

South Bay Cities Council of Governments

October 14, 2019

TO: SBCCOG Steering Committee

FROM: Kim Fuentes, Deputy Executive Director
David Leger, SBCCOG Staff
Chandler Sheilds, SBCCOG Staff

SUBJECT: New Office Additional Space

Adherence to Strategic Plan:

Goal D: Organizational Stability. Be a high performing organization with a clear path to long-term financial health, staffing continuity, and sustained board commitment.

BACKGROUND

When the new office location at 2355 Crenshaw Boulevard, Torrance was identified, there were two size options 1) 4,459 ft² and 2) 5,265 ft². Due to the needs of the organization at that time, staff believed that the smaller of the two options would best meet the needs of the SBCCOG. Since that time, the programs of the SBCCOG have changed significantly and additional funding has been secured. These programs include:

- South Bay Fiber Network \$1,200,000
- Homeless Services \$739,685
- West Basin outreach (est. \$60,000)

Additionally, several new funding opportunities are being pursued:

- Safe, Clean, Water Supply Administration
- Caltrans grant for Neighborhood Centers

SPACE CONSIDERATIONS

The SBCCOG continues to be successful in engaging volunteers, employing a CivicSpark Fellow and participating in work programs such as the Work Force Investment Board's Transitional Subsidized Employment. With the smaller office size, there is concern that there is already:

- A Need for additional staff
 - Support for the homeless program
 - Applications planning and implementation of the fiber network
 - Possibly others to be determined
- Insufficient space for our volunteers to work
- Very little room for storage such as extra chairs for the meeting rooms

In order to meet these growing needs, staff is recommending increasing the office lease size now by 806 ft² for an increase cost the first year of \$1,894.10 monthly; \$22,729.20 annually (cost comparisons are detailed below.) The larger size will also allow for more meeting and storage space as well as room to grow. We would also have the opportunity to continue to pursue co-agency subleasing opportunities if we decided to.

As the new space construction has started going through the permit process, action by the SBCCOG Steering Committee is time critical in order to take advantage of this opportunity. Once the adjacent space is built out, it will be difficult if not impossible for the SBCCOG to expand.

BUDGET

The cost of the additional office space is within FY 2019/20 budget of \$153,336. The lease cost is significantly offset by partner and grant funding. These funds are expected to continue and even increase in future years based on current opportunities and trends over the past several years.

RECOMMENDATION

Steering Committee approved additional office space and direct SBCCOG staff to work with broker to amend current lease.

Lease Cost Comparison (10-9-19)

Current Lease 5,817 ft² Annual Cost \$150,078

FY 19/20 Lease Budget \$153,336

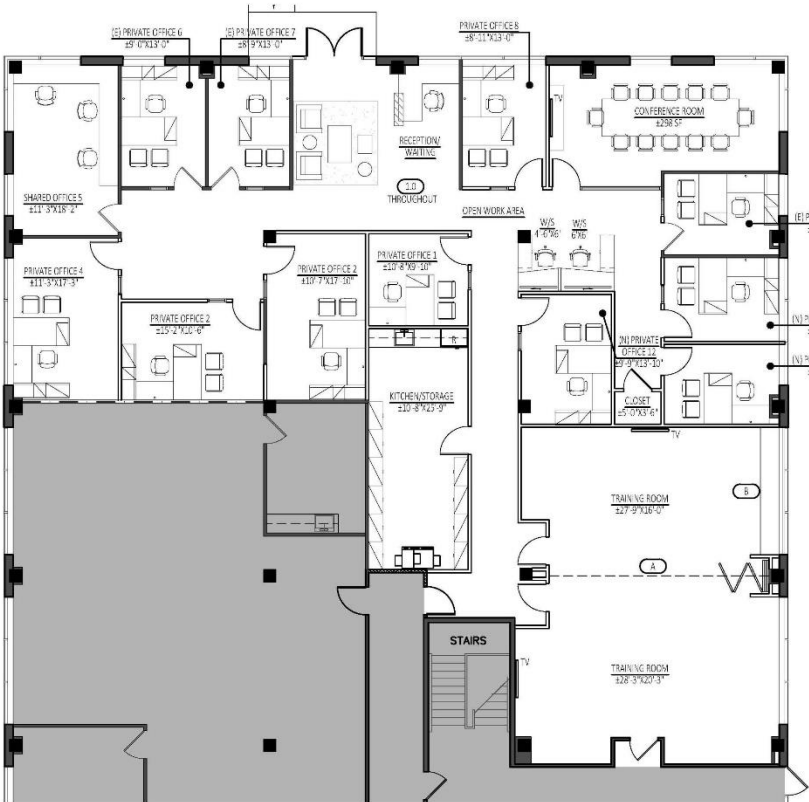
4,459 ft² Commencement Date through	Month	Year
12th full calendar month:	\$10,478.65	\$125,743.80
13th – 24th month:	\$10,793.01	\$129,516.12
25th – 36th month:	\$11,116.80	\$133,401.60
37th – 48th month:	\$11,450.30	\$137,403.60
49th – 60th month:	\$11,793.81	\$141,525.72
61st – 63rd month:	\$12,147.63	\$145,771.56

5,265 ft² Commencement Date through	Month	Year
12th full calendar month:	\$12,372.75	\$148,473.00
13th – 24th month:	\$12,743.93	\$152,927.16
25th – 36th month:	\$13,126.25	\$157,515.00
37th – 48th month:	\$13,520.04	\$162,240.48
49th – 60th month:	\$13,925.64	\$167,107.68
61st – 63rd month:	\$14,343.41	\$172,120.92

Difference 806 ft²	Month	Year
12th full calendar month:	\$1,894.10	\$22,729.20
13th – 24th month:	\$1,950.92	\$23,411.04
25th – 36th month:	\$2,009.45	\$24,113.40
37th – 48th month:	\$2,069.74	\$24,836.88
49th – 60th month:	\$2,131.83	\$25,581.96
61st – 63rd month:	\$2,195.78	\$26,349.36



Current lease configuration
4,459 ft²



Proposed configuration
5,265 ft²