



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.lacounty.gov>

DAVID E. JANSSEN  
Chief Administrative Officer

December 12, 2006

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:

**FIVE-YEAR OPTION TO EXTEND THE TERM OF LEASE NO. 72554  
DEPARTMENT OF PUBLIC HEALTH  
12502 VAN NUYS BOULEVARD, SUITES 116, 204, 207  
(THIRD DISTRICT) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Exercise the option to extend the term of the current lease with Yousef F. Kashani (Lessor) for an additional five year term commencing upon the expiration of the current term on March 31, 2007, and ending five years thereafter. The lease is for 6,664 rentable square feet and 26 parking spaces. The initial annual cost will not exceed \$123,151. The rental costs for the Department of Public Health Child Health and Disability Prevention Program is State grant funded. The Public Health Immunization and Investigation programs are net County cost (NCC).
2. Find that the exercise of the option is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987 and Section 15061 (b) (3) of the State CEQA Guidelines.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

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

Since 1972, the County of Los Angeles has leased the subject facility for use by the Department of Health Services (DHS) programs. The programs are now operated by the Department of Public Health (DPH). The facility houses the DPH Child Health and Disability Prevention (CHDP) Program, as well as the Immunizations Program, and Public Health Investigations (PHI). CHDP staff work in the field, providing quality assurance activities in medical provider offices. Of the three programs, only DPH Immunizations has frequent visits from medical clinic professionals who provide services directly to the public. PHI staff utilizes the offices as a home base and conducts most work in the field, as they perform communicable disease intervention and enforce laws and regulations.

The current lease is due to expire on March 31, 2007. Pursuant to the term provision of the lease, the option needs to be exercised no later than three months prior to the expiration of the lease term. This facility meets the program needs for DPH, who has requested the lease for this location to be extended. Approval of the proposed exercise of option will extend the lease term and will provide DPH with the necessary office space to continue program operations serving the northern portion of the San Fernando Valley.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we provide the public with easy access to quality information and services that are both beneficial and responsive (Goal 1). The proposed lease supports this goal by housing the DPH CHDP program in a location that will continue to provide uninsured and underinsured children in the area with accessibility to health care through quality assurance activities implemented in medical provider offices. The Immunizations program provides medical care providers in the area with access to vaccine and health education materials at this convenient location, and PHI Program staff is housed in the area they serve, maximizing staff time for disease intervention activities.

### **FISCAL IMPACT/FINANCING**

The annual cost of this lease will initially be \$123,151. The monthly base rent is subject to yearly adjustments based on the Consumer Price Index (CPI) over the base year's rent, capped at four percent. This is a full service lease whereby the lessor is responsible for all operating costs associated with the County's occupancy, with the exception of utility charges associated with the operation of six industrial refrigerators and freezers for the DPH Immunizations program. Twenty-six on-site parking spaces are included in the rental rate.

<b>12502 Van Nuys Blvd., Pacoima</b>	<b>Current Lease</b>	<b>Proposed Option</b>	<b>Change</b>
Area (Square Feet)	6,664	6,664	None
Term (years)	7 years	5 years	+ 5 years
Annual Base Rent	\$118,510 (\$17.78)	\$123,151 (\$18.48)	+\$4,641 (4%) increase
Option	One-five year option	None	No new option
CPI rent adjustment	4% maximum over base year rent	4% maximum over base year rent	None
Service	Full Service Gross	Full Service Gross	None
Extra Utility Expense	\$330 (\$55 for each of six industrial refrigerators/freezers).	\$330 (\$55 for each of six industrial refrigerators/freezers).	None
Parking	26 parking spaces included in the rent	26 parking spaces included in the rent	None
Tenant Improvements (TI) Included in base rent	Turn-key, at Lessor's expense	None	No new TIs
Cancellation	After 36 <sup>th</sup> month, upon 60 day written notice.	After 36 <sup>th</sup> month, upon 60 day written notice.	None

Sufficient funding for the proposed lease is included in the 2006-07 Rent Expense Budget, and will be charged back to the Department of Public Health. The CHDP program is State grant funded. The Immunization and Investigation programs are net County cost.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed option to extend the lease term for the 6,664 rentable square feet of office space together with 26 parking spaces will maintain the current lease terms, conditions and rental rate for an additional five-year term and will have the following terms:

- The term will commence April 1, 2007, and terminate five years thereafter on March 31, 2012.

- The rental rate during the option term will be \$1.54 per square foot per month, on a full service gross basis. This represents an increase of four percent over the current rental rate of \$1.48 per square foot per month and is within the range of market rents for the area. Lessor is responsible for all repairs, maintenance costs, and normal utility costs associated with the County's occupancy of the premises.
- The rental rate is subject to annual adjustment pursuant to the CPI, with a cap of four percent (4%) over the base year rent. The adjustment is due on the anniversary date of the lease, i.e. April 1<sup>st</sup> of every year.
- The lease is on a full service gross basis, and the rental rate will include all operating expenses with the exception of:
  1. Utility cost for six industrial refrigerators/freezers used to store DPH immunizations at \$55 each ( $\$55 \times 6 = \$330$ ).
  2. After hours HVAC usage charges in the amount of \$50.00 per hour.
- The lease provides for cancellation after the 36<sup>th</sup> month of the lease term.
- New Tenant improvements are not required as part of this lease renewal option.

Attachment B shows all County owned and leased facilities within a 3-mile radius of the subject facility and staff was unable to identify any sites in the survey area that could suitably accommodate this requirement. The only facility with vacant space, the San Fernando Courthouse Annex, is currently encumbered by the SB 1732 Trial Court Facilities Transfer process. Although the current plan is to exclude the Courthouse Annex from the transfer, the County cannot make the decision unilaterally prior to completion of the San Fernando Courthouse transfer, scheduled to be completed before June 2007. The Chief Administrative Office (CAO) Real Estate Division staff surveyed the immediate 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. Based on the survey, staff has established that the rental range for similar space is between \$1.54 and \$2.60 per square foot per month on a full service gross basis. Thus, the annual rental rate of \$18.48 (\$1.54 per square foot/month) full service gross for the proposed lease option is within the lower range of market rates for this area.

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

The proposed option to extend the lease term will provide the necessary office space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DPH concurs with this recommendation to exercise this option.

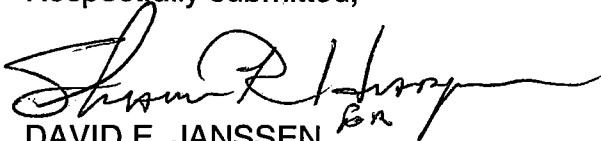
**NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

A Negative Declaration was originally filed for this project in May 10, 1977 and was adopted by the Board in July 5, 1977. In connection with this extension, the CAO staff has made a Preliminary Review of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two adopted, stamped Board letters, and two certified copies of the Minute Order to the CAO, Real Estate Division, 222 South Hill Street, 4<sup>th</sup> Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:WLD:CEM:  
MS:FC:hd  
Attachments (2)  
c: County Counsel  
Auditor-Controller  
Health Services  
Public Health

Asset Management Principles Compliance Form<sup>1</sup>

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>			X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
C	Does this lease centralize business support functions? <sup>2</sup>			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>At 254 sq.ft. per person due to the need for industrial refrigerators and freezers to meet the program needs.</b>		X	
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? <b>Two of the three programs receive grant funding, however these funds do not cover rent expenses.</b>	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? <b>The size of the program renders a built-to-suit a non-viable option.</b>		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CAO 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. <u>X</u> The Programs are being co-located.			
E	Is lease a full service lease? <sup>2</sup> <b>Except for utility costs to run the commercial freezers and refrigerators required for the program and after-hours HVAC.</b>	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98			
	<sup>2</sup> If not, why not?			

**DEPARTMENT OF PUBLIC HEALTH  
SPACE SEARCH 3 MILE RADIUS FROM 12502 VAN NUYS BLVD., PACOIMA**

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET
0246	DHS-SAN FERNANDO HEALTH CENTER (NEW)	1212 PICO ST, SAN FERNANDO 91340	22144	8493	OWNED	NONE
3565	SAN FERNANDO COURTHOUSE ANNEX (UNUSED)	919 1ST ST, SAN FERNANDO 91340	17185	11935	OWNED	11935
Y481	SAN FERNANDO COURTHOUSE	900 3RD ST, SAN FERNANDO 91340	203225	113264	FINANCED	NONE
A386	ALT PUBLIC DEFENDER-SAN FERNANDO OFFICE	303 N MACLAY AVE, SAN FERNANDO 91340	3040	3040	LEASED	NONE
A523	PUBLIC LIBRARY-NEW SAN FERNANDO LIBRARY	217 N MACLAY AVE, SAN FERNANDO 91340	8601	6881	LEASED	NONE
AB47	DPSS-SAN FERNANDO BRANCH GROW DISTRICT OFFICE	12847 ARROYO ST, SYLMAR 91342	13400	9305	LEASED	NONE
A618	MH-COUNTYWIDE CO-OCCURRING DISORDERS PROGRAM	11600 ELDRIDGE AVE, LAKE VIEW TERRACE 91342	320	304	LEASED	NONE
5858	DHS-PACOIMA PUBLIC HEALTH CENTER	13300 VAN NUYS BLVD, PACOIMA 91331	5404	3098	OWNED	NONE
A502	HEALTH SERVICES-FOOTHILL CENTER BLDG	12502 VAN NUYS BLVD, PACOIMA 91331	6664	5998	LEASED	NONE
6247	WHITEMAN AIRPORT-ADMIN BLDG 5	12653 OSBORNE ST, PACOIMA 91331	4657	3795	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
T599	FIRE-PACOIMA VEGETATIVE MANAGEMENT TRAILER #1	12605 OSBORNE ST, PACOIMA 91331	625	563	OWNED	NONE
T600	FIRE-PACOIMA VEGETATIVE MANAGEMENT TRAILER #2	12605 OSBORNE ST, PACOIMA 91331	625	563	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
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
F309	PW FLOOD-HANSEN YARD OFFICE	10179 GLENOAKS BLVD, SUN VALLEY 91352	2236	1901	OWNED	NONE
F311	PW FLOOD-HANSEN YARD OFFICE	10179 GLENOAKS BLVD, SUN VALLEY 91352	1612	1450	OWNED	NONE