County of Los Angeles
CHIEF EXECUTIVE OFFICE
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Chief Executive Officer

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April 17, 2012

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

6 April 17, 2012

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:

TWO-YEAR LEASE RENEWAL OPTION - LEASE NO. 75900
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
20151 NORDHOFF STREET, CHATSWORTH
(THIRD DISTRICT) (3 VOTES)

SUBJECT

This recommendation is for a two-year lease renewal of 73,595 rentable square feet for the Department of Children and Family Services to provide continued use of existing office space and 300 parking spaces.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed lease renewal 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, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).

2. Approve and instruct the Chairman to exercise the two-year option to renew with Nordhoff-Net, LLC (Lessor) for 73,595 rentable square feet of office space located at 20151 Nordhoff Street, Chatsworth, for the Department of Children and Family Services at an initial annual year rent of $1,484,512. The program is approximately 70 percent funded by State and Federal funds, and 30 percent net County cost.

3. Authorize the Chief Executive Officer and the Director of Children and Family Services to implement the lease option renewal, which shall become effective upon approval by your Board at the end of the existing lease term.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since June 1, 2007, the Department of Children and Family Services (DCFS) has leased 73,595 rentable square feet of office space and 300 parking spaces at this location for the East and West San Fernando Valley regional service areas.

DCFS provides services to families in crisis with the primary goal of maintaining the family unit and reunifying families as quickly as possible. The program provides comprehensive direct full service child protection systems of prevention, preservation, and permanency planning to ensure that children grow up safe, physically and emotionally healthy, educated and in permanent homes. The Adoption units are responsible for assessing child adoptability, case management and supervision, and providing services involving the finalization of the adoption process. Revenue Enhancement units provide support to social workers assisting in finding placement for children that must be detained in out-of-home care. The proposed lease renewal will continue to provide the uninterrupted support of these operations allowing for the department's goal of reuniting families in the shortest period of time possible. The office has public intake, and is in close proximity to public transportation routes.

The Chatsworth regional office provides a comprehensive full service direct child protection system dedicated to the safety of children within its care, and the reduction of the time line related to permanency for children within the care of the program and the reduction of reliance for out-of-home care. These outcomes are achieved largely through the work of Emergency Response, Family Maintenance and Reunification, and Permanent Placement Children's Social Workers, in collaboration with support staff, and staff from other departments co-located at this office.

In addition, smaller programs designed to enhance direct services to children and families are also housed within this facility. Examples include, but are not limited to, Family Group and Team Decision making, Department of Mental Health/DCFS collaboration for improving mental health, and permanency outcomes for foster children, Adoption Safe Families Act staff, Department of Public Social Services' Linkages, and contracted Education Liaisons.

The facility currently houses approximately 456 staff positions and services approximately 52 client visits per day. Parking is located adjacent to the subject facility with valet service to optimize parking capacity.

Renewing the lease will provide the opportunity to complete the due diligence process associated with an eventual transfer of the applicable regional office(s) as deemed appropriate to an alternative future location. In order to maintain vital services and accommodate the existing program, and in consideration of long-term strategies of the department within Service Area 2, DCFS has requested renewal of the lease, which will retain an annual cancellation right provision.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services. In this case, the County of Los Angeles (County) is supporting the goal by providing an office in the community it serves, to increase effectiveness and enhance customer service, providing responsive services to the public.

FISCAL IMPACT/FINANCING

The proposed option to renew the existing lease will provide DCFS uninterrupted use of 73,595 square feet of office space and 300 parking spaces at an initial rent of $123,709 per month, or $1,484,512 annually.

20151 NORDHOFF STREET, CHATSWORTH	EXISTING LEASE	LEASE RENEWAL	CHANGES
AREA (SQUARE FEET)	73,595	73,595	None
TERM	6/1/2007 - 5/31/2012	6/1/2012 - 5/31/2014	Two years
ANNUAL BASE RENT	$1,441,274	$1,484,512	+ $43,238
PARKING INCLUDED IN RENT	300 spaces	300 spaces	None
CANCELLATION	At the 46th month with 180 days notice	At the annual extension anniversary date with 180 days notice	Annual vs. adjustable
OPTION TO RENEW	One two-year option	Two-year option exercised	No option
RENTAL ADJUSTMENT	Annual 3 percent increase of base rent	Annual 3 percent increase of base rent	None

Sufficient funding for the proposed lease renewal is included in the Fiscal Year (FY) 2012-13 Recommended Rent Expense budget and will be charged back to DCFS. DCFS has requested sufficient funding in its FY 2012-13 operating budget to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A notice of intent to exercise the option to renew has been adequately provided to the Lessor. The lease renewal requires your Board to exercise the option and contains the following terms and conditions.

- Commencement of the lease renewal on June 1, 2012, and expires two years thereafter.
- There is a cancellation provision allowing the County to cancel at the annual anniversary date of the lease renewal with 180 days prior written notice during the two-year term.
- The lease includes 300 valet operated parking spaces.
- The lease continues on a modified full service gross basis whereby the Lessor is responsible for the operating and maintenance costs, less utilities.
- The rent under the lease renewal will be subject to automatic 3 percent increases of the base monthly rent, or $43,238 for the initial year of the lease renewal.
- There are no tenant improvements included or necessary with the renewal of the lease.

The Chief Executive Office (CEO), Real Estate staff conducted a survey within the search 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 base rental range for similar property is between $16.80 and $29.40 per square foot per year on a modified full-service gross basis, without parking. Thus, the base annual rent of $20.17 per square foot per year on a modified gross basis, including parking, for the proposed lease represents a rate within the market range for the area. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

The Department of Public Works previously inspected this facility and its recommendation concluded the facility met the County's requirements for use by the County.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) pursuant to 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 renewal will provide the necessary office space for this County requirement. DCFS 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:RLR:CMM
CEM:NCH:ls

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Children and Family Services

BL -20151Chatsworth DCFS renewal

Attachment A

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
20151 NORDHOFF STREET, CHATSWORTH
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]	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 1] **Ratio is about 162 square feet per person.**		X	
2.	**Capital**				
	A	Is it a substantial net County cost (NCC) program?		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? **The two-year lease extension provides office space pending completion of the East Valley Family Service Ctr.**		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?			X
		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] **Modified gross (net utilities) as with existing lease.**		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

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SPACE SEARCH - 10-MILE RADIUS OF 20151 NORDHOFF STREET, CHATSWORTH

LACO	FACILITY NAME	ADDRESS	GROSS SQFT	NET SQFT	OWNERSHIP	SQFT AVAILABLE
X165	CHATSWORTH COURTHOUSE	9425 PENFIELD AVE, CHATSWORTH 91311	302,435	182,589	FINANCED	NONE
A637	DPSS - MEDI CAL (NORTHRIDGE)	9451 CORBIN AVE, NORTHRIDGE 91324	57,799	54,909	LEASED	NONE
A503	DPSS-WEST VALLEY CALWORKS/GAIN REG II PROGRAM	21415 PLUMMER ST, CHATSWORTH 91311	97,280	87,552	LEASED	NONE
A504	DPSS-WEST VALLEY CALWORKS/IHSS PROGRAM OFFICE	21615 PLUMMER ST, CHATSWORTH 91311	67,220	60,498	LEASED	NONE
A624	BOS-FIELD OFFICE DISTRICT 5	21943 PLUMMER ST, CHATSWORTH	2,550	2,423	LEASED	NONE
5872	DHS-CANOGA PARK HEALTH CENTER (P/PP SITE)	7107 REMMET AVE, CANOGA PARK 91303	5,308	3,094	OWNED	NONE
A664	DMH-WELLNESS CENTER	6800 OWENSMOUTH, CANOGA PARK 91303-3159	5,665	5,382	LEASED	NONE
A671	DMH-WELLNESS CENTER	10515 BALBOA BLVD, GRANADA HILLS 91344-6343	3,588	3,409	LEASED	NONE
A671	DMH-WELLNESS CENTER	10515 BALBOA BLVD, GRANADA HILLS 91344-6343	4,403	4,183	LEASED	NONE
A316	SHERIFF-NORTH HILLS T.R.A.P. UNIT	8353 N SEPULVEDA BLVD, NORTH HILLS 91343	1,500	1,500	LEASED	NONE
D310	DPSS-EAST VALLEY WS DISTRICT OFFICE	14545 LANARK ST, PANORAMA CITY 91402	96,360	39,588	OWNED	NONE
A213	PH-NORTH DISTRICT HEALTH FACILITIES OFFICE	15643 SHERMAN WAY, VAN NUYS 91406	3,712	3,600	LEASED	NONE
6359	MID VALLEY-SAN FERNANDO VALLEY SERVICE CENTER	7555 VAN NUYS BLVD , VAN NUYS 91405	17,698	10,623	OWNED	NONE
A494	PROBATION-VAN NUYS JUVENILE SERVICES ANNEX	7100 VAN NUYS BLVD, VAN NUYS 91405	1,900	1,710	LEASED	NONE
A494	PROBATION-VAN NUYS JUVENILE SERVICES ANNEX	7100 VAN NUYS BLVD, VAN NUYS 91405	2,484	2,360	LEASED	NONE
A494	PROBATION-VAN NUYS JUVENILE SERVICES ANNEX	7100 VAN NUYS BLVD, VAN NUYS 91405	2,560	2,432	LEASED	NONE
A383	PH-SAN FERNANDO DISTRICT ENVIRONMENTAL HLTH	6851 LENNOX AVE, VAN NUYS 91405	7,537	7,160	LEASED	NONE
F629	PW FLOOD-SATICOY YARD BUILDING 1 OFFICE	13436 SATICOY ST, NORTH HOLLYWOOD 91601	684	650	OWNED	NONE
F631	PW FLOOD-SATICOY YARD BUILDING 4 OFFICE	13444 SATICOY ST, NORTH HOLLYWOOD 91601	2,400	2,280	OWNED	NONE
A491	PROBATION-VAN NUYS AREA JUVENILE SERVICES	14540 HAYNES ST, VAN NUYS 91411	13,500	11,475	LEASED	NONE
A565	APD - VAN NUYS OFFICE	14553 DELANO ST, VAN NUYS 91401	3,878	3,684	LEASED	NONE
4400	VAN NUYS COURTHOUSE - WEST	14400 ERWIN ST MALL, VAN NUYS 91401	320,391	172,053	FINANCED	NONE
5273	VAN NUYS COUNTY ADMINISTRATIVE CENTER BLDG	14340 W SYLVAN ST, VAN NUYS 91401	9,849	6,992	OWNED	NONE
Y476	VAN NUYS COURTHOUSE-BUILDING E	6280 SYLMAR AVE, VAN NUYS 91401	3,373	1,987	OWNED	NONE
A145	CHILD SUPPORT SERVICES-DIVISION I HDQUARTERS	15531 VENTURA BLVD, ENCINO 91436-3157	45,775	30,602	LEASED	NONE
4705	PROBATION-EAST SAN FERNANDO VALLEY AREA OFFIC	14414 W DELANO ST, VAN NUYS 91401	15,825	8,362	OWNED	NONE
7278	VAN NUYS COURTHOUSE - EAST	6230 SYLMAR AVE MALL, VAN NUYS 91401	180,296	117,198	OWNED	NONE
Y442	VAN NUYS COURTHOUSE-TRAILER F	14400 W DELANO ST, VAN NUYS 91401	11,037	6,470	OWNED	NONE
5858	PH-PACOIMA PUBLIC HEALTH CENTER	13300 VAN NUYS BLVD, PACOIMA 91331	5,404	3,098	OWNED	NONE
A608	BOS/DPW ET AL-ONE STOP SHOP (VARIOUS DEPTS)	26600 AGOURA RD, CALABASAS 91302	10,346	9,829	LEASED	NONE
6247	WHITEMAN AIRPORT-ADMIN BLDG	12653 OSBORNE ST, PACOIMA 91331	4,657	3,795	OWNED	NONE
T534	WHITEMAN AIRPORT-TRAILER	12653 OSBORNE ST, PACOIMA 91331	500	432	OWNED	NONE
T562	WHITEMAN AIRPORT-ABLE AVIONIX OFFICE	12653 OSBORNE ST, PACOIMA 91331	520	410	OWNED	NONE
A502	PH-CHILDREN'S MEDICAL SVCS CTR (FOOTHILL CTR	12502 VAN NUYS BLVD, PACOIMA 91331	850	808	LEASED	NONE
A502	PH-CHILDREN'S MEDICAL SVCS CTR (FOOTHILL CTR	12502 VAN NUYS BLVD, PACOIMA 91331	6,664	5,577	LEASED	NONE