



**Board Report**

**File #:** 2016-0694, **File Type:** Contract

**Agenda Number:** 36.

**EXECUTIVE MANAGEMENT COMMITTEE  
NOVEMBER 17, 2016**

**SUBJECT: LEASE OF OFFICE SPACE FOR ACCESS SERVICES**

**ACTION: CONSIDER APPROVING A LEASE RENEWAL FOR OFFICE SPACE AT METRO  
DIVISION 9, EL MONTE, CA**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to **renew a five-year lease agreement, including two, five-year options, with Access Services** (Access) effective January 1, 2017 for the rental of approximately 19,841 square feet of office space at Metro’s Transportation Building Division 9, 3449 Santa Anita Avenue, El Monte, at an annual rental cost of \$600,000, subject to both parties’ mutual right to terminate on 12-month prior written notice.

**BACKGROUND**

As the regional funding agency, Metro funds Access’ expenses, including office space, related taxes, and utilities at the rate of \$600,000 annually. Access has occupied office space at Division 9 since 2010. The current lease was originally executed effective April 12, 2010 and will end December 31, 2016. The lease covers the use of approximately 19,841 square feet of office space on floors two and three of the Division 9.

**DETERMINATION OF SAFETY IMPACT**

This Board action will not have an impact on safety standards for Metro operations.

**FINANCIAL IMPACT**

As the regional funding agency, Metro funds Access’ expenses including office space, related taxes, and utilities. By utilizing vacant space at Division 9, the operating costs associated with rent is returned to Metro in the form of lease income. This offset results in no financial impact to Metro for this portion of Access’ operating costs.

**Impact to Bus and Rail Operating and Capital Budget**

The current fiscal year cost of this lease is included in the existing FY17 annual budget. Access will pay the lease cost from its budget using local monies. No other source of funds was considered for

this activity because the directly received federal funding portion of Access' budget must be utilized for contracted services for ADA-mandated paratransit service for Los Angeles County. This activity will not impact ongoing bus and rail costs.

### **ALTERNATIVES CONSIDERED**

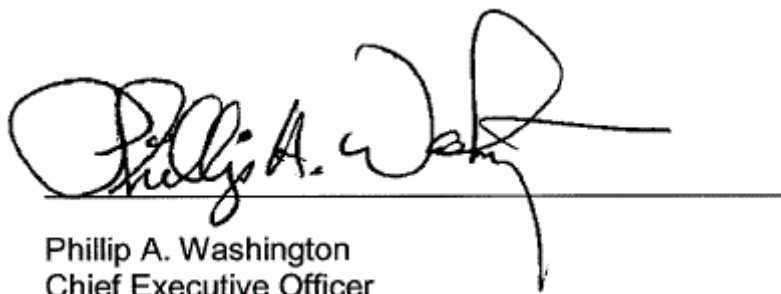
No other alternative was considered as the cost to lease another building in the vicinity of Division 9 is in line with the current lease rate. However, if a lease with a third party were to be executed, the cost to Metro would be at least equal to the current lease payment. Leasing another facility is not recommended because Metro, as the regional planning agency, would have to provide any additional funds incurred by Access for leasing new space.

### **NEXT STEPS**

Staff will complete the preparation of the lease renewal and circulate for execution by Access and Metro.

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