



FESIA A. DAVENPORT
Acting Chief Executive Officer

County of Los Angeles Health and Mental Health Services

DATE: Wednesday, December 9, 2020
TIME: 10:00 a.m.

**DUE TO CLOSURE OF ALL COUNTY BUILDINGS,
MEETING WILL BE HELD BY PHONE.
TO PARTICIPATE IN THE MEETING, PLEASE CALL AS FOLLOWS:
DIAL-IN NUMBER: 1 (323) 776-6996
CONFERENCE ID: 479494149#**

**THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL *6 TO
UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.**

AGENDA

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Three (3) minutes are allowed for each item.

- I. Call to order
- II. **Information Item(s)** (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):
 - a. **DHS:** Request to Accept Compromise Offers of Settlement for Patients Seen Under the Trauma Center Service Agreement
- III. **Presentation Item(s):**
 - a. **CEO:** Eight-Year Lease Amendment Public Health 1000 South Fremont Avenue, Alhambra
 - b. **DHS:** Approval of Various Contract Extensions for the Department of Health Services and the Department of Public Health Given Administrative Process Delays Due to the Novel Coronavirus Pandemic
 - c. **DHS:** Authorize the County Purchasing Agent to Issue a confirming Purchase Order to INO Therapeutics for Providing Nitric Oxide Inhalation Gas at Various Olive View-UCLA Medical Center

- IV. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting
- V. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda
- VI. Public Comment
- VII. Adjournment

BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

II. RECOMMENDED ACTIONS (summarized)

III. COST AND FUNDING SOURCES

Cost:

Funding:

IV. BACKGROUND (critical and/or insightful)

V. POTENTIAL ISSUE(S)

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

January 5, 2021

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:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
FOR PATIENTS SEEN UNDER THE
TRAUMA CENTER SERVICE AGREEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

To request Board approval for the Director of Health Services, or designee, to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services (Director), or designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

Olive View UCLA Medical Center – Account Number 101367061 in the amount of \$40,276.50

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at County facilities: The compromise offer of settlement for these patient accounts is recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department of Health Services (DHS) was able to negotiate or was offered.

The best interest of the County would be served by approving the acceptance of these compromises, as it will enable the DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended actions will support Strategy III.3 “Pursue for Operational Effectiveness, Fiscal Responsibility, and Accountability” of the County’s Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County’s recovery of revenue totaling approximately \$40,276.50
There is no net cost to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director, or designee, has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director’s, or designee’s, authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director, or designee, authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director, or designee, authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

The Honorable Board of Supervisors
January 5, 2021
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Funds.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:ANW:VP

Enclosures (1)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
TRANSMITTAL 21-1-A

Amount of Aid	\$93,978.50	Account Number	101367061
Amount Paid	0.00	Name	Adult Female
Balance Due	\$93,978.50	Service Date	08/12/2018
Compromise Amount Offered	\$40,276.50	Facility	Olive View UCLA Medical Center
Amount to be Written Off	\$53,702.00	Service Type	Inpatient

JUSTIFICATION

The patient was treated at Olive View UCLA Medical Center at a cost of \$93,978.50. The account was referred to the County vendor whom was able to negotiate the payment of \$40,276.50 for this account.

This compromise offer of settlement is recommended because it represents the maximum amount the County vendor was able to negotiate for payment.

BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

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SUBJECT:

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II. RECOMMENDED ACTIONS (summarized)

III. COST AND FUNDING SOURCES

Cost:

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VI. DEPARTMENT & COUNTY COUNSEL CONTACTS



FESIA A. DAVENPORT
Acting Chief Executive Officer

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>

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

January 5, 2021

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:

**EIGHT-YEAR LEASE AMENDMENT
PUBLIC HEALTH
1000 SOUTH FREMONT AVENUE, ALHAMBRA
(FIFTH DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed eight-year lease amendment to an existing lease to provide the Department of Public Health (DPH) continued use of 17,107 square feet of office space, and 64 on-site parking spaces for its Health Promotion Bureau, Substance Abuse Prevention Control (SAPC).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed amendment is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Acting Chief Executive Officer, or her designee, to execute the proposed amendment with Elite-TRC Alhambra Community, LLC (Landlord), for approximately 17,107 square feet of office space and 64 on-site parking spaces located at 1000 South Fremont Avenue, 4th Floor A9West, Alhambra, CA 91803, to be occupied by DPH. The \$571,076 estimated maximum first year rental cost, including parking, is adjusted to \$15,514 after deducting one-time rent credits of \$129,328.92 for a rent abatement for months two, three and four, and a holdover rent credit of \$426,232.80 (assuming the amendment is executed in January 2021). The estimated total amendment cost is \$4,492,000 over the eight-year term. The rental costs will be funded 100 percent with 2011 Realignment funds.

3. Authorize and direct the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed amendment, and to take actions necessary and appropriate to implement the proposed amendment, including, without limitation, early termination rights.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The DPH SAPC has occupied the subject facility since 2014. The existing lease expired in April 2019 and has been on a month-to-month holdover basis with the County paying a fifty percent holdover rent fee equal to \$20,296.80 per month. The County will be credited all the holdover fee paid by the County upon approval of the proposed amendment by the Board, and full execution of the proposed amendment. If the Board approves the proposed amendment and the proposed amendment is executed in January 2021, the holdover fee to be credited to the County will be \$426,232.80.

The SAPC oversees substance use disorder treatment and prevention services throughout the County. As part of California's Drug Medi-Cal Organized Delivery System, SAPC has oversight of over 350 community-based contracted providers consisting of medical professionals, technical experts/consultants, and administrative staff. Meetings, conferences, and trainings for health providers, clients, and various stakeholders are periodically provided at this office. The office is occupied by 88 employees.

The existing facility is centrally located to service the entire County and is in close proximity to public transportation. Relocation to a new building would require costly improvements.

Approval of the recommended actions will find that the proposed amendment is exempt from CEQA and will allow DPH to continue operating at the subject facility.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 2 - *Foster Vibrant and Resilient Communities* - provides that our investments in the lives of County residents are sustainable only when grounded in strong communities. We want to be the hub of a network of public-private partnering agencies supporting vibrant communities.

The proposed lease is consistent with the Strategic Asset Management Plan Goal 2 – Strengthen Connection between Service Priorities and Asset Decisions; and Key Objective 4 – Guide Strategic Decision-Making.

This amendment supports the above goals and objective by providing DPH with appropriate office space which will allow it to collaborate with contracted providers and properly oversee the implementation of substance use disorder treatment services for high-risk individuals within the community. The proposed amendment conforms with the Asset Management Principles outlined in Enclosure A.

FISCAL IMPACT/FINANCING

Sufficient funding to cover the proposed rent for the first year of the proposed term, is included in the Fiscal Year (FY) 2020-21 Rent Expense budget, and will be billed back to DPH. DPH has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent for the first year. Beginning in FY 2021-22, ongoing funding for costs associated with the proposed amendment will be part of the budget for DPH. The rental costs will be funded 100 percent with 2011 Realignment funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed amendment also includes the following provisions:

- Upon commencement of the extended term, the base rent of \$487,123.32 will increase to \$517,316. Base rent is subject to a fixed 3 percent increase per annum.
- The current monthly parking rate will increase from \$65 per parking space to \$70 per parking space for 64 on-site parking spaces. Commencing on year five of the term, the monthly parking rate will increase to \$75 per parking space for the remainder of the term.
- Assuming the Board approves the amendment and the amendment is signed in January 2021, in the first year only, the annual rental cost, including parking, will be adjusted to \$15,514 after deducting one-time rent credits of \$129,328.92 and the estimated holdover rent credit of \$426,232.80.
- The Landlord will provide a \$136,856 (\$8 per rentable square foot) base tenant improvement (TI) allowance for refurbishment of the premises to include new carpet within the carpeted areas and repainting of the premises as needed. Any unused portion of the TIs will be credited towards the base rent.
- The Landlord is responsible for all operating and maintenance costs of the building, including utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.
- The aggregate costs associated with the proposed amendment over the entire term is \$4,492,000, as shown on Enclosure B.

- The County has the right to terminate the proposed amendment at the beginning of the 85th month with 360 days' notice, subject to a termination fee equal to the unamortized portion of the TI allowance not to exceed \$22,050.89, and the unamortized brokerage commission not to exceed \$22,206.53.
- Holdover at the proposed amendment expiration is permitted on the same terms and conditions except commencing on seventh month, the monthly base rent will increase by 25 percent as a holdover fee. In the event the County and the Landlord enter into a subsequent amendment extending the County's use of the Premises, the Landlord will credit any holdover fee actually paid by the County.
- The proposed amendment term will be effective upon approval by the Board and full execution of the proposed amendment.

The Chief Executive Office (CEO) conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$30.16 and \$48.72 per square foot, per year. The base annual rental rate of \$30.24 per square foot, per year for the proposed amendment represents a rate that is at the low end of market range for the area. Due to the tenant improvements needed should the Department relocate to a new space, remaining in the proposed space is the most cost-effective choice. We recommend the proposed facility as the most suitable to meet the County's space requirements.

The CEO has communicated with co-working office space companies regarding office space for the applicable programs and they have informed the CEO that their co-working office space does not have available space for long-term occupancy to accommodate the required space needs. In addition, co-working office space is not financially viable in comparison to the rental costs of traditional long-term office space.

Enclosure C shows County-owned or leased facilities within the surveyed area, and there are no suitable County-owned or leased facilities available for this space requirement.

The Department of Public Works previously inspected this facility and found it suitable for the County's occupancy. The required notification letter to the City of Alhambra has been sent in accordance with Government Code Section 25351. County Counsel has reviewed the enclosed proposed amendment and approved it as to form.

The proposed amendment will continue to provide an appropriate location for the program, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, and as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from 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). The proposed amendment, which involves the leasing of existing office space with minor tenant improvements within an existing building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in Section 15301 of the State CEQA Guidelines (Guidelines), and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed amendment will continue to adequately provide the necessary office space and parking spaces for this County requirement. DPH concurs with the proposed amendment and recommendations.

The Honorable Board of Supervisors
January 5, 2021
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CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted-stamped copy of this letter to the CEO, Real Estate Division, at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT
Acting Chief Executive Officer

FAD:JMN:DPH:DL
JLC:MN:MAC:gw

Enclosures

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

**PUBLIC HEALTH
1000 SOUTH FREMONT AVENUE, ALHAMBRA
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>		Yes	No	N/A	
	A	Does lease consolidate administrative functions?			X	
	B	Does lease co-locate with other functions to better serve clients?			X	
	C	Does this lease centralize business support functions?			X	
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² ¹ It is approximately 195 square feet per person.		X		
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? The ratio is lower because the department only requested 64 spaces.		X		
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	X			
2.	<u>Capital</u>					
	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?				
	F	Is Building Description Report Enclosed as Enclosure C?	X			
	G	Was build-to-suit or capital project considered? ² The existing facility is the most economical option for the County given the improvements previously made to the space.		X		
3.	<u>Portfolio Management</u>					
	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 with other County departments?				
		1. ____ The program clientele requires a "stand alone" facility.				
		2. <u>X</u> No suitable County occupied properties in project area.				
		3. <u>X</u> 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	X			
	F	Has growth projection been considered in space request?			X	
	G	¹ 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?						

COMPARISON OF THE PROPOSED AMENDMENT TO EXISTING LEASE

	Existing Lease: 1000 South Fremont Ave, 4th Fl, A9West, Alhambra	Proposed Amendment 1000 South Fremont Ave, 4th Fl, A9West, Alhambra	Change
Area (Square Feet)	17,107 sq. ft.	17,107 sq. ft.	None.
Term (years)	5 years	8 years	+ 3 years.
Annual Base Rent	\$487,123.32 (\$28.48 per sq. ft. annually)	\$517,316 (\$30.24 per sq. ft. annually)	+\$30,192.68 annually
Annual Parking Cost	\$49,920	\$53,760	+\$3,840 annually
Annual Lease Costs	\$537,043.32	\$571,076 ⁽¹⁾	+\$34,032.68
Rental rate adjustment	Annual CPI adjustments with 2 percent minimum capped at 5 percent.	3 percent fixed increases per annum.	+ 1 percent minimum - 2 percent maximum

- (1) Upon execution of the amendment, the Landlord will credit all holdover rent fees (\$20,296.80 per month) paid by the County. Based upon Board approval in January 2021, the amount of this credit will be \$426,232.80. The Landlord will also give the County a rent abatement for months 2, 3 and 4 of the extended term, resulting in a rent abatement of \$129,329. The total rental costs payable to the Landlord in the first year will be \$15,514.

OVERVIEW OF THE BUDGETED LEASE AMENDMENT AND RELATED COSTS

Department of Public Health
1000 S. Fremont Ave., Alhambra

Leased Area (sq.ft.)	17,107			
Term (months)	96			
Annual Rent Adjustment	3.00%			
	Cost Per RSF Per Month	Cost Per RSF Per Year		
Base Rent				
	\$2.52	\$30.24		
	Cost Per Space Per Month	Cost Per Space Per Year		
Years 1- 4				
Parking Costs (64 parking spaces)	\$70	\$840		
Years 5-8				
Parking Costs (64 parking spaces)	\$75	\$900		
Low Voltage (Lump Sum) (Labor + TESMA Cost)	Labor Cost	TESMA (Lump Sum Cost)	TESMA (Amortized Cost)	Low Volatage Total
	\$0	\$0	\$0	\$0
Low Voltage (Amortized) (Labor + TESMA Cost)	\$0	\$0	\$0	\$0
Tenant Improvement Costs	Lump Sum Cost	Amortized Cost		
	\$0	\$0		

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year	Total 8 Year Rental Costs
Annual Base Rent Costs ¹	517,316	532,836	548,821	565,285	582,244	599,711	617,702	636,234	4,601,000
Parking Costs ²	53,760	53,760	53,760	53,760	57,600	57,600	57,600	57,600	446,000
Subtotal Rental Costs	571,076	586,596	602,581	619,045	639,844	657,311	675,302	693,834	5,047,000
Free Rent Deduction ³	-129,328.92	0	0	0	0	0	0	0	-129,328.92
Holdover Rent Credit ⁴ (April 2019 -December 2020)	-426,232.80	0	0	0	0	0	0	0	-426,232.80
Total Annual Lease Costs	15,514	586,596	602,581	619,045	639,844	657,311	675,302	693,834	4,492,000

¹ Annual base rent includes fixed 3 percent annual increases.

² The parking cost for the first four (4) years is \$70 per space per month. Commencing upon the fifth year of the term, the parking rate increases to \$75 per space per month for the remainder of the term.

³ The base rent of \$43,109.64 is abated for months two, three, and four.

⁴ Based upon a holdover rent credit in the amount of \$20,296.80 to be applied for each month, starting April 2019, continuing until Board approval of the amendment (approximately January 2021 or 21 months).

*Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.

DEPARTMENT OF PUBLIC HEALTH

SPACE SEARCH – 3 MILE RADIUS FROM
1000 SOUTH FREMONT AVENUE, ALHAMBRA

LACO	Name	Address	Proprietor	Ownership Type	Property Use	Gross Sq. Ft.	Vacant
A469	The Alhambra Complex - West Tower	1000 S. Fremont Ave. Alhambra 91803	Public Health	Leased	Office	15,206	NONE
4526	Biscailuz - Administration Building	1060 N. Eastern Ave. Los Angeles 90063	Sheriff	Owned	Office	16,571	NONE
A327	Office of Managed Care	1100 Corporate Center Dr. Monterey Park 91754	Health Services	Leased	Office	15,280	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Amendment for DPH – 1000 South Fremont Avenue, 4th Floor A9West, Alhambra – Fifth District.

A. Establish Service Function Category – DPH Health Promotion Bureau, SAPC

B. Determination of the Service Area – Centrally located to service the entire County.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Central location to serve the entire County.
- Need for proximity to existing County facilities: Located within the same office campus currently occupied by other DPH programs and County departments.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, and is in close proximity to Metro and Foothill bus service and connections to light rail service.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: None available that meet the Department's programmatic office space needs.
- Compatibility with local land use plans: The City of Alhambra has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The initial annual rent of \$571,076 (\$2.52 per sq. ft., per month) is comprised of the \$517,316 base rent and the \$53,760 parking rent. The \$571,076 first year rent is adjusted to \$15,514 after deducting one-time rent credits.

D. Analyze results and identify location alternatives

The Chief Executive Office (CEO), conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$30.16 and \$48.72 per square, foot per year. The base annual rental rate of \$30.24 per square foot, per year for the proposed amendment represents a rate that is at the low end of market range for the area. Due to the tenant improvements needed should the Department relocate to a new space, remaining in the proposed space is the most cost-effective choice. We recommend continued use of the existing facility as the most suitable to meet the County's space requirements.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

The proposed amendment will continue to provide adequate and efficient office space for 88 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are no available buildings in the area that meet the Department's requirements.

**AMENDMENT NO. 1 TO LEASE NO. 77987
DEPARTMENT OF PUBLIC HEALTH
1000 SOUTH FREMONT AVENUE, ALHAMBRA**

THIS AMENDMENT No. 1 to Lease No. 77987 ("**Amendment**" or "**Amendment No. 1**") is made and entered into this _____ day of _____, 20____ ("**Amendment No. 1 Effective Date**") by and between ELITE-TRC ALHAMBRA COMMUNITY LLC, a Delaware limited liability company, hereinafter referred to as "**Landlord**", and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "**Tenant**".

RECITALS:

WHEREAS, The Alhambra Office Community, LLC, Landlord's predecessor-in-interest, and Tenant entered into that certain Lease Agreement dated July 16, 2013, as supplemented by that certain Commencement Date Memorandum and Confirmation of Lease Terms dated March 12, 2014 (collectively, "**Lease No. 77987**").

WHEREAS, Lease No. 77987 allowing Tenant to lease approximately 17,107 rentable square feet on the 4th Floor of Building A9 West (the "**Premises**") at 1000 South Fremont Avenue, Alhambra, became effective July 16, 2013 (Lease No. 77987 and all amendments thereto are collectively referred to hereinafter as the "**Lease**"), and;

WHEREAS, Landlord and Tenant desire to amend the Lease to extend the Term of the Lease and to provide for certain other amendments to the Lease;

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 intended to be legally bound hereby, Landlord and Tenant hereby covenant and agree as follows:

1. **DEFINED TERMS.** Capitalized terms used and not otherwise defined herein shall have the same meanings ascribed to them in the Lease.

2. **TERM OF THE LEASE.**

(a) The parties acknowledge that the Term of the Lease expired April 10, 2019 and that Tenant is currently in occupancy of the Premises pursuant to the holdover provision set forth in Section 7 of the Lease (i.e., Base Rent payable at 150% of the amount of Base Rent payable for April 2019, as such Base Rent may be adjusted from time to time in accordance with the Lease, plus all other charges payable under the Lease). Upon the mutual execution and delivery of this Amendment, and provided that Tenant is not in default under the Lease, Landlord shall apply the Holdover Amount (as defined below) as a credit against Base Rent payable under this Amendment for the Extended Term (as defined below). As used herein "**Holdover Amount**" means the difference between (i) the amount of holdover Base Rent actually paid by Tenant to Landlord for the period commencing upon April 11, 2019 and expiring upon the Revised Commencement Date (as defined below) and (ii) the amount of Base Rent that would have been paid by Tenant for such period at the monthly Base Rent in effect for April 2019 (i.e., absent the 50% holdover surcharge).

(b) Effective as of Amendment No. 1 Effective Date, the Term of the Lease is hereby extended for an additional period of eight (8) years (the "**Extended Term**"), so that the Extended Term shall commence on the Amendment No. 1 Effective Date ("**Revised Commencement Date**") and expire, unless terminated sooner pursuant to the terms of the Lease, on the last day of the calendar month in which the eighth (8th) anniversary of the Revised Commencement Date occurs ("**Revised Termination Date**"). All references to "**Term**" in the Lease and this Amendment shall be deemed references to the Term as extended by this Amendment and all references to "**Termination Date**" shall be deemed references to the Revised Termination Date.

(c) The parties acknowledge and agree that the Amendment No. 1 Effective Date as set forth in the preamble to this Amendment shall be the date that both parties have executed and delivered this Amendment, which execution and delivery shall require the prior approval of the Los Angeles County Board of Supervisors as evidenced by the signature for such body in the signature pages of this Amendment.

3. **CONDITION OF THE PREMISES.** Except as set forth in Section 5 below, Landlord shall have no obligation whatsoever to construct leasehold improvements for Tenant or to repair or refurbish the Premises. The taking of possession of the Premises by Tenant shall be conclusive evidence that Tenant accepts the same "**AS IS**" and that the Premises is suited for the use intended by Tenant and was in good and satisfactory condition at the time such possession was taken. Tenant acknowledges that neither Landlord nor Landlord's agents has made any representation or warranty as to the condition of the Premises, Building or the Complex or its suitability for Tenant's purposes. Tenant represents and warrants to Landlord that (a) its sole intended use of the Premises is for uses set forth in the Lease, (b) it does not intend to use the Premises for any other purpose, and (c) prior to executing this Amendment it has made such investigations as it deems appropriate with respect to the suitability of the Premises for its intended use and has determined that the Premises is suitable for such intended use.

4. **BASE RENT.**

(a) Effective as of the Revised Commencement Date and in addition to all other costs and expenses payable by Tenant pursuant to the Lease, Tenant shall pay the following monthly Base Rent for the Premises, in accordance with the terms of Section 5 of the Lease: \$41,912.15 per month (which is based upon a rental rate of \$2.45 per rentable square foot), which amount is adjustable as provided in Sections 2(b) and 5(b) of the Lease; provided, however, if the Revised Commencement Date has not occurred by December 31, 2019, then the monthly Base Rent payable for the Premises, commencing on the Revised Commencement Date, shall be \$43,109.64 per month (which is based upon a rental rate of \$2.52 per rentable square foot), subject to adjustment as provided in Sections 2(b) and 5(b) of the Lease.

(b) Effective as of the Revised Commencement Date, Section 5(b) of the Lease is amended in its entirety as follows: "(b) Rent Adjustment. At the beginning of the 13th month of the Extended Term as defined in the Amendment No. 1 to Lease ("**Adjustment Date**") and on and every anniversary of the Adjustment Date thereafter, monthly Base Rent shall be increased to an amount equal to 103% of the amount payable in the last month prior to each Adjustment Date."

(c) Effective as of the Revised Commencement Date, Sections 5(c), 5(d) and 5(e) of the Lease (CPI Formula and Adjustments) are hereby deleted in their entirety and are of no further force or effect.

(d) Provided that Tenant shall faithfully perform all of the terms and conditions of the Lease (as amended hereby), Landlord shall abate Tenant's obligation to pay Base Rent payable with respect to the Premises for the second (2nd) month through and including the fourth (4th) month following the Revised Commencement Date, for a total of three (3) months of abated Base Rent. During such abatement period, Tenant shall still be responsible for the full payment of all of its other monetary obligations under this Lease, including, without limitation, parking charges and any expenses relative to Tenant's use and occupancy of the Premises.

5. **ADDITIONAL IMPROVEMENTS.**

(a) Commencing upon the mutual execution and delivery of this Amendment, Landlord shall, at its sole cost and expense, refurbish the Building A9 West 4th Floor elevator lobby, using Building standard materials and finishes, as follows: (i) new LED lighting, (ii) replace carpeting inset, (iii) replace cove base to match new carpeting, if needed, and (iv) repaint lobby walls.

(b) Commencing upon the mutual execution and delivery of this Amendment, Landlord shall complete the following refurbishment work within the Premises, using Building standard materials and finishes, provided that the costs of such refurbishment work shall not exceed One Hundred Thirty-Six Thousand Eight Hundred Fifty-Six Dollars (\$136,856.00) (calculated at \$8.00 per leasable square foot of the Premises) ("**Allowance**"): (i) new carpet within the carpeted areas of the Premises, and (ii) repaint the Premises (together, "**Refurbishment Work**"). Landlord shall solicit three (3) bids from qualified vendors with respect to the Refurbishment Work.

(c) If the aggregate total cost of the Refurbishment Work is less than the Allowance, and provided that Tenant is not in default under the Lease (as amended hereby), then Tenant may utilize any unused portion of the Allowance as a credit toward Base Rent (but Base Rent shall never be less than \$0.00), by giving Landlord written notice of such election and the total amount to be credited within 180 days following Landlord's completion and reconciliation of the Refurbishment Work, which total amount shall thereafter be credited against Base Rent as it becomes due.

(d) Tenant understands that the work contemplated under this Section 5 (the "**Landlord Work**") will be performed during Tenant's occupancy and use of the Premises, and may result in inconvenience to Tenant (including noise, vibration and displacement from portions of the Premises from time to time). Tenant will fully cooperate with Landlord's efforts to efficiently complete the Landlord Work by, among other things, vacating portions of the Premises from time to time to permit work to proceed, and by moving any personal property within the Premises that is necessary for the completion of the Landlord Work. Landlord will make reasonable efforts to minimize the inconvenience and disturbance caused by the Landlord Work, but is not responsible for business interruption or damage to property which results from the Landlord Work. Tenant hereby agrees that the performance of the Landlord Work shall in no way constitute a constructive eviction of Tenant or entitle Tenant to any

abatement of rent payable pursuant to the Lease. Landlord shall have no responsibility for, or for any reason be liable to, Tenant for any direct or indirect injury to or interference with Tenant's business arising from the performance of the Landlord Work, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the performance of the Landlord Work, or for any inconvenience or annoyance occasioned by the performance of the Landlord Work. Tenant shall be responsible for any increase in the costs or expenses incurred by Landlord in connection with the Landlord Work resulting from any act or omission of Tenant or any agents, employees, contractors, licensees or invitees of Tenant, including without limitation any additional costs incurred by Landlord if Tenant requests or requires that any of the Landlord Work be done during other than normal business hours or if Tenant requests or requires that Landlord delay any portion(s) of the Landlord Work, and Tenant shall pay any such increase in such costs or expenses to Landlord upon demand.

In connection with the Landlord Work, Landlord shall coordinate with Tenant such that the Landlord Work shall be performed at time(s) to accommodate Tenant's business operations; provided, however, that if Tenant requests or requires that any of the Landlord Work be done other than during normal business hours, then any resulting increase in the cost of the Landlord Work shall be the responsibility of Tenant and shall be paid by Tenant to Landlord within thirty (30) days of Tenant's receipt of an invoice therefor from Landlord.

6. **EARLY TERMINATION.**

(a) Section 1.1(k) of the Basic Lease Information is hereby amended in its entirety as follows:

"(k) Early Termination Notice Date. At the beginning of the eighty-fifth (85th) month of the Extended Term (i.e., May 11, 2026)."

(b) Section 4(d) of the Lease is hereby amended in its entirety as follows:

"(d) Early Termination. Tenant shall have a one-time right to terminate this Lease on the Early Termination Notice Date, as defined in Section 1.1(k), by giving Landlord not less than 360 days' prior written notice executed by the Chief Executive Officer of Tenant ("**Termination Notice**"). Within thirty (30) days of delivery by Tenant to Landlord of the Termination Notice, Tenant shall reimburse Landlord for the unamortized Allowance and Brokerage Commissions (i.e., \$44,257.42 = \$22,050.89 for unamortized Allowance and \$22,206.53 for unamortized Brokerage Commissions) ("Termination Fee"), at an interest rate of eight percent (8%) per annum. Subject to the terms hereof, if Tenant properly exercises such option to terminate this Lease, such termination shall be effective as of the Early Termination Notice Date. If Tenant fails to exercise its rights under this Section 4(d) strictly in accordance with the terms and conditions set forth herein (including without limitation, failure to pay the Termination Fee as set forth herein), such right shall be null and void and shall be of no further force or effect."

7. **PARKING.** Tenant's parking rights shall remain as set forth in Section 1.1(o) of the Basic Lease Information; provided, however, (a) during the first four (4) years of the Extended Term, the parking rate shall be \$70 per unreserved space per month or \$4,480 per month for 64 unreserved spaces, and (b) commencing upon the fourth (4th) anniversary of the Revised Commencement Date, the parking rate shall increase to \$75 per unreserved space per month or \$4,800 per month for 64 unreserved spaces.

8. **HOLDOVER.** The first paragraph of Section 7 of the Lease (Holdover) is hereby amended in its entirety as follows: "Upon the expiration of this Lease, the Lease shall continue on a month-to-month basis for up to six (6) months, terminable by either party upon thirty (30) days' prior written notice to the other party, with monthly Base Rent payable in the amount equal to 103% of the monthly Base Rent in effect for the last month of the Term of the Lease, plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. If Tenant remains in possession of the Premises or any part thereof after the expiration of such 6-month period, such occupancy shall be a holdover month-to-month tenancy which is terminable only upon thirty (30) days' written notice from Landlord to the Chief Executive Officer of Tenant, with monthly Base Rent payable in the amount equal to 125% of the monthly Base Rent payable under this Lease in the last month of such 6-month period (as such Base Rent may be adjusted from time to time in accordance with this Lease), plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease; provided, however, if the parties subsequently enter into a lease amendment extending the Term of this Lease, and provided that Tenant is not in default under the Lease, Landlord shall apply the Future Holdover Amount (as defined below) as a credit against Base Rent payable pursuant to such lease extension amendment. As used herein "**Future Holdover Amount**" means the difference between (i) the amount of holdover Base Rent actually paid by Tenant to Landlord for the period commencing upon the expiration of such 6-month period and expiring upon the commencement date of such future extension term and (ii) the amount of Base Rent in effect as of the last month of such 6-month period (i.e., absent the 25% holdover surcharge).

9. **BROKERS.** Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person, other than the County of Los Angeles ("**Tenant's Broker**"), who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Amendment. Tenant's Broker and CBRE Inc. ("**Landlord's Broker**") shall be compensated by Landlord pursuant to the terms of separate express written agreements specifying the commission amounts ("**Brokerage Commissions**") and the terms of payment.

10. **DISCLOSURE.** For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that neither the Complex nor the Premises has undergone inspection by a Certified Access Specialist (CASp) (defined by California Civil Code Section 55.52). Pursuant to California Civil Code Section 1938, Tenant is hereby notified that a CASp can inspect the Premises and determine whether the Premises complies with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, Landlord may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy of the Tenant, if requested by Tenant. Landlord and Tenant shall mutually agree on the arrangements for the time and manner of any CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of

construction-related accessibility standards within the Premises, which cost shall be the obligation of Landlord unless said violation is caused by Tenant.

11. **LANDLORD'S ADDRESS FOR NOTICE.** Landlord's address for notice set forth in Subparagraph 1.1 of the Lease is hereby amended to read as follows:

ELITE-TRC ALHAMBRA COMMUNITY LLC
c/o The Ratkovich Company
1000 South Fremont Avenue, Unit 1
Alhambra, California 91803
Attention: Senior Development Manager
Telephone: (626) 300-5000
Telecopier: (626) 300-5025

With a copy to:

DLA Piper LLP (US)
550 South Hope Street, Suite 2400
Los Angeles, California 90071
Attention: Jackie Park, Esq.
Telephone: (213) 330-7743
Telecopier: (213) 330-7543

With a copy to:

c/o ELITE INTERNATIONAL INVESTMENT FUND
700 S. Flower Street, Suite 2380
Los Angeles, California 90017
Attention: Bill Zhou

12. **TENANT'S ADDRESS FOR NOTICE.** Tenant's address for notice set forth in Subparagraph 1.1 of the Lease is hereby amended to read as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office
Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Senior Manager
Email: LeaseAcquisitions@ceo.lacounty.gov

13. All 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.

14. The signatory for the Landlord covenants, warrants and guarantees that it has the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein. The signatory for the Tenant covenants, warrants and guarantees that it has the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein.

15. The Smoking in County Facilities policy set forth on Schedule 1 attached hereto shall apply to the Premises.

16. 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.

[Signatures Next Page]

IN WITNESS WHEREOF, the Landlord's duly authorized representative has executed this Amendment No. 1 to Lease No. 77987 or caused it to be executed, the day, month and year first above written.

LANDLORD:

ELITE-TRC ALHAMBRA COMMUNITY LLC,
a Delaware limited liability company

By: 

Name: Brian Seeger

Its: VLL President

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

FESIA A. DAVENPORT
Acting Chief Executive Officer

By: _____

DAVID P. HOWARD

Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Recorder/County Clerk
of the County of Los Angeles

By: _____

Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
Acting County Counsel

By: 

Deputy County Counsel

Schedule 1

Policy regarding Smoking in County Facilities

Smoking in County Facilities. The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.).

BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

II. RECOMMENDED ACTIONS (summarized)

III. COST AND FUNDING SOURCES

Cost:

Funding:

IV. BACKGROUND (critical and/or insightful)

V. POTENTIAL ISSUE(S)

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS



FESIA A. DAVENPORT
Acting Chief Executive Officer

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>

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

January 5, 2021

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:

**EIGHT-YEAR LEASE AMENDMENT
PUBLIC HEALTH
1000 SOUTH FREMONT AVENUE, ALHAMBRA
(FIFTH DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed eight-year lease amendment to an existing lease to provide the Department of Public Health (DPH) continued use of 17,107 square feet of office space, and 64 on-site parking spaces for its Health Promotion Bureau, Substance Abuse Prevention Control (SAPC).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed amendment is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Acting Chief Executive Officer, or her designee, to execute the proposed amendment with Elite-TRC Alhambra Community, LLC (Landlord), for approximately 17,107 square feet of office space and 64 on-site parking spaces located at 1000 South Fremont Avenue, 4th Floor A9West, Alhambra, CA 91803, to be occupied by DPH. The \$571,076 estimated maximum first year rental cost, including parking, is adjusted to \$15,514 after deducting one-time rent credits of \$129,328.92 for a rent abatement for months two, three and four, and a holdover rent credit of \$426,232.80 (assuming the amendment is executed in January 2021). The estimated total amendment cost is \$4,492,000 over the eight-year term. The rental costs will be funded 100 percent with 2011 Realignment funds.

3. Authorize and direct the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed amendment, and to take actions necessary and appropriate to implement the proposed amendment, including, without limitation, early termination rights.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The DPH SAPC has occupied the subject facility since 2014. The existing lease expired in April 2019 and has been on a month-to-month holdover basis with the County paying a fifty percent holdover rent fee equal to \$20,296.80 per month. The County will be credited all the holdover fee paid by the County upon approval of the proposed amendment by the Board, and full execution of the proposed amendment. If the Board approves the proposed amendment and the proposed amendment is executed in January 2021, the holdover fee to be credited to the County will be \$426,232.80.

The SAPC oversees substance use disorder treatment and prevention services throughout the County. As part of California's Drug Medi-Cal Organized Delivery System, SAPC has oversight of over 350 community-based contracted providers consisting of medical professionals, technical experts/consultants, and administrative staff. Meetings, conferences, and trainings for health providers, clients, and various stakeholders are periodically provided at this office. The office is occupied by 88 employees.

The existing facility is centrally located to service the entire County and is in close proximity to public transportation. Relocation to a new building would require costly improvements.

Approval of the recommended actions will find that the proposed amendment is exempt from CEQA and will allow DPH to continue operating at the subject facility.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 2 - *Foster Vibrant and Resilient Communities* - provides that our investments in the lives of County residents are sustainable only when grounded in strong communities. We want to be the hub of a network of public-private partnering agencies supporting vibrant communities.

The proposed lease is consistent with the Strategic Asset Management Plan Goal 2 – Strengthen Connection between Service Priorities and Asset Decisions; and Key Objective 4 – Guide Strategic Decision-Making.

This amendment supports the above goals and objective by providing DPH with appropriate office space which will allow it to collaborate with contracted providers and properly oversee the implementation of substance use disorder treatment services for high-risk individuals within the community. The proposed amendment conforms with the Asset Management Principles outlined in Enclosure A.

FISCAL IMPACT/FINANCING

Sufficient funding to cover the proposed rent for the first year of the proposed term, is included in the Fiscal Year (FY) 2020-21 Rent Expense budget, and will be billed back to DPH. DPH has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent for the first year. Beginning in FY 2021-22, ongoing funding for costs associated with the proposed amendment will be part of the budget for DPH. The rental costs will be funded 100 percent with 2011 Realignment funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed amendment also includes the following provisions:

- Upon commencement of the extended term, the base rent of \$487,123.32 will increase to \$517,316. Base rent is subject to a fixed 3 percent increase per annum.
- The current monthly parking rate will increase from \$65 per parking space to \$70 per parking space for 64 on-site parking spaces. Commencing on year five of the term, the monthly parking rate will increase to \$75 per parking space for the remainder of the term.
- Assuming the Board approves the amendment and the amendment is signed in January 2021, in the first year only, the annual rental cost, including parking, will be adjusted to \$15,514 after deducting one-time rent credits of \$129,328.92 and the estimated holdover rent credit of \$426,232.80.
- The Landlord will provide a \$136,856 (\$8 per rentable square foot) base tenant improvement (TI) allowance for refurbishment of the premises to include new carpet within the carpeted areas and repainting of the premises as needed. Any unused portion of the TIs will be credited towards the base rent.
- The Landlord is responsible for all operating and maintenance costs of the building, including utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.
- The aggregate costs associated with the proposed amendment over the entire term is \$4,492,000, as shown on Enclosure B.

- The County has the right to terminate the proposed amendment at the beginning of the 85th month with 360 days' notice, subject to a termination fee equal to the unamortized portion of the TI allowance not to exceed \$22,050.89, and the unamortized brokerage commission not to exceed \$22,206.53.
- Holdover at the proposed amendment expiration is permitted on the same terms and conditions except commencing on seventh month, the monthly base rent will increase by 25 percent as a holdover fee. In the event the County and the Landlord enter into a subsequent amendment extending the County's use of the Premises, the Landlord will credit any holdover fee actually paid by the County.
- The proposed amendment term will be effective upon approval by the Board and full execution of the proposed amendment.

The Chief Executive Office (CEO) conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$30.16 and \$48.72 per square foot, per year. The base annual rental rate of \$30.24 per square foot, per year for the proposed amendment represents a rate that is at the low end of market range for the area. Due to the tenant improvements needed should the Department relocate to a new space, remaining in the proposed space is the most cost-effective choice. We recommend the proposed facility as the most suitable to meet the County's space requirements.

The CEO has communicated with co-working office space companies regarding office space for the applicable programs and they have informed the CEO that their co-working office space does not have available space for long-term occupancy to accommodate the required space needs. In addition, co-working office space is not financially viable in comparison to the rental costs of traditional long-term office space.

Enclosure C shows County-owned or leased facilities within the surveyed area, and there are no suitable County-owned or leased facilities available for this space requirement.

The Department of Public Works previously inspected this facility and found it suitable for the County's occupancy. The required notification letter to the City of Alhambra has been sent in accordance with Government Code Section 25351. County Counsel has reviewed the enclosed proposed amendment and approved it as to form.

The proposed amendment will continue to provide an appropriate location for the program, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, and as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from 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). The proposed amendment, which involves the leasing of existing office space with minor tenant improvements within an existing building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in Section 15301 of the State CEQA Guidelines (Guidelines), and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed amendment will continue to adequately provide the necessary office space and parking spaces for this County requirement. DPH concurs with the proposed amendment and recommendations.

The Honorable Board of Supervisors
January 5, 2021
Page 6

CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted-stamped copy of this letter to the CEO, Real Estate Division, at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT
Acting Chief Executive Officer

FAD:JMN:DPH:DL
JLC:MN:MAC:gw

Enclosures

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

**PUBLIC HEALTH
1000 SOUTH FREMONT AVENUE, ALHAMBRA
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>		Yes	No	N/A	
	A	Does lease consolidate administrative functions?			X	
	B	Does lease co-locate with other functions to better serve clients?			X	
	C	Does this lease centralize business support functions?			X	
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² ¹ It is approximately 195 square feet per person.		X		
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? The ratio is lower because the department only requested 64 spaces.		X		
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	X			
2.	<u>Capital</u>					
	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?				
	F	Is Building Description Report Enclosed as Enclosure C?	X			
	G	Was build-to-suit or capital project considered? ² The existing facility is the most economical option for the County given the improvements previously made to the space.		X		
3.	<u>Portfolio Management</u>					
	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 with other County departments?				
		1. ____ The program clientele requires a "stand alone" facility.				
		2. <u>X</u> No suitable County occupied properties in project area.				
		3. <u>X</u> 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	X			
	F	Has growth projection been considered in space request?			X	
	G	¹ 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?						

COMPARISON OF THE PROPOSED AMENDMENT TO EXISTING LEASE

	Existing Lease:	Proposed Amendment	Change
	1000 South Fremont Ave, 4th Fl, A9West, Alhambra	1000 South Fremont Ave, 4th Fl, A9West, Alhambra	
Area (Square Feet)	17,107 sq. ft.	17,107 sq. ft.	None.
Term (years)	5 years	8 years	+ 3 years.
Annual Base Rent	\$487,123.32 (\$28.48 per sq. ft. annually)	\$517,316 (\$30.24 per sq. ft. annually)	+\$30,192.68 annually
Annual Parking Cost	\$49,920	\$53,760	+\$3,840 annually
Annual Lease Costs	\$537,043.32	\$571,076 ⁽¹⁾	+\$34,032.68
Rental rate adjustment	Annual CPI adjustments with 2 percent minimum capped at 5 percent.	3 percent fixed increases per annum.	+ 1 percent minimum - 2 percent maximum

- (1) Upon execution of the amendment, the Landlord will credit all holdover rent fees (\$20,296.80 per month) paid by the County. Based upon Board approval in January 2021, the amount of this credit will be \$426,232.80. The Landlord will also give the County a rent abatement for months 2, 3 and 4 of the extended term, resulting in a rent abatement of \$129,329. The total rental costs payable to the Landlord in the first year will be \$15,514.

OVERVIEW OF THE BUDGETED LEASE AMENDMENT AND RELATED COSTS

Department of Public Health
1000 S. Fremont Ave., Alhambra

Leased Area (sq.ft.)	17,107			
Term (months)	96			
Annual Rent Adjustment	3.00%			
	Cost Per RSF Per Month	Cost Per RSF Per Year		
Base Rent	\$2.52	\$30.24		
	Cost Per Space Per Month	Cost Per Space Per Year		
Years 1- 4				
Parking Costs (64 parking spaces)	\$70	\$840		
Years 5-8				
Parking Costs (64 parking spaces)	\$75	\$900		
Low Voltage (Lump Sum) (Labor + TESMA Cost)	Labor Cost	TESMA (Lump Sum Cost)	TESMA (Amortized Cost)	Low Volatage Total
	\$0	\$0	\$0	\$0
Low Voltage (Amortized) (Labor + TESMA Cost)	\$0	\$0	\$0	\$0
Tenant Improvement Costs	Lump Sum Cost	Amortized Cost		
	\$0	\$0		

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year	Total 8 Year Rental Costs
Annual Base Rent Costs ¹	517,316	532,836	548,821	565,285	582,244	599,711	617,702	636,234	4,601,000
Parking Costs ²	53,760	53,760	53,760	53,760	57,600	57,600	57,600	57,600	446,000
Subtotal Rental Costs	571,076	586,596	602,581	619,045	639,844	657,311	675,302	693,834	5,047,000
Free Rent Deduction ³	-129,328.92	0	0	0	0	0	0	0	-129,328.92
Holdover Rent Credit ⁴ (April 2019 -December 2020)	-426,232.80	0	0	0	0	0	0	0	-426,232.80
Total Annual Lease Costs	15,514	586,596	602,581	619,045	639,844	657,311	675,302	693,834	4,492,000

¹ Annual base rent includes fixed 3 percent annual increases.

² The parking cost for the first four (4) years is \$70 per space per month. Commencing upon the fifth year of the term, the parking rate increases to \$75 per space per month for the remainder of the term.

³ The base rent of \$43,109.64 is abated for months two, three, and four.

⁴ Based upon a holdover rent credit in the amount of \$20,296.80 to be applied for each month, starting April 2019, continuing until Board approval of the amendment (approximately January 2021 or 21 months).

*Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.

DEPARTMENT OF PUBLIC HEALTH

SPACE SEARCH – 3 MILE RADIUS FROM
1000 SOUTH FREMONT AVENUE, ALHAMBRA

LACO	Name	Address	Proprietor	Ownership Type	Property Use	Gross Sq. Ft.	Vacant
A469	The Alhambra Complex - West Tower	1000 S. Fremont Ave. Alhambra 91803	Public Health	Leased	Office	15,206	NONE
4526	Biscailuz - Administration Building	1060 N. Eastern Ave. Los Angeles 90063	Sheriff	Owned	Office	16,571	NONE
A327	Office of Managed Care	1100 Corporate Center Dr. Monterey Park 91754	Health Services	Leased	Office	15,280	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Amendment for DPH – 1000 South Fremont Avenue, 4th Floor A9West, Alhambra – Fifth District.

A. Establish Service Function Category – DPH Health Promotion Bureau, SAPC

B. Determination of the Service Area – Centrally located to service the entire County.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Central location to serve the entire County.
- Need for proximity to existing County facilities: Located within the same office campus currently occupied by other DPH programs and County departments.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, and is in close proximity to Metro and Foothill bus service and connections to light rail service.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: None available that meet the Department's programmatic office space needs.
- Compatibility with local land use plans: The City of Alhambra has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The initial annual rent of \$571,076 (\$2.52 per sq. ft., per month) is comprised of the \$517,316 base rent and the \$53,760 parking rent. The \$571,076 first year rent is adjusted to \$15,514 after deducting one-time rent credits.

D. Analyze results and identify location alternatives

The Chief Executive Office (CEO), conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$30.16 and \$48.72 per square, foot per year. The base annual rental rate of \$30.24 per square foot, per year for the proposed amendment represents a rate that is at the low end of market range for the area. Due to the tenant improvements needed should the Department relocate to a new space, remaining in the proposed space is the most cost-effective choice. We recommend continued use of the existing facility as the most suitable to meet the County's space requirements.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

The proposed amendment will continue to provide adequate and efficient office space for 88 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are no available buildings in the area that meet the Department's requirements.

**AMENDMENT NO. 1 TO LEASE NO. 77987
DEPARTMENT OF PUBLIC HEALTH
1000 SOUTH FREMONT AVENUE, ALHAMBRA**

THIS AMENDMENT No. 1 to Lease No. 77987 ("**Amendment**" or "**Amendment No. 1**") is made and entered into this _____ day of _____, 20____ ("**Amendment No. 1 Effective Date**") by and between ELITE-TRC ALHAMBRA COMMUNITY LLC, a Delaware limited liability company, hereinafter referred to as "**Landlord**", and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "**Tenant**".

RECITALS:

WHEREAS, The Alhambra Office Community, LLC, Landlord's predecessor-in-interest, and Tenant entered into that certain Lease Agreement dated July 16, 2013, as supplemented by that certain Commencement Date Memorandum and Confirmation of Lease Terms dated March 12, 2014 (collectively, "**Lease No. 77987**").

WHEREAS, Lease No. 77987 allowing Tenant to lease approximately 17,107 rentable square feet on the 4th Floor of Building A9 West (the "**Premises**") at 1000 South Fremont Avenue, Alhambra, became effective July 16, 2013 (Lease No. 77987 and all amendments thereto are collectively referred to hereinafter as the "**Lease**"), and;

WHEREAS, Landlord and Tenant desire to amend the Lease to extend the Term of the Lease and to provide for certain other amendments to the Lease;

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 intended to be legally bound hereby, Landlord and Tenant hereby covenant and agree as follows:

1. **DEFINED TERMS.** Capitalized terms used and not otherwise defined herein shall have the same meanings ascribed to them in the Lease.

2. **TERM OF THE LEASE.**

(a) The parties acknowledge that the Term of the Lease expired April 10, 2019 and that Tenant is currently in occupancy of the Premises pursuant to the holdover provision set forth in Section 7 of the Lease (i.e., Base Rent payable at 150% of the amount of Base Rent payable for April 2019, as such Base Rent may be adjusted from time to time in accordance with the Lease, plus all other charges payable under the Lease). Upon the mutual execution and delivery of this Amendment, and provided that Tenant is not in default under the Lease, Landlord shall apply the Holdover Amount (as defined below) as a credit against Base Rent payable under this Amendment for the Extended Term (as defined below). As used herein "**Holdover Amount**" means the difference between (i) the amount of holdover Base Rent actually paid by Tenant to Landlord for the period commencing upon April 11, 2019 and expiring upon the Revised Commencement Date (as defined below) and (ii) the amount of Base Rent that would have been paid by Tenant for such period at the monthly Base Rent in effect for April 2019 (i.e., absent the 50% holdover surcharge).

(b) Effective as of Amendment No. 1 Effective Date, the Term of the Lease is hereby extended for an additional period of eight (8) years (the "**Extended Term**"), so that the Extended Term shall commence on the Amendment No. 1 Effective Date ("**Revised Commencement Date**") and expire, unless terminated sooner pursuant to the terms of the Lease, on the last day of the calendar month in which the eighth (8th) anniversary of the Revised Commencement Date occurs ("**Revised Termination Date**"). All references to "**Term**" in the Lease and this Amendment shall be deemed references to the Term as extended by this Amendment and all references to "**Termination Date**" shall be deemed references to the Revised Termination Date.

(c) The parties acknowledge and agree that the Amendment No. 1 Effective Date as set forth in the preamble to this Amendment shall be the date that both parties have executed and delivered this Amendment, which execution and delivery shall require the prior approval of the Los Angeles County Board of Supervisors as evidenced by the signature for such body in the signature pages of this Amendment.

3. **CONDITION OF THE PREMISES.** Except as set forth in Section 5 below, Landlord shall have no obligation whatsoever to construct leasehold improvements for Tenant or to repair or refurbish the Premises. The taking of possession of the Premises by Tenant shall be conclusive evidence that Tenant accepts the same "**AS IS**" and that the Premises is suited for the use intended by Tenant and was in good and satisfactory condition at the time such possession was taken. Tenant acknowledges that neither Landlord nor Landlord's agents has made any representation or warranty as to the condition of the Premises, Building or the Complex or its suitability for Tenant's purposes. Tenant represents and warrants to Landlord that (a) its sole intended use of the Premises is for uses set forth in the Lease, (b) it does not intend to use the Premises for any other purpose, and (c) prior to executing this Amendment it has made such investigations as it deems appropriate with respect to the suitability of the Premises for its intended use and has determined that the Premises is suitable for such intended use.

4. **BASE RENT.**

(a) Effective as of the Revised Commencement Date and in addition to all other costs and expenses payable by Tenant pursuant to the Lease, Tenant shall pay the following monthly Base Rent for the Premises, in accordance with the terms of Section 5 of the Lease: \$41,912.15 per month (which is based upon a rental rate of \$2.45 per rentable square foot), which amount is adjustable as provided in Sections 2(b) and 5(b) of the Lease; provided, however, if the Revised Commencement Date has not occurred by December 31, 2019, then the monthly Base Rent payable for the Premises, commencing on the Revised Commencement Date, shall be \$43,109.64 per month (which is based upon a rental rate of \$2.52 per rentable square foot), subject to adjustment as provided in Sections 2(b) and 5(b) of the Lease.

(b) Effective as of the Revised Commencement Date, Section 5(b) of the Lease is amended in its entirety as follows: "(b) Rent Adjustment. At the beginning of the 13th month of the Extended Term as defined in the Amendment No. 1 to Lease ("**Adjustment Date**") and on and every anniversary of the Adjustment Date thereafter, monthly Base Rent shall be increased to an amount equal to 103% of the amount payable in the last month prior to each Adjustment Date."

(c) Effective as of the Revised Commencement Date, Sections 5(c), 5(d) and 5(e) of the Lease (CPI Formula and Adjustments) are hereby deleted in their entirety and are of no further force or effect.

(d) Provided that Tenant shall faithfully perform all of the terms and conditions of the Lease (as amended hereby), Landlord shall abate Tenant's obligation to pay Base Rent payable with respect to the Premises for the second (2nd) month through and including the fourth (4th) month following the Revised Commencement Date, for a total of three (3) months of abated Base Rent. During such abatement period, Tenant shall still be responsible for the full payment of all of its other monetary obligations under this Lease, including, without limitation, parking charges and any expenses relative to Tenant's use and occupancy of the Premises.

5. **ADDITIONAL IMPROVEMENTS.**

(a) Commencing upon the mutual execution and delivery of this Amendment, Landlord shall, at its sole cost and expense, refurbish the Building A9 West 4th Floor elevator lobby, using Building standard materials and finishes, as follows: (i) new LED lighting, (ii) replace carpeting inset, (iii) replace cove base to match new carpeting, if needed, and (iv) repaint lobby walls.

(b) Commencing upon the mutual execution and delivery of this Amendment, Landlord shall complete the following refurbishment work within the Premises, using Building standard materials and finishes, provided that the costs of such refurbishment work shall not exceed One Hundred Thirty-Six Thousand Eight Hundred Fifty-Six Dollars (\$136,856.00) (calculated at \$8.00 per leasable square foot of the Premises) ("**Allowance**"): (i) new carpet within the carpeted areas of the Premises, and (ii) repaint the Premises (together, "**Refurbishment Work**"). Landlord shall solicit three (3) bids from qualified vendors with respect to the Refurbishment Work.

(c) If the aggregate total cost of the Refurbishment Work is less than the Allowance, and provided that Tenant is not in default under the Lease (as amended hereby), then Tenant may utilize any unused portion of the Allowance as a credit toward Base Rent (but Base Rent shall never be less than \$0.00), by giving Landlord written notice of such election and the total amount to be credited within 180 days following Landlord's completion and reconciliation of the Refurbishment Work, which total amount shall thereafter be credited against Base Rent as it becomes due.

(d) Tenant understands that the work contemplated under this Section 5 (the "**Landlord Work**") will be performed during Tenant's occupancy and use of the Premises, and may result in inconvenience to Tenant (including noise, vibration and displacement from portions of the Premises from time to time). Tenant will fully cooperate with Landlord's efforts to efficiently complete the Landlord Work by, among other things, vacating portions of the Premises from time to time to permit work to proceed, and by moving any personal property within the Premises that is necessary for the completion of the Landlord Work. Landlord will make reasonable efforts to minimize the inconvenience and disturbance caused by the Landlord Work, but is not responsible for business interruption or damage to property which results from the Landlord Work. Tenant hereby agrees that the performance of the Landlord Work shall in no way constitute a constructive eviction of Tenant or entitle Tenant to any

abatement of rent payable pursuant to the Lease. Landlord shall have no responsibility for, or for any reason be liable to, Tenant for any direct or indirect injury to or interference with Tenant's business arising from the performance of the Landlord Work, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the performance of the Landlord Work, or for any inconvenience or annoyance occasioned by the performance of the Landlord Work. Tenant shall be responsible for any increase in the costs or expenses incurred by Landlord in connection with the Landlord Work resulting from any act or omission of Tenant or any agents, employees, contractors, licensees or invitees of Tenant, including without limitation any additional costs incurred by Landlord if Tenant requests or requires that any of the Landlord Work be done during other than normal business hours or if Tenant requests or requires that Landlord delay any portion(s) of the Landlord Work, and Tenant shall pay any such increase in such costs or expenses to Landlord upon demand.

In connection with the Landlord Work, Landlord shall coordinate with Tenant such that the Landlord Work shall be performed at time(s) to accommodate Tenant's business operations; provided, however, that if Tenant requests or requires that any of the Landlord Work be done other than during normal business hours, then any resulting increase in the cost of the Landlord Work shall be the responsibility of Tenant and shall be paid by Tenant to Landlord within thirty (30) days of Tenant's receipt of an invoice therefor from Landlord.

6. **EARLY TERMINATION.**

(a) Section 1.1(k) of the Basic Lease Information is hereby amended in its entirety as follows:

"(k) Early Termination Notice Date. At the beginning of the eighty-fifth (85th) month of the Extended Term (i.e., May 11, 2026)."

(b) Section 4(d) of the Lease is hereby amended in its entirety as follows:

"(d) Early Termination. Tenant shall have a one-time right to terminate this Lease on the Early Termination Notice Date, as defined in Section 1.1(k), by giving Landlord not less than 360 days' prior written notice executed by the Chief Executive Officer of Tenant ("**Termination Notice**"). Within thirty (30) days of delivery by Tenant to Landlord of the Termination Notice, Tenant shall reimburse Landlord for the unamortized Allowance and Brokerage Commissions (i.e., \$44,257.42 = \$22,050.89 for unamortized Allowance and \$22,206.53 for unamortized Brokerage Commissions) ("Termination Fee"), at an interest rate of eight percent (8%) per annum. Subject to the terms hereof, if Tenant properly exercises such option to terminate this Lease, such termination shall be effective as of the Early Termination Notice Date. If Tenant fails to exercise its rights under this Section 4(d) strictly in accordance with the terms and conditions set forth herein (including without limitation, failure to pay the Termination Fee as set forth herein), such right shall be null and void and shall be of no further force or effect."

7. **PARKING.** Tenant's parking rights shall remain as set forth in Section 1.1(o) of the Basic Lease Information; provided, however, (a) during the first four (4) years of the Extended Term, the parking rate shall be \$70 per unreserved space per month or \$4,480 per month for 64 unreserved spaces, and (b) commencing upon the fourth (4th) anniversary of the Revised Commencement Date, the parking rate shall increase to \$75 per unreserved space per month or \$4,800 per month for 64 unreserved spaces.

8. **HOLDOVER.** The first paragraph of Section 7 of the Lease (Holdover) is hereby amended in its entirety as follows: "Upon the expiration of this Lease, the Lease shall continue on a month-to-month basis for up to six (6) months, terminable by either party upon thirty (30) days' prior written notice to the other party, with monthly Base Rent payable in the amount equal to 103% of the monthly Base Rent in effect for the last month of the Term of the Lease, plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. If Tenant remains in possession of the Premises or any part thereof after the expiration of such 6-month period, such occupancy shall be a holdover month-to-month tenancy which is terminable only upon thirty (30) days' written notice from Landlord to the Chief Executive Officer of Tenant, with monthly Base Rent payable in the amount equal to 125% of the monthly Base Rent payable under this Lease in the last month of such 6-month period (as such Base Rent may be adjusted from time to time in accordance with this Lease), plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease; provided, however, if the parties subsequently enter into a lease amendment extending the Term of this Lease, and provided that Tenant is not in default under the Lease, Landlord shall apply the Future Holdover Amount (as defined below) as a credit against Base Rent payable pursuant to such lease extension amendment. As used herein "**Future Holdover Amount**" means the difference between (i) the amount of holdover Base Rent actually paid by Tenant to Landlord for the period commencing upon the expiration of such 6-month period and expiring upon the commencement date of such future extension term and (ii) the amount of Base Rent in effect as of the last month of such 6-month period (i.e., absent the 25% holdover surcharge).

9. **BROKERS.** Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person, other than the County of Los Angeles ("**Tenant's Broker**"), who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Amendment. Tenant's Broker and CBRE Inc. ("**Landlord's Broker**") shall be compensated by Landlord pursuant to the terms of separate express written agreements specifying the commission amounts ("**Brokerage Commissions**") and the terms of payment.

10. **DISCLOSURE.** For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that neither the Complex nor the Premises has undergone inspection by a Certified Access Specialist (CASp) (defined by California Civil Code Section 55.52). Pursuant to California Civil Code Section 1938, Tenant is hereby notified that a CASp can inspect the Premises and determine whether the Premises complies with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, Landlord may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy of the Tenant, if requested by Tenant. Landlord and Tenant shall mutually agree on the arrangements for the time and manner of any CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of

construction-related accessibility standards within the Premises, which cost shall be the obligation of Landlord unless said violation is caused by Tenant.

11. **LANDLORD'S ADDRESS FOR NOTICE.** Landlord's address for notice set forth in Subparagraph 1.1 of the Lease is hereby amended to read as follows:

ELITE-TRC ALHAMBRA COMMUNITY LLC
c/o The Ratkovich Company
1000 South Fremont Avenue, Unit 1
Alhambra, California 91803
Attention: Senior Development Manager
Telephone: (626) 300-5000
Telecopier: (626) 300-5025

With a copy to:

DLA Piper LLP (US)
550 South Hope Street, Suite 2400
Los Angeles, California 90071
Attention: Jackie Park, Esq.
Telephone: (213) 330-7743
Telecopier: (213) 330-7543

With a copy to:

c/o ELITE INTERNATIONAL INVESTMENT FUND
700 S. Flower Street, Suite 2380
Los Angeles, California 90017
Attention: Bill Zhou

12. **TENANT'S ADDRESS FOR NOTICE.** Tenant's address for notice set forth in Subparagraph 1.1 of the Lease is hereby amended to read as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office
Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Senior Manager
Email: LeaseAcquisitions@ceo.lacounty.gov

13. All 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.

14. The signatory for the Landlord covenants, warrants and guarantees that it has the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein. The signatory for the Tenant covenants, warrants and guarantees that it has the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein.

15. The Smoking in County Facilities policy set forth on Schedule 1 attached hereto shall apply to the Premises.

16. 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.

[Signatures Next Page]

IN WITNESS WHEREOF, the Landlord's duly authorized representative has executed this Amendment No. 1 to Lease No. 77987 or caused it to be executed, the day, month and year first above written.

LANDLORD:

ELITE-TRC ALHAMBRA COMMUNITY LLC,
a Delaware limited liability company

By: 

Name: Brian Seeger

Its: VLL President

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

FESIA A. DAVENPORT
Acting Chief Executive Officer

By: _____

DAVID P. HOWARD

Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Recorder/County Clerk
of the County of Los Angeles

By: _____

Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
Acting County Counsel

By: 

Deputy County Counsel

Schedule 1

Policy regarding Smoking in County Facilities

Smoking in County Facilities. The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.).

BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

II. RECOMMENDED ACTIONS (summarized)

III. COST AND FUNDING SOURCES

Cost:

Funding:

IV. BACKGROUND (critical and/or insightful)

V. POTENTIAL ISSUE(S)

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

January 5, 2021

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:

**APPROVAL OF VARIOUS CONTRACT EXTENSIONS FOR
THE DEPARTMENT OF HEALTH SERVICES AND THE DEPARTMENT OF PUBLIC
HEALTH GIVEN ADMINISTRATIVE PROCESS DELAYS DUE TO THE NOVEL
CORONAVIRUS PANDEMIC
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of delegated authority to the Director of Health Services and the Director of Public Health, or their respective designees, to extend various contracts in support of the response to the COVID-19 pandemic.

The Departments of Health and Public Health recommend:

1. Delegate authority to the Director of Health Services (DHS Director) and Director of Public Health (DPH Director), or their respective designee(s), (collectively "The Directors"), to amend the agreements expiring by March 31, 2021 to: (i) extend their term on a month-to-month basis until the end of the month of the six (6) month period following the date on which the Proclamation of a Local and Public Health Emergency due to the Coronavirus Disease 2019 (COVID-19) (Health Emergency Proclamation) is lifted by the Board of Supervisors (Board), (ii) reaffirm delegations of authority previously provided to The Directors for each contract; and (iii) increase the agreement rates by up to 25% and/or increase the maximum County obligation by up to 25%, if any, accordingly during the extension periods, provided that sufficient appropriation is available within the respective department's existing budget, all subject to prior review and approval by the Chief Executive Office (CEO) and County Counsel.

2. Delegate authority to The Directors, to prepare and execute future amendments to the contract(s) in Recommendation 1, to add, delete, modify or replace the Statement(s) of Work, including changes to service delivery sites; and/or reflect federal, State, and County regulatory and/or policy changes provided that: (i) any such amendment does not exceed an increase of 25% from the applicable previous Board-approved amounts; (ii) sufficient appropriation is available within the respective department's existing budget, with all amendments subject to prior review and approval by CEO and County Counsel.
3. Delegate authority to The Directors, to terminate the contract(s) in Recommendation 1 in accordance with the termination provisions, including Termination for Convenience, with advance written notification to your Board and CEO of such termination action.
4. Delegate authority to the DPH Director, or designee, to execute future amendments to the contracts that, as applicable,: a) allow for a no-cost adjustment to the term as allowed by the corresponding grant; b) allow the rollover of unspent contract funds; c) provide for an internal reallocation of funds between budgets and make changes to the scope of work, as applicable; and d) and/or provide an increase or decrease in funding up to 10% above or below each term's annual base maximum obligation and make corresponding service adjustments, as necessary; provided that sufficient appropriation is available within the respective department's existing budget and subject to prior review and approval by CEO and County Counsel.
5. Delegate authority to the DPH Director, or designee, to execute change notices to the contracts that permit revisions to the scope of work, as necessary; authorize program revisions within its budget, and corresponding service adjustments, as necessary; changes to hours of operation and/or service locations; and/or corrections of errors in the terms and conditions.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of recommendation 1 will provide the Department of Health Services (DHS) and the Department of Public Health (DPH) (collectively "The Departments") with the ability to continue to concentrate contracting resources on The Departments' most immediate needs to prepare for and address a surge in COVID-19 cases in Los Angeles County. In the months since the announcement of the local emergency, The Departments' contracting resources have been diverted to address significant needs in the areas of nursing, physician coverage, environmental services, hoteling for healthcare workers and support for the County's temporary quarantine and isolation sites; and managing logistics activities of the Incident Command System, including contact tracing, and data management of reported positive COVID-19 cases. Additionally, The Departments have

been focusing their resources on other urgent contractual requirements that have been necessary to address the COVID-19 pandemic.

The Departments have reviewed their inventories of contracts (Attachments I, and II provide a substantial list of agreements that are expiring by March 31, 2021) and have determined that, as contracting resources are currently diverted toward COVID-19 activities, The Departments will need the additional time contemplated in the recommendations to resume work on the replacements for these agreements.

Prior to exercising the requested delegated authority, The Departments will review their respective contractors' performance to ensure that there are no significant issues and are in good standing as a County contractor.

Approval of Recommendation 2 will allow The Directors to execute amendments to the contracts to add, delete, modify or replace the existing Statement(s) of Work including changes to service delivery sites; and/or reflect federal, State, and County regulatory and/or policy changes, as necessary, without interruption to service provision.

Approval of Recommendation 3 will allow The Directors to terminate services in accordance with the Contract's termination provisions, including Termination for Convenience, in a timely manner, as necessary.

Approval of Recommendation 4 will allow DPH to execute amendments to the contracts to: extend and/or adjust the term of the contract as allowed by the grant; rollover unspent funds; provide for an internal reallocation of funds between budgets, if applicable; and/or increase or decrease funding up to 10 percent above or below the annual base maximum obligation, and make corresponding service adjustments, as necessary. This recommended action will also enable DPH to amend the contract to adjust the term at no cost for a period of up to six months beyond the expiration date. Such amendments will only be executed if and when there is an unanticipated extension of the term of the applicable grant funding to allow additional time to complete services and utilize grant funding. This authority is being requested to enhance DPH's efforts to expeditiously maximize grant revenue, consistent with Board Policy 4.070: Full Utilization of Grant funds.

Approval of Recommendation 5 will allow DPH to execute change notices to the contract that permit revisions to the scope of work, as necessary; authorize budget modifications, and corresponding service adjustments, as necessary; changes to hours of operation and/or service locations; and/or corrections of errors in the contract's terms and conditions.

The provisions requiring advance review, notification, and identification of funding before undertaking any amendments will ensure the additional flexibility granted to The Directors by this delegated authority is accompanied by appropriate transparency and prudent fiscal management.

Implementation of Strategic Plan Goals

The recommended actions support Strategy II.2, "Support the Wellness of Our Communities," of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The Departments will fund their respective costs within their respective budgetary resources. Funding for future fiscal years will be addressed through the County's annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 4, 2020, the Board proclaimed a state of emergency regarding the Novel Coronavirus. The recommendations above are presented in anticipation of The Departments' need to address a surge in COVID-19 cases in the County of Los Angeles.

On March 31, 2020, the Board approved a motion delegating certain authorities to the CEO during declared states of emergency as related to COVID-19.

All amendments are subject to prior review and approval as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will give The Departments the necessary flexibility to be nimble in their response to the COVID-19 pandemic.

Respectfully submitted,

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director

CRG: BF:JA:CWK

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

ATTACHMENT I
DHS Contracts

#	Contract #	Contractor	Service	Current Expiration
1	H-706855	KinderCare Learning Centers, LLC	Child Care Operator Services	3/31/2021
2	H-704368	Saga Technologies	Software and Services	3/31/2021
3	H-706502	Active Hospice Care Inc.	Hospice Services	3/31/2021
4	H-706496	Admiral Hospice Care, Inc.	Hospice Services	3/31/2021
5	H-706511	Companion Hospice Care, LLC	Hospice Services	3/31/2021
6	H-706504	Compassionate Hospice Care, Inc.	Hospice Services	3/31/2021
7	H-706493	Hope International Hospice	Hospice Services	3/31/2021
8	H-706499	L&A Care Corporation dba Roze Room Hospice	Hospice Services	3/31/2021
9	H-706498	Los Angeles Hospice, Inc.	Hospice Services	3/31/2021
10	H-706492	Procare Hospice, Inc.	Hospice Services	3/31/2021
11	H-706501	Roze Room Hospice of the Valley	Hospice Services	3/31/2021
12	H-706503	St. Liz Hospice, Inc.	Hospice Services	3/31/2021
13	H-706486	Admiral Home Health, Inc.	Home Health	3/31/2021
14	H-706490	At Home Health Services, Inc.	Home Health	3/31/2021
15	H-706487	Family Home Health Care, Inc.	Home Health	3/31/2021
16	H-706816	Green Pine Home Healthcare Services, Inc.	Home Health	3/31/2021
17	H-706709	Gidda's Home Health Services, Inc.	Home Health	3/31/2021
18	H-707159	Soteria Home Health Agency, Inc.	Home Health	3/31/2021
19	H-706491	Valley Home Health Care Agency, Inc.	Home Health	3/31/2021

* May not be an exhaustive list of all agreements expiring by 3/31/2021

ATTACHMENT II
DPH Contracts

#	Contract #	Contractor	Service	Current Expiration
1	PH-001638	Project New Hope	Residential Care Facility for the Chronically Ill (RCFCI)	2/28/2021
2	PH-001645	Project New Hope	Transitional Residential Care Facility	2/28/2021
3	H-700973	Safe Refuge	Substance Use Disorder, Transitional Housing (SUDTH)	2/28/2021
4	77652	Health Care Logistics Management, Inc., DBA Accurate Courier Services	Laboratory Courier Services	3/31/2021
5	PH-003549	Inner-City Visions	TPI: Street Outreach & Community Violence Intervention	3/31/2021
6	PH-003548	Southern California Crossroads	TPI: Street Outreach & Community Violence Intervention	3/31/2021
7	PH-003547	Southern California Crossroads	TPI: Street Outreach & Community Violence Intervention	3/31/2021
8	PH-003550	Southern California Crossroads	TPI: Street Outreach & Community Violence Intervention	3/31/2021

* May not be an exhaustive list of all agreements expiring by 3/31/2021

BOARD LETTER FACT SHEET

Agenda Review Date: December 9, 2020

Board Meeting Date: January 5, 2021

Sup. Dist. / SPA No.: 5

DEPARTMENT: **Health Services**

SUBJECT: **AUTHORIZE THE COUNTY PURCHASING AGENT TO ISSUE A CONFIRMING PURCHASE ORDER TO INO THERAPEUTICS FOR PROVIDING NITRIC OXIDE INHALATION GAS AT OLIVE VIEW-UCLA MEDICAL CENTER**

I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

Authorize ISD, as the County's Purchasing Agent, to issue a confirming purchase order (PO) to Ino Therapeutics for providing nitric oxide inhalation gas at Olive View-UCLA Medical Center.

II. RECOMMENDED ACTIONS (summarized)

Authorize the Director of the Internal Services Department, as the County's Purchasing Agent, to issue a confirming PO to Ino Therapeutics (INO) in the total amount of \$144,934.78 for providing nitric oxide inhalation gas at Olive View-UCLA Medical Center (OV-UCLA MC).

III. COST AND FUNDING SOURCES

Cost: \$144,934.78

Funding: Funding is included in DHS' Fiscal Year 20-21 Final Budget

IV. BACKGROUND (critical and/or insightful)

Approval of the recommended action will authorize ISD, as the County's Purchasing Agent, to issue a confirming PO to enable the DHS to pay for outstanding invoices for nitric oxide inhalation gas used to treat patients at OV-UCLA MC for respiratory failure. On January 17, 2018, DHS submitted a Request for Formulation of Agreement for nitric oxide inhalation gas with INO to ISD. Nitric oxide is a pharmaceutical gas medication used to treat critical patients, particularly infants, in respiratory failure. Due to INO's delay in responding to the County's contractual terms & conditions in formulating the agreement, the payments were affected, thus creating a significant backlog of unpaid invoices. It was critical to patient care that OV-UCLA MC have continued access to nitric oxide as ISD worked through the Request for Formulation Agreement process. Confirming Purchase Orders were to be issued when INO invoiced for their services. Because there was no master agreement in place, a PO was not established, resulting in accumulated invoices from June 2018 to June 2019.

V. POTENTIAL ISSUE(S)

None

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

Department of Health Services, Jason Ginsberg, jginsberg@dhs.lacounty.gov, (323) 914-7926
County Counsel, Natasha Mosley, nmosley@counsel.lacounty.gov, (213) 974-8572

January 5, 2021

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:

**AUTHORIZE THE COUNTY PURCHASING AGENT TO ISSUE A CONFIRMING
PURCHASE ORDER TO INO THERAPEUTICS FOR PROVIDING NITRIC OXIDE
INHALATION GAS AT OLIVE VIEW-UCLA MEDICAL CENTER
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

SUBJECT

Authorize the Internal Services Department, as the County's Purchasing Agent, to issue a confirming Purchase Order to Ino Therapeutics for providing nitric oxide inhalation gas at Olive View-UCLA Medical Center.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director of the Internal Services Department (ISD), as the County's Purchasing Agent, to issue a confirming Purchase Order (PO) to Ino Therapeutics (INO) in the total amount of \$144,934.78 for providing nitric oxide inhalation gas at Olive View-UCLA Medical Center (OV-UCLA MC).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will authorize ISD, as the County's Purchasing Agent, to issue a confirming PO to enable the Department of Health Services (DHS) to pay outstanding invoices totaling \$144,934.78 for nitric oxide inhalation gas used to treat patients at OV-UCLA MC for respiratory failure.

BACKGROUND

On January 17, 2018, DHS submitted a Request for Formulation of Agreement for nitric oxide inhalation gas with INO to ISD. Nitric oxide is a pharmaceutical gas medication

used to treat critical patients, particularly infants, in respiratory failure. Due to INO's delay in responding to the County's contractual terms and conditions in formulating the agreement, the payments were affected, thus creating a significant backlog of unpaid invoices. It was critical to patient care that OV-UCLA MC have continued access to nitric oxide as ISD worked through the Request for Formulation Agreement process. Confirming Purchase Orders were to be issued when INO invoiced for their services. Because there was no master agreement in place, a PO was not established, resulting in accumulated invoices from June 2018 to June 2019.

Corrective action has been taken to ensure this does not occur in the future. ISD Purchasing Division established a master agreement (MA-IS-2040086) with INO for nitric oxide inhalation gas, effective October 1, 2019 through September 30, 2022. DHS will use this agreement to place orders for nitric oxide gas and will regularly monitor expenditure against the Standing PO to prevent future confirming POs.

DHS recognizes this is a confirming retroactive PO, and will make a presentation to the Retroactive Contract Review Committee (RCRC) to discuss the factors that led to the retroactive situation and to discuss the Corrective Action Plan (CAP) developed by the department to prevent the recurrence of future retroactive POs. Recommendations made by the RCRC members will be incorporated into the final CAP.

Implementation of Strategic Plan Goals

The recommended actions support Goal II.2, "Support the Wellness of Our Communities" and III.3, "Pursue Operational Effectiveness, Fiscal Responsibility and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The invoice total of \$144,934.78 represents the cumulative retroactive unpaid balance. Funding is included in the DHS FY 20-21 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The total cost of the invoices is \$144,934.78 from FY 2018-2019 for nitric oxide inhalation gas received for patient care.

CONTRACTING PROCESS

The PO will be processed by ISD in accordance with the County's purchasing policies and procedures for sole source purchases.

IMPACT ON CURRENT SERVICES

There is no negative impact on current County services. Approval of the recommendation will enable DHS to pay for services received during a prior fiscal year.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:jc

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department