

TRANSMITTAL

TO Council	DATE 7/5/18	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 4

At its meeting held on June 28, 2018, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a new lease agreement between the City and the State of California Governor's Office of Emergency Services (OES) for the continued use of the Mount Lee Communication Center facilities located at 3800 Mount Lee Drive, for a term of 10 years with three 5-year extension options. Subject to the approval of the negotiated lease terms, the City will receive \$20,844 in new annual rental revenues, with 3.5 percent annual escalations.



Richard H. Llewellyn, Jr.
City Administrative Officer
Chair, Municipal Facilities Committee

RHL:MGR:05180157c

CITY OF LOS ANGELES

CALIFORNIA

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June 28, 2018

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Attention: John White, Legislative Assistant

REQUEST AUTHORIZATION TO NEGOTIATE AND EXECUTE A NEW LEASE AGREEMENT WITH THE STATE OF CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with the State of California (State) Governor's Office of Emergency Services (Cal OES). This lease will allow for the continued use of the Mount Lee Communication Center (Mt. Lee) facilities located at 3800 Mount Lee Drive, Los Angeles, California for vital communications equipment.

BACKGROUND

Cal OES is currently operating telecommunications equipment under an existing sub-lease with the State California Highway Patrol (CHP) entered into on March 4, 1975. Under the terms of the master lease between the CHP and the City of Los Angeles (City), the current lease automatically renews on a year-to-year basis commencing on February 1st and ending January 31st of each succeeding year. The lease can be terminated any time with two months written notice to terminate. Cal OES installed and currently maintains emergency communications equipment occupying two full communication racks and 8.5 square feet of floor/wall space in a shipping container on site that houses equipment for the Los Angeles Unified School District and CHP as well. They have never paid the State or the City for this sub-lease.

Cal OES began as the State War Council in 1943. With an increasing emphasis on emergency management, it officially became the Office of Emergency Services (OES) in 1970. In 2004, the California Legislature merged OES and the Governor's Office of Criminal Justice Planning. In 2003, the Governor's Office of Homeland Security (OHS) was established. In 2009, the California Legislature merged the powers, purposes, and responsibilities of the former OES with those of OHS into the newly- created California Emergency Management Agency (Cal EMA). On July 1, 2013, the Governor's Office reorganized and eliminated Cal EMA and restored it to



the Governor's Office, renaming it the California Governor's Office of Emergency Services, and merged it with the Office of Public Safety Communications.

California faces numerous risks and threats, and is prone to environmental and public health emergencies, cyber security attacks, agricultural and animal disasters, as well threats to homeland security. Cal OES takes a proactive approach to addressing these risks, threats, and vulnerabilities forming the basis of their mission and have been tested through real events, as well as comprehensive exercises that help maintain the State readiness, and plan for and mitigate impacts. This equipment provides them with continued communications throughout the Los Angeles region for their emergency operations.

Cal OES will no longer sub-lease Mt. Lee facilities under the existing State CHP lease and will be required to execute a new, independent lease with the City.

The proposed lease agreement will contain the following:

TERMS AND CONDITIONS

LOCATION:	3800 Mount Lee Dr., Los Angeles, CA 90068
LANDLORD:	City of Los Angeles
USE:	Telecommunication Facilities and Equipment
SQUARE FEET:	N/A
TERM:	10 years
OPTION TERM:	Three five-year options
HOLDOVER OPTION:	Lease option to allow for month-to-month holdover including 3.5% annual increase on lease anniversary date
BASE RENTAL RATE:	\$20,844 annually (\$1,737/month)
ANNUAL INCREASES:	+3.5%
SECURITY DEPOSIT:	N/A
UTILITIES:	N/A
PARKING:	Short term intermittent daily parking only as needed to service equipment
TENANT IMPROVEMENTS:	N/A
CUSTODIAL SERVICE:	N/A
MAINTENANCE:	Repair and replacement cost of the HVAC unit will be passed through proportionately to all tenants within the container

LEASE RATE GUIDELINES

The rates are based on the Telecommunications Lease Rate Guidelines (Matrix) established by the State of California Department of Transportation. The Matrix outlines the type of user, lease type, and utilizes U.S. Census Bureau California County Total Population data to establish a rate based on geographical location and type of equipment (number of antennas and square footage of enclosed area). Per the Matrix, the Mt. Lee facility is defined as a Public/Non-Commercial facility, serving emergency and non-emergency users, and utilizes a Telecommunications Vault type lease for Rack and Antenna space(s). The resulting rate based on the Matrix guidelines resulted in annual revenue of \$20,844 (See chart below).

Cal OES Equipment	Annual Cost
2 Full Rack Spaces (1, 4) @ \$863.17/rack	20,716.08
\$1.25/sf. of wall/floor space @ 8.5/s.f.	127.56
Total	20,843.64

FISCAL IMPACT

The annual base revenue generated to the General Fund from this retail location will be \$20,844 annually (\$1,737/month). A rental rate increase of 3.5% will occur annually.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to negotiate and execute a new lease with the State of California Governor’s Office of Emergency Services at Mount Lee Communications Center under the terms and conditions substantially as outlined in this report.

Tony M. Royster
General Manager