

October 8, 2002

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:

**THREE-YEAR RE-LEASE
DEPARTMENT OF MENTAL HEALTH
5321 VIA MARISOL, LOS ANGELES
(FIRST) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached three-year re-lease with Mar-Mont Partners, Lessor, for 9,135 rentable square feet of office and clinic space and 18 parking spaces for the Department of Mental Health (DMH) Northeast Los Angeles Family Mental Health Center at 5321 Via Marisol, Los Angeles. The maximum initial annual cost of this lease is \$156,757, which will be funded with State and Federal funds.
2. Find that the proposed lease is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061(b)(3) of the State CEQA Guidelines.
3. Approve the project and authorize the CAO and DMH to implement the project. The lease will become effective upon approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to replace the current month-to-month tenancy with a new three-year lease which is intended to be a short-term solution until a replacement facility is identified. A new larger facility is needed to accommodate the program's recent growth. This program has been allocated 10,500 square feet via the Space Request Evaluation (SRE) process, which is approximately 1,400 square feet more than they currently occupy.

DMH would like to continue housing its Family Mental Health Center, which includes 40 full time employees, at the subject facility until a viable 10,500 square foot replacement facility with sufficient parking is identified. DMH and CAO Real Estate staff have been working together to identify a replacement facility, and new search boundaries or a build to suit project may be required.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we invest in public infrastructure in order to strengthen the County’s fiscal capacity. The lease of property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). The proposed lease will house State and Federally funded programs in leased space as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The initial annual rent of this lease will be \$156,757. The rent will be subject to an annual adjustment based on the Consumer Price Index not to exceed four percent.

5321 Via Marisol	Existing Lease	Re-Lease	Change
Area	9,135 sq. ft.	9,135 sq. ft.	None
Term	12/14/93 - 12/13/01 Month-to-month since 12/14/01	3 years	Additional 3 years
Annual Base Rent	\$115,101 (\$12.60/sq.ft.)	\$156,757 (\$17.16/sq.ft.)	\$41,656*
TI Allowance	None	None	None
Maximum Annual Rent	\$115,101	\$156,757	\$41,656
Option to Renew	None	One 3-year option.	One 3-year option
Cancellation	Anytime after 3 rd year upon 60 days notice	Anytime after 2 nd year upon 90 days notice	After 2 nd year
Parking Included in Rent	18 spaces	18 spaces	None

* Pursuant to the existing lease, the County pays for the utilities and reimburses the lessor for property taxes. The proposed lease transfers these obligations back to the lessor.

The Honorable Board of Supervisors
October 8, 2002
Page 3

Sufficient funding for the proposed lease is included in the 2002-03 Rent Expense Budget and will be charged back to DMH. Sufficient funding is available in DMH's 2002-03 operating budget to cover the projected lease costs.

The lease costs are funded through a combination of Federal and State funds including Sales Tax Realignment Revenue. Therefore, the entire cost associated with the subject lease will have no net County cost impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Family Mental Health Center currently provides crisis intervention, case management, rehabilitation, life support, community outreach, individual and group therapy services at the subject facility. The proposed three-year lease contains the following provisions:

- The term commences upon approval by your Board and terminates three years thereafter.
- The lease is a split service agreement whereby the County will be responsible for all janitorial expenses and the Lessor will be responsible for all remaining operating and maintenance expenses.
- The lease may be cancelled at or anytime after the second year upon providing the Lessor with 90 days prior written notice.
- The County has the option to renew for a period of three years at the same terms, conditions and rental rate, subject to Board approval.
- The Lessor will provide 18 parking spaces included in the rental rate. Additional street parking is available to accommodate staff, clients and visitors.

The Honorable Board of Supervisors
October 8, 2002
Page 4

CAO Real Estate staff surveyed the Northeast Los Angeles area as specified by DMH to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed areas that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the search areas for these programs. There are no County-owned or leased facilities available for this program.

Based upon a survey of similar properties within the specified area, staff has determined that the base rental range including parking is between \$16.20 and \$19.20 per square foot per year, split service gross. Thus, the base annual rent of the proposed lease, at \$17.16 per square foot, represents a rental rate within the market range.

The proposed lease has been administratively reviewed and approved by your Board's appointed Real Estate Management Commission.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy.

The leased area is too small to accommodate a child care center. Additionally, the placement of a child care facility at or in close proximity to a mental health outpatient clinic could be problematic.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

The Honorable Board of Supervisors
October 8, 2002
Page 5

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed lease is in the best interests of the County and will adequately provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DMH concurs in this lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return three original copies of the executed Lease, and three certified copies of the Minute Order, and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:KW:hd

Attachments (3)

c: County Counsel
Auditor-Controller
Department of Mental Health

**DEPARTMENT OF MENTAL HEALTH
NORTHEAST LOS ANGELES FAMILY MENTAL HEALTH CENTER
5321 VIA MARISOL, LOS ANGELES**

Asset Management Principles Compliance Form¹

1.	Occupancy	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ² The Center is operated as a stand alone function.		X	
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sf of space per person? ² Lease meets guideline of 250 sq. ft. per person for clinic space. (9,135 sf/40 fte = 228 sq. ft. per fte)		X	
2.	Capital			
A	Should program be in leased space to maximize State/Federal funding?		X	
B	If not, is this a long term County program?	X		
C	Is it a net County cost (NCC) program? 0.00%		X	
D	If yes to 2 B or C; capital lease or operating lease with an option?		X	
E	If no, are there any suitable County-owned facilities available?		X	
F	If yes, why is lease being recommended over occupancy in County-owned ?			X
G	Is Building Description Report attached as Attachment B?	X		
H	Was build-to-suit or capital project considered? Project too small to warrant build-to-suit or capital project.		X	
3.	Portfolio Management			
A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal, was co-location with other County departments considered ?	X		
D	Why was this program not co-located?			
	1. The program clientele requires a "stand alone" facility.			
	2. X No suitable County occupied properties in project area.			
	3. X No County-owned facilities available for the project.			
	4. Could not get City clearance or approval.			
	5. The Program is being co-located.			
E	Is lease a full service lease? Lessor is unwilling to provide janitorial service..		X	
F	Has growth projection been considered in space request?		X	
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			Please bold any written responses

**DEPARTMENT OF MENTAL HEALTH
5321 VIA MARISOL, LOS ANGELES**

SPACE SEARCH - NORTHEAST LOS ANGELES

LACO	FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT. NET	OWNERSHIP	SQ. FT. AVAILABLE
T544	MED CENTER-QAUR BUILDING	1200 NORTH STATE STREET, LOS ANGELES 90033	4,334	3,629	OWNED	0
T546	MED CENTER-PATIENT FINANCIAL SERVICES OFFICE T-16	1240 NORTH MISSION ROAD, LOS ANGELES 90033	5,190	4,095	OWNED	0
T547	MED CENTER-PATIENT FINANCIAL SERVICES OFFICE T-15	1240 NORTH MISSION ROAD, LOS ANGELES 90033	2,588	1,967	OWNED	0
T555	MED CENTER-PATIENT FINANCIAL SERVICES OFFICE T-17	1200 NORTH STATE STREET, LOS ANGELES 90033	4,661	3,482	OWNED	0
T556	MED CENTER-PATIENT FINANCIAL SERVICES OFFICE TRAILER	1200 NORTH STATE STREET, LOS ANGELES 90033	2,973	2,461	OWNED	0
T618	MED CENTER-REPLACEMENT PROJECT OFFICE	1200 NORTH STATE STREET, LOS ANGELES 90033	944	785	OWNED	0
T619	MED CENTER-RESEARCH COMMITTEE TRAILER T-25	1200 NORTH STATE STREET, LOS ANGELES 90033	820	702	OWNED	0
T620	MED CENTER-CLINICAL SOCIAL WORK TRAILER T-18	1200 NORTH STATE STREET, LOS ANGELES 90033	1,200	1,049	OWNED	0
3100	EASTLAKE JUVENILE COURTHOUSE	1601 EASTLAKE AVENUE, LOS ANGELES 90033	47,379	26,024	OWNED	0
5805	MENTAL HEALTH COURTHOUSE	1150 NORTH SAN FERNANDO ROAD, LOS ANGELES 90065	28,523	16,817	OWNED	0
C760	DPSS-EAST LA GROW CENTER	2200 NORTH HUMBOLDT STREET, LOS ANGELES 90031	23,655	17,554	LEASED	0
C269	DPSS-LINCOLN HEIGHTS DISTRICT OFFICE	4077 NORTH MISSION ROAD, LOS ANGELES 90032	26,094	18,575	LEASED	0
C111	MED CENTER - EXPENDITURE MANAGEMENT ANNEX	1063 NORTH CHICAGO STREET, LOS ANGELES 90033	3,338	1,823	LEASED	0
C110	MED CENTER - EXPENDITURE MANAGEMENT	2064 MARENGO STREET, LOS ANGELES 90033	9,602	7,010	LEASED	0
4799	PUBLIC WORKS CENTRAL YARD	1525 ALCAZAR STREET, LOS ANGELES 90033	10,438	7,224	OWNED	0
3102	JUVENILE HALL ADMIN BUILDING	1605 EASTLAKE AVENUE, LOS ANGELES 90033	75,907	33,945	OWNED	0
T543	MED CENTER-RESEARCH COMMITTEE TRAILER	1200 NORTH STATE STREET, LOS ANGELES 90033	384	330	OWNED	0
T542	MED CENTER-PATIENT FINANCIAL SERVICES T-5	1200 NORTH STATE STREET, LOS ANGELES 90033	10,512	7,872	OWNED	0
T541	MED CENTER-HOME CARE TRAILER	1200 NORTH STATE STREET, LOS ANGELES 90033	1,376	1,223	OWNED	0

LACO	FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT. NET	OWNERSHIP	SQ. FT. AVAILABLE
X294	PUBLIC WORKS CENTRAL YARD SHOP AREA	2275 ALCAZAR STREET, LOS ANGELES 90033	1,400	1,260	OWNED	0
C863	MED CENTER - PATIENT FINANCIAL SERVICES OFFICE	1910 NORTH MAIN STREET, LOS ANGELES 90031	13,610	8,919	LEASED	0
5260	CORONER-ADMIN / INVESTIGATIONS BUILDING	1102 NORTH MISSION ROAD, LOS ANGELES 90033	22,479	14,251	OWNED	0
6483	MED CENTER - MASONRY SHOP	1739 GRIFFIN AVENUE, LOS ANGELES 90031	1,040	950	OWNED	0
X333	JUVENILE COURT HEALTH SERVICES	1925 DALY STREET, LOS ANGELES 90031	16,878	6,668	OWNED	0
0135	MED CENTER - GARDENER'S BUILDING	1200 NORTH STATE STREET, LOS ANGELES 90033	612	530	OWNED	0
0284	MED CENTER - HEALTH RESEARCH TRAILER	1200 NORTH STATE STREET, LOS ANGELES 90033	1,200	1,000	OWNED	0
0837	MED CENTER - PERSONNEL BUILDING	1200 NORTH STATE STREET, LOS ANGELES 90033	2,980	1,761	OWNED	0
0838	MED CENTER - QAUR BUILDING	1200 NORTH STATE STREET, LOS ANGELES 90033	2,980	2,341	OWNED	0
5699	MED CENTER-CHAPLAIN'S CENTER	1200 NORTH STATE STREET, LOS ANGELES 90033	1,940	1,454	OWNED	0
4946	MED CENTER-INTERNS BUILDING	2020 ZONAL AVENUE, LOS ANGELES 90033	142,448	79,494	OWNED	0
T066	MED CENTER-MENTAL HEALTH CLINIC	2020 ZONAL AVENUE, LOS ANGELES 90033	1,225	1,103	OWNED	0
T539	MED CENTER-CLINICAL RESEARCH TRAILER	1200 NORTH STATE STREET, LOS ANGELES 90033	780	672	OWNED	0