

SUBJECT

This recommendation is for a lease amendment to extend the lease term for an additional five-year period, thereby providing the Probation Department uninterrupted use of the 13,500 square foot office space and 54 parking spaces.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the 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 your Board, on November 17, 1987, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).

2. Approve and instruct the Mayor to sign the lease amendment exercising the County's option to renew the agreement with Haynes Cal 26, LLC for the continued occupancy of 13,500 rentable square feet of office space located at 14540 Haynes Street, Van Nuys, and 54 parking spaces for the Probation Department at a maximum first year cost of $202,500. The rental costs are 100 percent net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed agreement will allow the Probation Department (Probation) to continue operating the Van Nuys Juvenile Area Office for an additional five years. Probation has occupied this facility since September 2000. The current lease expired on August 31, 2010, and is currently on a month-to-month holdover. The Chief Executive Office (CEO), Real Estate Division is working on various options to secure additional parking to meet the parking needs for this facility.

The office provides a work place for staff to assist probationers and their families access to County of Los Angeles (County) services including anger management counseling, drug rehabilitation, and after school programs in the area. In addition, staff conduct field investigations, supervise, attend court hearings, and ensure that minors adhere to all court-ordered conditions of probation. Client intake occurs at the satellite reception/interview center located at 7100 Van Nuys Boulevard, which serves approximately 850 probationers and an additional 350 clients monthly.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we improve operations and processes to increase effectiveness, enhance customer service, and support responsive County operations. In this case, the lease amendment supports this goal with a suitably located office with appropriate workspace for Probation as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed extension will provide Probation continued use of 13,500 square feet of office space at a maximum first year cost of $202,500.

14540 Haynes St., Van Nuys	Existing Lease	Proposed Lease Amendment No. 1	Change
Area (square feet)	13,500	13,500	None
Term	(9/01/2000-08/31/2010) currently month-to-month	Five years upon Board adoption	+Five years
Annual Rent	$222,264 ($16.46/sq.ft.)	$202,500 ($15.00/sq.ft.)	-$19,764
Electricity Cost	$0.00 (included in lease)	$29,160 ($2.16/sq.ft.)*	+$29,160
Total Cost**	$222,264 ($16.46/sq.ft.)	$231,660 ($17.16/sq.ft.)	+$9,396
Cancellation	County may cancel any time with 90 days notice	County may cancel any time with 90 days notice	None
Parking (included)	54	54	None
Option to Renew	Five years	None	- Five years
Rental Adjustment	Fixed annual increase of 2-1/2 percent	Fixed annual increase of 2-1/2 percent	None

* Based on the department's usage, the actual electricity costs to the County will vary. Per BOMA, the approximate electricity costs are $2.16./sq.ft. annually, or $29,160.

** Total cost is the sum of the Annual Rent and Electricity Cost.

Sufficient funding for the proposed lease costs is included in the 2011-12 Rent Expense budget and will be billed back to Probation. Probation has sufficient funding in its 2011-12 operating budget to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment contains the following provisions:

- A five-year extension term commencing upon approval by your Board.
- Modified-gross lease with the lessor responsible for all operating and maintenance costs associated with the premises, and the County is responsible for the electricity costs.
- A Tenant Improvement (TI) allowance of $135,000 for new carpet, paint, and miscellaneous improvements included in the base rent.
- Cancellation provision allowing the County to cancel any time with 90 days prior written notice and payment of a cancellation fee equal to the unamortized balance of the TI costs.
- Subject to annual rental adjustments of 2.5 percent of the base year rent.

The CEO, Real Estate staff conducted a survey within the service area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar office space and a similar lease structure is between $17 and $20 per square foot per year. Thus, the annual rent of $15 per square foot per year, including parking, for the proposed lease represents a rate below the market range for the area.

Attachment B shows County-owned or leased facilities in the proximity of the service area and there are no suitable County-owned or leased facilities available for the program.

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

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this lease amendment is exempt from California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide for the continued use of necessary office space for this County requirement. Probation concurs with the proposed recommendation.

CONCLUSION

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

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:MAC:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Probation

BL-14540HaynesStreet

Attachment A

PROBATION DEPARTMENT
14540 HAYNES STREET, VAN NUYS
Asset Management Principles Compliance Form[1]

			Yes	No	N/A
1.	**Occupancy**				
	A	Does lease consolidate administrative functions?[2]			X
	B	Does lease co-locate with other functions to better serve clients?[2] **No, due to restrictions by the Community.**		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] **Ratio is 165 sq.ft. per person which is less due to current configuration levels.**		X	
2.	**Capital**				
	A	Is it a substantial net County cost (NCC) program? **100% NCC**	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; 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? **This office is being considered for the new East San Fernando Valley Service Center project.**	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. _X_ The program clientele requires a "stand alone" facility.			
		2. ___ No suitable County occupied properties in project area.			
		3. _X_ 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] No, it's a modified gross lease. **The Landlord refuses to pay the electrical costs and requested that the County be responsible for the electricity.**		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?

Attachment B

PROBATION DEPARTMENT
SPACE SEARCH – 5 MILE RADIUS FROM 14540 HAYNES STREET

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQ FT AVAILABLE
Y582	FIRE-PACOIMA FORESTRY DIV OFFICE	12605 OSBORNE ST, PACOIMA 91331	612	551	OWNED	NONE
Y658	FIRE-PACOIMA OFFICE TRAILER	12605 OSBORNE ST, PACOIMA 91331	600	580	OWNED	NONE
T601	FIRE-PACOIMA OFFICE TRAILER #1	12605 OSBORNE ST, PACOIMA 91331	625	604	OWNED	NONE
T602	FIRE-PACOIMA OFFICE TRAILER #2	12605 OSBORNE ST, PACOIMA 91331	625	604	OWNED	NONE
T599	FIRE-PACOIMA VEGETATIVE MGMT TRAILER #1	12605 OSBORNE ST, PACOIMA 91331	625	563	OWNED	NONE
T600	FIRE-PACOIMA VEGETATIVE MGMT TRAILER #2	12605 OSBORNE ST, PACOIMA 91331	625	563	OWNED	NONE
T562	WHITEMAN AIRPORT-ABLE AVIONIX OFFICE	12653 OSBORNE ST, PACOIMA 91331	520	410	OWNED	NONE
6247	WHITEMAN AIRPORT-ADMIN BLDG	12653 OSBORNE ST, PACOIMA 91331	4657	3795	OWNED	NONE
T534	WHITEMAN AIRPORT-TRAILER	12653 OSBORNE ST, PACOIMA 91331	500	432	OWNED	NONE
A213	PH-NORTH DISTRICT HEALTH FACILITIES OFFICE	15643 SHERMAN WAY, VAN NUYS 91406	3712	3600	LEASED	NONE
A316	SHERIFF-NORTH HILLS T.R.A.P. UNIT	8353 N SEPULVEDA BLVD, NORTH HILLS	1500	1500	LEASED	NONE
D310	DPSS-EAST VALLEY WS DISTRICT OFFICE	14545 LANARK ST, PANORAMA CITY 91402	96360	39588	OWNED	NONE
6359	MID VALLEY-SAN FERNANDO VALLEY SERVICE CTR	7555 VAN NUYS BLVD, VAN NUYS 91405	17698	10623	FINANCED	NONE
A383	PH-SAN FERNANDO DISTRICT ENVIRONMENTAL HLTH	6851 LENNOX AVE, VAN NUYS 91405	7537	7160	LEASED	NONE
A494	PROBATION-VAN NUYS JUVENILE SERVICES ANNEX	7100 VAN NUYS BLVD, VAN NUYS 91405	2484	2360	LEASED	NONE
A494	PROBATION-VAN NUYS JUVENILE SERVICES ANNEX	7100 VAN NUYS BLVD, VAN NUYS 91405	4460	4142	LEASED	NONE
A491	PROBATION-VAN NUYS AREA JUVENILE SERVICES	14540 HAYNES ST, VAN NUYS 91411	13500	11475	LEASED	NONE
5273	VAN NUYS COUNTY ADMINISTRATIVE CENTER BLDG	14340 W SYLVAN ST, VAN NUYS 91401	9849	6992	OWNED	NONE
4400	VAN NUYS COURTHOUSE - WEST	14400 ERWIN ST MALL, VAN NUYS 91401	320391	172053	FINANCED	NONE
Y442	VAN NUYS COURTHOUSE-TRAILER F	14400 W DELANO ST, VAN NUYS 91401	11037	6470	OWNED	NONE
4705	PROBATION-EAST SAN FERNANDO VALLEY AREA	14414 W DELANO ST, VAN NUYS 91401	15825	8362	OWNED	NONE
A565	APD - VAN NUYS OFFICE	14553 DELANO ST, VAN NUYS 91401	3878	3684	LEASED	NONE
7278	VAN NUYS COURTHOUSE - EAST	6230 SYLMAR AVE MALL, VAN NUYS 91401	180296	117198	OWNED	NONE
Y472	VAN NUYS COURTHOUSE-BUILDING A	6280 SYLMAR AVE MALL, VAN NUYS 91401	4740	3165	OWNED	NONE
Y473	VAN NUYS COURTHOUSE-BUILDING B	6280 SYLMAR AVE MALL, VAN NUYS 91401	4740	3148	OWNED	NONE
Y474	VAN NUYS COURTHOUSE-BUILDING C	6280 SYLMAR AVE MALL, VAN NUYS 91401	4740	3148	OWNED	NONE
Y476	VAN NUYS COURTHOUSE-BUILDING E	6280 SYLMAR AVE MALL, VAN NUYS 91401	3373	1987	OWNED	NONE
F629	PW FLOOD-SATICOY YARD BUILDING 1 OFFICE	13436 SATICOY ST, N. HOLLYWOOD 91601	684	650	OWNED	NONE
F631	PW FLOOD-SATICOY YARD BUILDING 4 OFFICE	13444 SATICOY ST, N. HOLLYWOOD 91601	2400	2280	OWNED	NONE
X368	PH-SUN VALLEY HEALTH CENTER	7223 N FAIR AVE, SUN VALLEY 91352	10659	10245	JOINT POWERS AGREEMENT	NONE
A145	CHILD SUPPORT SERVICES-DIVISION I HDQUARTERS	15531 VENTURA BLVD, ENCINO 91436-3157	45775	30602	LEASED	NONE
T400	PH NORTH HOLLYWOOD PUBLIC HEALTH CENTER AN	5300 TUJUNGA AVE, NORTH HOLLYWOOD	1347	1280	OWNED	NONE
5873	PH-NORTH HOLLYWOOD PUBLIC HEALTH CENTER	5300 TUJUNGA AVE, NORTH HOLLYWOOD	7511	4286	OWNED	NONE
X014	PH-BURBANK PUBLIC HEALTH CENTER	1101 W MAGNOLIA BLVD, BURBANK 91502	5864	3640	OWNED	NONE

AMENDMENT No. 1 TO LEASE No. 72379
PROBATION
14540 HAYNES STREET, VAN NUYS

THIS AMENDMENT No. 1 to Lease No. 72379 ("Amendment" or "Amendment No. 1") is made and entered into this 6th day of September, 2011 by and between HAYNES CAL 26, LLC successor in interest to STOCKDALE HOLDINGS I, LLC, a California limited liability company, hereinafter referred to as "Lessor" and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "Lessee."

WHEREAS, Lease No. 72379 executed on September 7, 1999 (the "Lease") for approximately 13,500 rentable square feet as 14540 Haynes Street, Van Nuys (the "Premises"), that provided for an initial Lease Term of ten years, and;

WHEREAS, the Lessor and Lessee desire to renew and make modifications to the Lease, and in connection therewith, Lessor and Lessee desire to amend the Lease as hereinafter provided.

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, and the rents, covenants and agreements herein contained and intending to be legally bound hereby, Lessor and Lessee hereby covenant and agree as follows:

1. EXTENSION OF THE LEASE TERM. Lessor and Lessee acknowledge that Lessee's lease of the Premises is on a month-to-month tenancy as of September 1, 2010, pursuant to the Holdover provision of Paragraph 6 of the Lease. Notwithstanding anything to the contrary in the Lease, Paragraph 2 of Lease No. 72379 is hereby amended to extend the Lease term for an additional five (5) years commencing upon the full execution of this Amendment ("Extension Commencement Date"). The Lease shall expire at midnight on the day before the fifth (5th) anniversary of the Extension Commencement Date, unless sooner terminated as provided in the Lease, as hereby amended. The period of time commencing on the Extension Commencement Date and terminating on the Lease expiration date shall be referred to herein as the "Extension Term."

2. RENT. As of the Extension Commencement Date, the Base Rent as set forth in Paragraph 3 of the Lease is hereby amended and revised to the sum of Sixteen Thousand Eight Hundred Seventy-Five and 00/100 Dollars ($16,875) per month, i.e., $1.25 per square foot per month.

3. RENTAL ADJUSTMENT. The RENTAL ADJUSTMENT as per Section 29 of the Lease shall be applied to the Extension Term with the exception that such adjustment shall automatically occur on the anniversary date of this Amendment No. 1 without further notice to Lessee.

4. UTILITIES. As of the Extension Commencement Date, the electrical service as set forth in Paragraph 10 of the Lease is hereby amended, such that the electricity to the Premises, which is currently separately metered ~~by the Landlord~~ by a Department of Water and Power (DPW) meter, shall be transferred and paid by the Tenant.

72379 Supplement No. 1

5. TENANT IMPROVEMENTS. Paragraph 25 of Lease 72379 is hereby deleted in its entirety and is of no further force or effect. Notwithstanding anything to the contrary contained in the Lease, as amended hereby, Lessor, within fifteen (15) days after receipt of a duly executed copy of this Lease, shall begin work on the Tenant Improvements per the County plans and specifications, such work to include:

a. Demolition and replacement of current carpet with Mannington Commercial (Urban Design) 24 x 24 carpet tile with 4" base including furniture lifting and all floor preparation;

b. Vinyl Composition Tile (VCT) in waiting area, mail area and conference room;

c. Replacement of stained or damaged ceiling tiles with new matching tiles;

d. Replace broker fluorescent light covers;

e. Preparation of walls and painting all existing interior walls, , accent walls, doors, trims with one coat of primer and two coats of Dunn Edwards eggshell finish – to include any drywall repair and patching necessary;

f. Installation of 8'clear ANO ½' x ½' corner guards;

g. Final cleaning after work has been completed.

Costs for such work shall not exceed ~~up to a maximum cost of~~ $135,000, i.e., $10 per rentable square foot, (the "Maximum Allowance"). Lessor and Lessee shall both present bids (and shall consider a minimum of three bids) for the above listed work from a qualified contractor and the parties shall mutually select one contractor from the bids received. Lessor and Lessee agree to choose the contractor who presents the lowest qualified bid, provided that such contractor is qualified to perform the work in a workmanlike manner. The ~~such~~ cost for the Tenant Improvements to be borne solely by Lessor.

Said work shall not commence without prior approval of the contractor by the Lessor and Lessee and all work shall be completed no later than ~~30~~ 45 days from the date ~~this Lease is executed~~ the exact scope of work and contractor to perform such work are approved by the parties provided that Lessor is given access to the Premises to complete the work during business hours, or within 90 days in the event that Lessor is only able to work on the Premises during weekends.

6. LANDLORD BUILDING REPAIRS. Lessor, within fifteen (15) days after receipt of a duly executed copy of this Amendment No. 1, shall at its sole cost mitigate outstanding Building maintenance items including, the evaluation, repair and/or replacement of the Building's HVAC equipment and distribution by a company licensed by State of California to perform said work; conduct an air balance test and provide a report by a separate company licensed by the State of California to perform such tests; and repair or replace the subflooring and flooring along the Building entryway. Said work shall not commence without prior approval of the contractor by the Lessee and all work shall be completed no later than 30 days from the date ~~this Lease is executed~~ the exact scope of work and contractor to perform such work are approved by the parties provided that Lessor is given access to the Premises to complete the work during business hours, or within 90 days in the event that Lessor is only able to work on the Premises during weekends.

7. All undefined terms when used herein shall have the same respective meanings as set forth in the Lease unless expressly provided otherwise in this Amendment No. 1.

8. Each of the signatories for the Lessor personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein and each agrees to indemnify and hold harmless Lessee from all damages, costs, and expenses, which result from a breach of this representation.

9. In the event of a conflict between the terms and conditions of this Amendment No. 1 and the terms and conditions of the Lease, the terms and conditions of this Amendment No. 1 shall prevail. All other terms and conditions contained in the Lease as amended shall remain in full force and effect.

IN WITNESS WHEREOF, the Lessor or Lessor's duly authorized representative has executed this Amendment No. 1 to Lease No. 72379 or cause it to be executed, the day, month and year first above written.

LANDLORD:

HAYNES CAL 26, LLC , a California Limited Liability Company

By: _____
Name: EBBY TABARIAI
Its: MANAGING MEMBER

72379 Supplement No. 1

TENANT:

COUNTY OF LOS ANGELES

MAYOR MICHAEL D. ANTONOVICH
Board of Supervisors

By: Mike Antonovich

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk of the Board of Supervisors

By: LaChelle Smitherman
Deputy

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

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: LaChelle Smitherman
Deputy

APPROVED AS TO FORM:
Andrea Sheridan Ordin
County Counsel

By: _____
Amy M. Caves
Senior Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 SEP 06 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER