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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November 05, 2014

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
16 November 5, 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:

FIVE-YEAR LEASE AMENDMENT
DISTRICT ATTORNEY
5300 HARBOR STREET, CITY OF COMMERCE
(FIRST DISTRICT)
(3 VOTES)

SUBJECT

A five-year lease amendment to renew 52,300 square feet of warehouse and office space, and 37 parking spaces located at 5300 Harbor Street, City of Commerce, for the District Attorney.

IT IS RECOMMENDED THAT THE BOARD:

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

2. Approve and instruct the Chairman to sign the five-year lease amendment with Janet Lee, for the District Attorney's continued use of a 52,300 square feet of warehouse and office space, and 37 parking spaces located at 5300 Harbor Street, City of Commerce, at an annual first-year rent not to exceed $376,560. The rental cost is 100 percent net County cost.

3. Authorize the Chief Executive Officer and the District Attorney to implement the project. The lease will be effective upon approval by the Board, or on December 1, 2014, whichever occurs later.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County of Los Angeles (County) has occupied the facility since 1999. The primary purpose of the space is to enable the District Attorney's (DA) office to have a centralized warehouse storage facility to accommodate the growth of its files, as well as record keeping. The DA's office is required to retain hard copies of certain case files such as felony, death, life, life without parole, high profile, and open warrant indefinitely. The DA's Archives Unit manages the warehouse operations and is the Custodian of Records. The space also includes office space for the Public Assistance Crimes Enforcement Section consisting of investigators, including support staff, who focus on welfare fraud involving CalWorks, food stamps, and stage 1 Child Care.

The proposed lease amendment to extend the term of Lease No. 72378 for five years will allow the Archives Unit and the Public Assistance Crimes Enforcement Section to continue to operate as a consolidated support function in a centrally located facility to better serve the DA offices throughout the County.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services. The consolidation of support functions in a centrally located facility fulfills this Goal by assisting all the DA offices throughout the County, eliminating unnecessary travel time for staff to multiple facilities, and allowing the DA to maintain a highly organized file tracking system. The Countywide Strategic Plan of Integrated Services Delivery (Goal 3), also enables these programs to work together to investigate and prosecute different types of crime and corruption in the County and contribute to public safety. This proposed lease amendment complies with the Strategic Asset Management Principles, as shown in Attachment A.

FISCAL IMPACT/FINANCING

The proposed five-year lease amendment will provide the DA with 52,300 square feet of existing warehouse and office space, and 37 parking spaces at a monthly base rent of $31,380, or $376,560 annually. The lease amendment provides for establishment of a negotiated new monthly Base Rent of $31,380 subject to an annual adjustment based on the Consumer Price Index capped at 3 percent of the monthly base rent.

Sufficient funding for the proposed lease amendment is included in the Fiscal Year 2014-15 Rent Expense budget and will be charged back to the DA. Sufficient funding is available in the DA's operating budget to cover the proposed lease amendment costs. Attachment B is an overview of the lease costs for this lease amendment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment contains the following terms and conditions.

- The extension term shall be for a period of five years commencing upon execution of the amendment by the Board of Supervisors or December 1, 2014, whichever occurs later, and expiring five years thereafter.

- There is a cancellation provision allowing the County to cancel any time after the 24th month of the extended term upon 180 days' prior written notice. Upon cancellation the County will reimburse the Lessor the unamortized balance of the tenant improvement costs at 5 percent over five years.

- The tenant improvements included in this amendment are for carpeting and paint in the amount of $42,175.

- The rent includes on-site parking for 37 vehicles for staff and visitors.

- The lease continues on a modified full-service basis whereby the Lessor is responsible for all interior and exterior maintenance. The County is responsible for all utility charges, and janitorial services and supplies.

The Chief Executive Office (CEO) Real Estate Division (RED) surveyed the County areas that could best serve the need of the department to determine the market rate of comparable sites. Based upon said survey, staff has established that the average base rent including parking for similar property is $10.16 per square foot per year, modified full-service. Thus, the base annual rent of $7.20 per square foot for the proposed lease amendment is within market rental rates for the area.

Attachment C shows County-owned and leased facilities within the search area for these programs. The cost of renovating and building-out office space at a new location is not feasible at this time. Should a more cost-effective facility or housing approach become available in the near future, the early cancellation right negotiated in the amendment affords the County flexibility to pursue future opportunities that may become available.

The leased premises are being inspected for compliance with the Americans with Disabilities Act (ADA). Any required ADA upgrades will be completed by the Lessor upon receipt of the inspection report. Notification letters have been sent by the CEO to the City of Commerce pursuant to Government Code Sections 25351 and 65402.

A child care center is not feasible for the department in the proposed leased premises.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) Guidelines pursuant to 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 provide the necessary warehouse and office space for this County requirement. DA concurs with the proposed recommendations.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return two originals of the lease amendment, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
SDH:JT:ns

Enclosures

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

ATTACHMENT A

DISTRICT ATTORNEY
5300 HARBOR STREET, CITY OF COMMERCE
Asset Management Principles Compliance Form

			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] **Warehouse Space and offices**	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 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?	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. Warehouse and Welfare Fraud Investigators.	X		
	E	Is lease a full service lease?[2] **Warehouse space leased is modified full service, Lessor required the County to be responsible for all costs associated with janitorial and utilities.**		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 LEASE CHANGES

5300 HARBOR STREET **CITY OF COMMERCE**	**EXISTING LEASE OPTION No. 72378**	**LEASE RENEWAL**	**CHANGES**
AREA (SQUARE FEET)	52,300	52,300	None
TERM	5 years 12/01/2009 to 11/30/2014	5 years 12/01/2014 to 11/30/2019	None
ANNUAL BASE RENT	$342,295.92 ($6.55/sq.ft.)	$376,560 ($7.20/sq.ft.)	+$34,264
PARKING INCLUDED IN RENT	37 on-site spaces	37 on-site spaces	None
CANCELLATION	County may cancel anytime upon 120 days prior written notice	County may cancel after the 24th month upon 180 days prior written notice	Cancel after 24 months with 180 days prior written notice
OPTION TO RENEW	One option remains	None	No options remain
RENTAL ADJUSTMENT	Annual CPI with cap of 3%	Annual CPI with cap of 3%	None

ATTACHMENT C

DISTRICT ATTORNEY
5300 HARBOR STREET, CITY OF COMMERCE
Search Area: 5 miles within the surrounding area of the Criminal Court building

Laco	Name	Address	Gross SQFT	Net SQFT	Ownership	SQFT Available
A472	THE ALHAMBRA COMPLEX - SHERIFF'S STORAGE BLDG	1000 S FREMONT AVE, ALHAMBRA 91803	8,240	7416	LEASED	NONE
A607	MUSEUM OF ART-LACMA WEST (FORMER MAY CO BLDG)	6067 WILSHIRE BLVD, LOS ANGELES 90036	265,000	225250	PERMIT	NONE
3153	COUNTY RECORDS CENTER (COUNTY MALL PHASE II)	222 N HILL ST, LOS ANGELES 90012	99,945	62313	OWNED	NONE
A257	MED CTR-SUPPLIES WAREHOUSE/ MEDICAL RECORDS	2011 N SOTO ST, LOS ANGELES 90032	83,665	75300	LEASED	NONE
2362	PW CENTRAL YARD-MAINTENANCE GROUP WAREHOUSE	1525 ALCAZAR ST, LOS ANGELES 90033	10,560	9498	OWNED	NONE
3373	PW CENTRAL YARD-EQUIPMENT WAREHOUSE	1525 ALCAZAR ST, LOS ANGELES 90033	9,882	6564	OWNED	NONE
4800	PW CENTRAL YARD-MATERIALS ENGINEERING LAB/WHS	1525 ALCAZAR ST, LOS ANGELES 90033	65,200	61940	OWNED	NONE
5458	PW CENTRAL YARD-MAIN WAREHOUSE	1537 ALCAZAR ST, LOS ANGELES 90033	59,594	53646	OWNED	NONE
6481	MED CTR-BUILDING 110 - CENTRAL FILES STORAGE	1711 GRIFFIN AVE, LOS ANGELES 90031	10,242	7693	OWNED	NONE
X285	PW CENTRAL YARD-AUTO PARTS WAREHOUSE (BLDG-1)	2275 ALCAZAR ST, LOS ANGELES 90033	8,640	7776	OWNED	NONE
X287	PW CENTRAL YARD-STORAGE BLDG #3	2275 ALCAZAR ST, LOS ANGELES 90033	8,413	7572	OWNED	NONE
X290	PW CENTRAL YARD-HEAVY EQUIPMENT/ WELDING SHOP	2275 ALCAZAR ST, LOS ANGELES 90033	10,752	9677	OWNED	NONE
Y458	ISD-EASTERN AVE COMPLEX SPECIAL CRAFTS BLDG	1106 N EASTERN AVE, LOS ANGELES 90063	13,260	11140	OWNED	NONE
Y798	MED CTR-OFFICE EQUIPMENT & SALVAGE WAREHOUSE	1808 GRIFFIN AVE, LOS ANGELES 90031	25,114	24511	OWNED	NONE
Y803	MED CTR-GENERAL HOSPITAL MINI WAREHOUSE	1900 N ZONAL AVE, LOS ANGELES 90033	27,899	20024	OWNED	NONE
E230	NAT HIST MUSEUM-MARINE MAMMAL LAB/ WAREHOUSE	4400 SEVILLE AVE, VERNON 90058	16,038	15932	LEASED	NONE
Y399	NATURAL HISTORY MUSEUM-WAREHOUSE I	2847 S GRAND AVE, LOS ANGELES 90007	36,776	27099	OWNED	NONE
A391	DA-CRIMINAL FILE STORAGE/ FRAUD INVESTIGATORS	5300 HARBOR ST, CITY OF COMMERCE 90040	52,300	49685	LEASED	NONE
A912	PROBATION-PROPERTY & SUPPLY WAREHOUSE	4549 TELEGRAPH RD, EAST LOS ANGELES 90022	13,590	9851	LEASED	NONE

AMENDMENT NO. 1 TO LEASE NO. 72378
DISTRICT ATTORNEY
5300 HARBOR STREET, CITY OF COMMERCE

This Amendment No.1 to Lease No. 72378 ("Amendment" or "Amendment No. 1") is made and entered into this 5th day of November, 2014 by and between Janet Lee hereafter referred to as "Lessor" and COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee".

RECITALS:

WHEREAS, Janet Lee, successor in interest to Weber Distribution Warehouse Inc., a California Corporation "Lessor" and "Lessee" entered into Lease No. 72378 which commenced on September 8, 1999, pursuant to which Lessor leased to Lessee those certain premises ("Premises") located in the Building at 5300 Harbor Street, City of Commerce, ("Building") more particularly described as approximately 52,300 rentable square feet of warehouse and office space consisting of the entire building; and

WHEREAS, the Lease was renewed for a five-year term commencing on December 1, 2009 and expiring on November 30, 2014 and Lessee currently occupies the Premises, and

WHEREAS, the parties now wish to amend the Lease in certain respects.

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, the parties hereto agree that the following amendments are effective upon the date first above written:

1. Article 2. to the Lease is hereby deleted and the following inserted in substitution thereof:

(A) TERM: The term of the Lease shall be for a period of five (5) years beginning upon an execution of Amendment by the Board of Supervisors or December 1, 2014 whichever occurs later and ending sixty (60) months thereafter (the "Extended Term").

2. Article 3. of the Lease is hereby deleted and the following inserted in substitution thereof:

RENT: Lessee hereby agrees to pay as rent for the Premises during the term hereof the sum of Thirty-one Thousand Three Hundred Eighty and 00/100 Dollars ($31,380.00) per month or $.60 per rentable square foot per month. Lessee shall pay Lessor all rent and other payments due to Lessor hereunder (including, without limitation, rent during the Term hereof, within fifteen (15) days after a claim therefor for each such month has been filed by Lessor with the Auditor of the County of Los Angeles prior to the first day of each month. Rent for any partial month shall be prorated in proportion to the number of days in such month. Commencing on the first calendar anniversary of the commencement of the Extended Term, and on each calendar anniversary thereafter, the monthly rent as set forth above shall be increased in accordance with the provisions of Article 19. of the Lease.

72378, Supplement 1

3. Article 5. of the Lease is hereby deleted and the following inserted in substitution thereof:

CANCELLATION OF LEASE: Lessee shall have the right to cancel this Lease at any time after the twenty-fourth (24th) month of the Extended Term hereof by giving Lessor one hundred eighty (180) days prior notice, by letter from Lessee's Chief Executive Office ("CEO") of its intention to cancel. Should Lessee exercise its right to cancel, Lessee shall reimburse Lessor within sixty (60) days of such cancellation the unamortized balance of the additional tenant improvements expended at Lessee's request pursuant to the provisions of Article 26. "Tenant Improvements" of the lease, as if the same were amortized at five percent (5%) interest per year, over a five-year period.

4. Article 9(a). of the Lease is hereby amended by inserting the words, "Notwithstanding any provisions of this agreement to the contrary, Lessee at its sole option, acting through the CEO, may request Lessor to perform, supply and administer repairs, maintenance and day porter services and reimburse Lessor such additional costs as an additional rent. Lessor agrees that his administrative costs and profit and overhead will not exceed a maximum of two percent (2%) of the direct costs associated with such repairs, maintenance work and day porter services.

5. Article 26. of the Lease is hereby deleted and in its place the following is substituted:

TENANT IMPROVEMENTS. Lessor will cause, at his sole cost and expense, to be constructed at the Premises, interior improvements, to begin upon approval of this Amendment and to be completed within Ninety (90) days thereafter as follows:

Improve the Premises with respect to carpeting and paint to the satisfaction and general notes of Lessee as set forth on Exhibit A attached hereto.

Should Lessor fail to comply with completion of tenant improvements within such Ninety (90) days, Lessee may perform such duties and subtract the cost of tenant improvements from the monthly rent.

6. Article 32. to the Lease is hereby added to the Lease as follows:

32. COMPLIANCE WITH LAW

Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Lessee. Lessor, not Lessee, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Lessee or Lessor during the term hereof, including without limitation, Titles II and III of the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Lessee's particular use of or alterations or improvements to the Premises.

7. Article 33. to the Lease is hereby added to the Lease as follows:

33. LIMITATION OF AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Lessor understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action. No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease; and Lessor may not rely upon any representations to the contrary.

This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for tenant improvements or other project costs of Lessor which are subject to reimbursement by County. County shall not reimburse Lessor for any expenses which exceed this ceiling.

8. If there are any inconsistencies, variances or differences between any provision of the Lease and a provision of this Amendment No. 1, the provisions of this Amendment No. 1 will prevail and control. The Lease, as amended, is ratified, confirmed and approved. The terms "include" and "including" are not limiting and include the concept of "including but not limited to".

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 1 or caused it to be executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

By: Janet Lee

By: _____

By: _____

ADOPTED
BOARD OF SUPERVISORS

#16 NOV 05 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

LESSEE:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____

Name: Don Knabe

_____
Chairman, 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:

MARK J. SALADINO
County Counsel

By: _____
Deputy

723778 Supplement No. 1

HOA.1099723.2

EXHIBIT A

5300 Harbor Street, Commerce

1. All work and materials shall conform to the requirements of the Los Angeles County Building, Mechanical and Electrical Codes, latest editions, and these notes.

2. Verify existing conditions before start of work. Notify Sanjay Jaswal, CEO, 213-974-4264, of any discrepancies.

3. Replace all missing or inoperable ballasts and lamps. Clean existing fixtures, and replace damaged diffusers as required to maintain 60 footcandles at 30" above finish floor.

4. Clean all existing surfaces, especially the existing floor. Repair all damaged surfaces as required. Provide new finishes as specified below:

5. The Lessor shall obtain three bids proposal, base on moving existing furniture and removing existing carpet with new carpet tiles.

6. Provide cost estimate for performing the work on evening, weekends and regular business hours.

New finishes shall include:

Install carpet throughout all area.

- Carpet: Install new carpet tiles throughout (wherever carpet now existing). 24 oz., Mannington Commercial - 24"X24" Carpet Tiles or approved equal.

- Topset Base: At all existing walls and cabinet bases, Burke, 4" high

- Vinyl Tile: Install vinyl tile in Storage Room.
  Armstrong - Standard Excelon or approved equal.

- Corner Guards: Install metal wall corner guards in the corridor

- Paint: At all existing walls, doors, and trim, eggshell finish, Frazee or Dunn-Edwards.

  A. Paint all existing interior spaces including, but not limited to walls, doors, and trim. Provide one primer coat and two finish coats.
  B. Provide one base color and one accent color.

- Ceilings: Replace stained or damaged acoustic tile to match existing.

- Door stop: Install missing door stops throughout the suite.
-

Contact Sanjay Jaswal, (213) 974-4264, for material and color selections