

March 4, 2003

REVISED

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:

**DEPARTMENT OF PARKS AND RECREATION
FIFTEEN YEAR RE-LEASE
HOLLYWOOD BOWL - EMPLOYEE SEASONAL PARKING
(THIRD) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the attached Parking and Open Storage lease for a fifteen year term with the State of California Department of Transportation (Lessor) for the re-lease of 97 parking spaces for the Department of Parks and Recreation seasonal employees at an initial annual cost of \$6,625. Rental costs are 100 percent net County cost. The County will have use of the property between May 15th and October 15th each year of the lease.
2. Find that the project is exempt from 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. Authorize the Chief Administrative Office (CAO) and the Department of Parks and Recreation to implement the project. If approved by your board, the lease will be effective March 5, 2003.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this proposed fifteen year lease will allow the Department of Parks and Recreation to continue to provide parking for its seasonal employees at the Hollywood Bowl between May 15th and October 15th. The subject parking is located in an area under the Hollywood Freeway in close proximity to the Hollywood Bowl and is uniquely located to serve this County program. The leased parking area can accommodate up to 97 cars, which is sufficient to fully meet the on-going seasonal operational requirements of the department. Significant growth of this program and its parking needs is not expected.

The department did not consider the possibility of converting a portion of the acreage upon which the Hollywood Bowl is located into employee parking due to a lack of space.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we improve the workplace environment in order to enhance quality and productivity (Goal 2, Strategy 2) and that we strengthen the County's fiscal capacity (Goal 4). In this case, we are providing leased space for seasonal operational requirements as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

HOLLYWOOD BOWL PARKING	EXISTING LEASE	RE-LEASE	CHANGE
Area	Approximately 24,723 net sq. ft. Ninety-Seven parking spaces	Approximately 24,723 net sq. ft. Ninety-Seven parking spaces	None
Term	Ten Years (6/1/91-5/31/01)	Fifteen Years (3/05/03 - 3/04/18)	yes
Annual Rent	\$2,400	\$6,625*	\$4,225
T. I. Allowance	\$61,807 (paid by the County)	None	yes
Cancellation	None	Either Party with 90 day written notice	yes
Option to renew	None	None	no
Rental Adjustment	CPI every 24 months	CPI minimum 2% Maximum 7%-Annual	yes/annually

*Re-evaluation of the property per State mandate will occur in the 5th and 10th years of the lease

Sufficient funding for the proposed lease is included in the 2002-03 Rent Expense Budget and will be charged back to the Department of Parks and Recreation. Sufficient funding will be included in the 2003-04 budget for the Department of Parks and Recreation to cover the projected lease costs.

The cost associated with the proposed lease is a 100 percent net County cost. The annual rent under the proposed lease will be subject to a minimum annual cost of living adjustment of two percent and a maximum annual increase of seven percent. There is also a provision for the re-evaluation of the property in the fifth and tenth years of the lease which could result in a rental increase. The County maintains the property and pays for the electricity to light the parking area.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Department of Parks and Recreation has leased the parking lot since 1991. The new fifteen year term will commence March 5, 2003 provided the lease is approved by the Board of Supervisors. This lease is between the County and another public agency; therefore,

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it does not require the review and approval of the Real Estate Management Commission.

The Department of Transportation has specific criteria under which it may enter into leases with other public agencies. The main requirement (beside the use being for the public good) is that the rent be established at fair market value. The State Department of Transportation's mandated appraisal of the property upon expiration of the County's previous ten year lease, set the new rent at \$1,325 per month or \$15,900 annually. Negotiations with the State Department of Transportation resulted in the State making the concession of charging rent only for the five month period that the property is being used by the County at a total cost of \$6,625 annually. The County retains the right to access the parking area for maintenance purposes only during the months of non-use.

CAO Real Estate staff conducted a rental rate survey to determine the market rate of comparable parking in the area. Based upon said survey, staff has established that there is a severe lack of available parking in the Hollywood Bowl area during the season which runs from May to October. When parking can be found, there are only a few scattered spaces available with rental rates ranging from \$55 to \$60 per space per month. When compared to the monthly cost per space for this facility of \$13.66 per month, the monthly per space cost represents a rate in the lower portion of the market value range.

The County has the option to cancel the lease at any time by giving the Lessor 90 days advance notice.

This lease is for seasonal employee parking under the Hollywood freeway and the leased area is not suitable for a child care facility.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has

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concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15061(b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed re-lease is in the best interest of the County and will adequately provide the seasonal employee parking necessary for this program. In accordance with your Board=s policy on the housing of any County offices or activities, the Department of Parks and Recreation concurs with this lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the executed Lease; the adopted, stamped, Board letter and; two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
SHK:JB:

Attachments (5)

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c: County Counsel
Auditor-Controller

**DEPARTMENT OF PARKS AND RECREATION
HOLLYWOOD BOWL - EMPLOYEE SEASONAL PARKING
Asset Management Principles Compliance Form¹**

1. <u>Occupancy</u>		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			X
C	Does this lease centralize business support functions? ²			X
D	Does this lease meeting the guideline of 200 sf of space per person? ²			X
2. <u>Capital</u>				
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?	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 space?			X
G	Is Building Description Report attached as Attachment B?	X		
H	Was build-to-suit or capital project considered? The cost of constructing parking on the Hollywood Bowl property is more expensive the cost of this lease.	X		
3. <u>Portfolio Management</u>				
A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?		X	
D	Why was this program not co-located?			
	1. ___ The program clientele requires a stand alone facility.			
	2. <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? ² The County maintains the property and pays the cost of electricity for lighting.		X	
F	Has growth projection been considered in space request? Significant growth is not expected in this program or its parking requirements,	X		
G	Has the Dept. of Public Works completed seismic review/approval?			X

¹As approved by the Board of Supervisors 11/17/98

²If not, why not?

Attachment B

SPACE SEARCH WITHIN ONE MILE RADIUS
CAHUENGA BOULEVARD & HOLLYWOOD FREEWAY

LACO	FACILITY NAME	ADDRESS	SQ FT GROSS	SQ FT NET		SQ FT AVAIL
X456	HIGHLAND CAMROSE-BUNGALOW A	2101 N HIGHLAND AVE, HOLLYWOOD 90068	842	800	OWNED	NONE
X458	HIGHLAND CAMROSE-BUNGALOW B	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1000	950	OWNED	NONE
X459	HIGHLAND CAMROSE-BUNGALOW C	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1000	950	OWNED	NONE
X460	HIGHLAND CAMROSE-BUNGALOW G	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1055	1000	OWNED	NONE
X461	HIGHLAND CAMROSE-BUNGALOW H	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1000	950	OWNED	NONE
X464	HIGHLAND CAMROSE-BUNGALOW M	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1000	950	OWNED	NONE
L743	PARKING LOT (HOLLYWOOD BOWL-FAIRFIELD SOUTH)	2100 N HIGHLAND AVE (OFF OF FAIRFIELD AVE), HOLLYWOOD 90068	0	0	OWNED	NONE
3969	HOLLYWOOD BOWL-ADMINISTRATION BUILDING	2301 N HIGHLAND AVE, HOLLYWOOD 90068	5137	4369	OWNED	NONE
4944	HOLLYWOOD BOWL-CONCESSION OFFICE	2301 N HIGHLAND AVE, HOLLYWOOD 90068	844	714	OWNED	NONE
3970	HOLLYWOOD BOWL-VOLUNTEER COTTAGE	2301 N HIGHLAND AVE, HOLLYWOOD 90068	1290	707	OWNED	NONE
L006	PARKING LOT (HOLLYWOOD BOWL/ CALTRANS LOT)	CAHUENGA BLVD & HIGHLAND AVE, HOLLYWOOD 90068	0	0	PERMIT	NONE
L742	PARKING LOT (HOLLYWOOD BOWL-FAIRFIELD NORTH)	2700 N HIGHLAND AVE, HOLLYWOOD 90068	0	0	OWNED	NONE
3972	FORD AMHPITHEATRE-SPECIAL EVENTS OFFICE	2580 CAHUENGA BLVD E, HOLLYWOOD 90068	965	825	OWNED	NONE
4030	PARKING LOT (JOHN ANSON FORD AMPHITHEATRE)	2580 CAHUENGA BLVD E, HOLLYWOOD 90068	0	0	OWNED	NONE
A137	DCFS-HOLLYWOOD R.A.P.P. OFFICE	6464 SUNSET BLVD, HOLLYWOOD 90028	2644	2299	LEASED	NONE
L079	PARKING(DMH-HOLLYWOOD MENTAL HEALTH SERVICES)	6725 SUNSET BLVD, HOLLYWOOD 90028	0	0	LEASED	NONE
L048	PARKING (HOLLYWOOD MENTAL HEALTH SERVICES)	1341 N VINE ST, HOLLYWOOD 90028			LEASED	NONE
B393	HOLLYWOOD COURTHOUSE	5925 HOLLYWOOD BLVD, HOLLYWOOD 90028	61571	22544	FINANCED	NONE
L769	PARKING (HOLLYWOOD COURTHOUSE)	1772 LABAIG AVE, HOLLYWOOD 90028	0	0	LEASED	NONE