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

WILLIAM T FUJIOKA
Chief Executive Officer

"To Enrich Lives Through Effective And Caring Service""

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May 06, 2014

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 May 13, 2014

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, California 90012

Dear Supervisors:

AMENDMENT NO. 2 TO LEASE NO. 72114
SHERIFF'S DEPARTMENT
3055 WILSHIRE BOULEVARD, SUITE 200, LOS ANGELES
(SECOND DISTRICT)
(3 VOTES)

SUBJECT

An amendment to extend the lease term for an additional five-year period, thereby providing the Sheriff's Department uninterrupted occupancy of the 7,755 square foot office space and 32 parking spaces.

IT IS RECOMMENDED THAT THE 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 the Board, on November 17, 1987, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).

2. Approve and instruct the Chairman to sign the lease amendment with 3055 Wilshire, LLC for the continued occupancy of 7,755 square feet of office space located at 3055 Wilshire Boulevard, Suite 200, Los Angeles, and 32 parking spaces for the Sheriff's Department at a maximum first year cost of $177,637. The rental costs are 100 percent net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease amendment will allow the Sheriff's Department (Sheriff) to continue operating the Employee Support Services Bureau (ESSB) for an additional five years. The Sheriff has occupied this facility since 2000, and is currently on a month-to-month holdover.

ESSB staff provides confidential counseling to departmental employees, their spouses, and significant others. Services include support for marital difficulties, stress, supervisor/subordinate problems, addiction recovery/peer support, 24-hour crisis intervention, and management/ organizational consultation.

For confidentiality, the ESSB office needs to be apart from all other Sherriff's facilities. The subject facility houses 27 full-time employees.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Integrated Services Delivery (Goal 3) directs that we maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services. The proposed lease amendment supports this goal by providing support during times of personal and/or job related stresses; thereby allowing employees to perform their duties more effectively. The space is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease amendment will provide ESSB staff continued use of 7,755 square feet of office space at a maximum first year lease cost of $177,637 comprised of an annual office rent cost of $150,757, and an annual parking cost of $26,880. Attachment B is an overview of the lease costs.

Sufficient funding for the proposed lease costs is included in the Fiscal Year (FY) 2013 14 Rent Expense budget and will be billed back to Sheriff. Sheriff has sufficient funding in its FY 2013-14 operating budget to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment includes the following provisions:

- A five-year extension term commencing upon approval by the Board.

- Full-service gross lease, with the lessor responsible for all operating costs associated with the County's occupancy of the premises.

- A non-reimbursable Tenant Improvement (TI) allowance of $62,040, i.e., $8 per square foot, for new carpet, paint, and miscellaneous improvements included in the base rent.

- Cancellation provision allowing the County to cancel any time after the 36th month, with 90 days prior written notice, and payment of a cancellation fee equal to the unamortized balance of the TI costs.

- Annual Consumer Price Index (CPI) rental increases capped at 3 percent per annum commencing on the 13th month of the extended term.

The Chief Executive Office (CEO), Real Estate Division 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 $26 per square foot per year. Thus, the annual rent of $19 per square foot per year full-service gross for the proposed lease amendment represents a rate within market range for the area.

Attachment C 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.

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 the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will continue to provide the necessary office space for this County requirement. Sheriff concurs with the proposed recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return three originals of the executed lease 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:MC:gw

Enclosures

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

ATTACHMENT A

SHERIFF DEPARTMENT
3055 WILSHIRE BOULEVARD, SUITE 200, LOS ANGELES
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] **No, 287 sq. ft. per person due to program needs and function, i.e., male/female locker rooms, confidential file room/vault, interview room and training/classroom space.**		**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 C?	**X**		
	G	Was build-to-suit or capital project considered?		**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?			
	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**.** **_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]	**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

FISCAL IMPACT/FINANCING
OVERVIEW OF THE LEASE COSTS

.

3055 Wilshire Blvd., Suite 200, Los Angeles	**Existing Lease**	**Proposed Lease Amendment No. 1**	**Change**
Area (square feet)	7,755	7,755	None
Term	(02/01/2000-01/31/2010) currently month-to-month	Five years upon Board adoption	+Five years
Annual Rent	$142,832 ($18.42/sq.ft.)	$150,757 ($19.44/sq.ft.)	+$7,925
Parking Cost	$0.00 (included in lease)	$26,880 (i.e., $840 per parking space.)	+$26,880
Total Cost*	$142,832 ($18.42/sq.ft.)	$177,637 ($22.91/sq.ft.)	+$34,805
Cancellation	County may cancel any time after the 24th month with 90 days notice	County may cancel any time after the 36th month with 90 days notice	+12 months
Parking (included)	32	32	None
Option to Renew	Five years	None	- Five years
Rental Adjustment	Annual CPI increases with a 2% minimum increase	Annual CPI increases with no minimum increase and capped at 3% per year	3% cap

Total cost is the sum of the Annual Rent and Parking Cost.

ATTACHMENT C

SHERIFF DEPARTMENT
SPACE SEARCH WITHIN A ONE-MILE PARAMETER OF
3055 WILSHIRE BOULEVARD, SUITE 200, LOS ANGELES

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	65872	62578	LEASED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LOS ANGELES 90010	21500	20425	LEASED	NONE
A532	PH HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	113027	101920	LEASED	NONE
A336	SHERIFF-WILSHIRE CENTRE BUILDING	3055 WILSHIRE BLVD, LOS ANGELES 90010	7755	7115	LEASED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	85991	72804	LEASED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52230	42341	OWNED	NONE
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31862	21777	OWNED	NONE
X510	PARKS & REC-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31540	24835	OWNED	NONE
X532	DCSS-LE SAGE COMPLEX 1 STORY BLDG(RED-TAGGED)	532 S VERMONT AVE, LOS ANGELES 90020	27179	10314	OWNED	RED TAGGED
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171651	149668	OWNED	NONE
B695	PH-IMMUNIZ&ENVIR HLTH/MENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	109845	103617	LEASED	NONE
A425	DCFS-HEADQUARTERS BUILDING	425 SHATTO PL, LOS ANGELES 90020	81912	77816	LEASED	NONE
A369	DCFS-HEADQUARTERS ANNEX	501 SHATTO PL, LOS ANGELES 90020	17751	15976	LEASED	NONE
B500	DHS-WORKFORCE DEVELOPMENT PROGRAM	500 S VIRGIL AVE, LOS ANGELES 90020	8000	7200	PERMIT	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	281988	237432	LEASED	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62000	60140	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	42065	LEASED	NONE
6518	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LOS ANGELES 90007	215439	183874	OWNED	NONE
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115242	89650	OWNED	NONE

AMENDMENT No. 2 TO LEASE No. 72114
COUNTY OF LOS ANGELES SHERIFF'S DEPARTMENT
3055 WILSHIRE BOULEVARD, Suite 200, LOS ANGELES

THIS AMENDMENT No. 2 to Lease No. 72114 ("Amendment" or "Amendment No. 2") is made and entered into this 13th day of May, 2013 by and between 3055 Wilshire, 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. 72114 ("Lease") for approximately 7,755 rentable square feet at 3055 Wilshire Boulevard, Suite 200, Los Angeles (the "Premises"), provided for an initial Lease Term of five (5) 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, 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 has been on a month-to-month tenancy as of January 31, 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. 72114 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 monthly rent shall increase to the sum of $14,803.10 per month (which is based upon an increase to the Base Rent as set forth in Paragraph 3 of the Lease to Twelve Thousand Five Hundred Sixty Three and 10/100 Dollars ($12,563.10) per month, i.e., $1.62 per square foot per month plus $2,240.00/month for 32 parking spaces, i.e., $70 per parking space per month). The Base Rent shall be adjusted as provided in Paragraph 19.

3. RENTAL ADJUSTMENT. Paragraph 19 is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

(a) Rental Adjustment: For each successive twelve (12) months of the Extension Term of this Lease, the monthly Base Rent as set forth in Paragraph 3 of the Lease shall be subject to annual adjustment. From and after the first anniversary date of the first day of the first full calendar month following the Extension Commencement Date of Amendment No. 2 and every twelve months thereafter,

72114, Supplement 2

the Basic Rent shall be adjusted in accordance with the CPI formula set forth in Section 19 of the Lease.

(b) CPI Formula: The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), herein referred to as the "Index".

The rental adjustment for the Monthly Rent shall be calculated by multiplying the Base Rent of $12,563.10 per month by a fraction, the numerator being the New Index and the denominator being the Base Index. The "New Index" is the Index published for the month immediately preceding the month the adjustment is to be effective, and the "Base Index" is the Index published for the month the Extension Commencement Date. Then the rental adjustment for the monthly Base Rent shall be calculated by multiplying the prior month's Adjusted Monthly Rent, by a fraction, the numerator being the New Index and the denominator being the Prior Month's Index. The formula shall be illustrated as follows:

First Extension Commencement Date Anniversary's Calculation (New Index ÷ Base Index) X $12,563.10 (Initial Monthly Rent) = New Adjusted Monthly Rent Each Anniversary Thereafter: (New Index ÷ Prior Month's Index) X (Prior Adjusted Monthly Rent) = New Monthly Rent. If the Index is changed so that the base year of the Index differs from that used as of the Extension Commencement Date of Amendment No. 2, the Index shall be converted in accordance with the conversion factor published by the United State Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original Index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to arbitration for the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

(c) General Provisions:

(i) In no event shall the monthly rent adjustment based upon the CPI formula result in an annual increase greater than three percent (3%) per year.

(ii) In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year of the Lease.

4. CANCELLATION Paragraph 5. Cancellation, is hereby amended by deleting the first sentence and inserting the following: "Lessee shall have the right to cancel this Lease at or any time after the thirty-six (36) month of the Extension Term by giving not less than Ninety (90) days prior written notice.

5. PARKING SPACES. As of the Extension Commencement Date, the cost of Parking Spaces as set forth in Paragraph 21 shall be amended to $2,240 per month for 32 parking spaces, i.e., $70 per parking space per month is the sole cost and expense of the Lessee.

6. TENANT IMPROVEMENTS. Lessor, within thirty (30) days after receipt of a duly executed copy of this Lease, shall begin work on the Tenant Improvements (TI) per County specifications, including new carpet, vinyl flooring (VCT) and paint, with the cost of the TI not to exceed $8 per rentable square feet. i.e., $62,040 to be borne solely by Lessor. Said work shall be completed no later than three months from the date this Amendment No. 2 is executed by the parties.

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. 2.

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. 21 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. 2 and the terms and conditions of the Lease and Amendment No. 2, the terms and conditions of this Amendment No. 2 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. 2 to Lease No. 72114 or cause it to be executed, the day, month and year first above written.

LESSOR:

3055 Wilshire, LLC , a California Limited Liability Company

By: _____
Name: Hang Kim
Its: President

LESSEE:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____
Name: Don Knabe
Chair, Board of Supervisors

_____

ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: _____
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 _____
Deputy

APPROVED AS TO FORM:
John F. Krattli
County Counsel

By: _____
Deputy

ADOPTED
BOARD OF SUPERVISORS

#14 MAY 13 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

72114 Supplement No. 2