

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/15)

Fiscal Year 16	Business Unit 7320	Department Public Employment Relations Board	Priority No. 2
Budget Request Name 7320-002-BCP-DP-2016-GB		Program 6070	Subprogram N/A

Budget Request Description
 Los Angeles Regional Office Relocation

Budget Request Summary

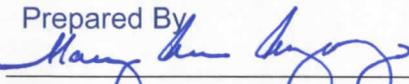
The Public Employment Relations Board's Los Angeles Regional Office, currently located in Glendale, is not compliant with the Americans with Disabilities Act (ADA). PERB requests \$100,000 General Fund one-time costs for moving to an ADA-compliant building and ongoing funding of \$117,000 for increased rent.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR SPR Project No. Date:

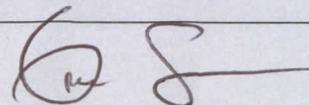
If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By 	Date 12.16.2015	Reviewed By 	Date
Department Director 	Date 12.16.2015	Agency Secretary 	Date 1.4.16

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA  Date submitted to the Legislature 1/7/16

BCP Fiscal Detail Sheet

BCP Title: Los Angeles Regional Office Relocation

DP Name: 7320-002-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5304 - Communications	0	10	0	0	0	0
5324 - Facilities Operation	0	117	117	117	117	117
5346 - Information Technology	0	20	0	0	0	0
5368 - Non-Capital Asset Purchases - Equipment	0	22	0	0	0	0
539X - Other	0	48	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$217	\$117	\$117	\$117	\$117
Total Budget Request	\$0	\$217	\$117	\$117	\$117	\$117

Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	217	117	117	117	117
Total State Operations Expenditures	\$0	\$217	\$117	\$117	\$117	\$117
Total All Funds	\$0	\$217	\$117	\$117	\$117	\$117

Program Summary

Program Funding						
6070 - Public Employment Relations Board	0	217	117	117	117	117
Total All Programs	\$0	\$217	\$117	\$117	\$117	\$117

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A. Budget Request Summary

The Public Employment Relations Board's Los Angeles regional office, currently located in Glendale, is not compliant with the Americans with Disabilities Act (ADA). PERB requests \$100,000 General Fund one-time costs for moving to an ADA-compliant building and ongoing funding of \$117,000 for increased rent.

B. Background/History

The Public Employment Relations Board (PERB) is responsible for maintaining labor harmony between the state's public employers and its approximate 2.3 million employees. It does this by administering and enforcing the state's eight labor-relations statutes. In enacting these statutes, the Legislature sought to "promote full communication between public employers and their employees by providing a reasonable method of resolving disputes regarding wages, hours, and other terms and conditions of employment between public employers and public employee organizations." (Cal. Gov. Code § 3500.)

In performing its mission, PERB functions as an administrative quasi-judicial body. It investigates violations of state labor law, conducts informal settlement conferences and formal hearings (akin to civil trials), and issues written decisions that adjudicate disputes between public employers and their exclusive representatives. On July 1, 2012, State Mediation and Conciliation services transferred, along with its 13.0 positions, to PERB from the Department of Industrial Relations to complement the promotion of harmonious labor/management relations. PERB's functions are integral to maintaining labor harmony throughout California's state and local agencies, schools, colleges and universities, courts, and other publicly-funded programs.

PERB operates three regional offices, in addition to its Sacramento headquarters, and each regional office is designed to hold formal hearings. The Los Angeles Regional Office remains the office with the largest workload and a growing number of constituents. PERB has occupied the Glendale office space since March of 2009, and as the current lease comes to a close, the Department of General Services (DGS) ADA Committee deemed the building non-compliant and informed PERB that the agency cannot remain past the soft term of the lease, which expires February 2017.

Resource History
(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2 ¹	PY - 1	PY
Authorized Expenditures	5,971	6,233	8,312	8,749	9,049
Actual Expenditures	5,775	6,102	7,680	8,230	8,767
Authorized Positions	40.0	40.0	53.1	55.1	57.1
Filled Positions	35.6	35.0	45.7	45.7	51.5
Vacancies	4.4	5.0	7.4	9.4	5.5

C. State Level Considerations

PERB's duties require interaction with public employees and employers of the state, and the agency must have a neutral location that is accessible to all constituents and employees. Meeting ADA standards is a legal requirement.

D. Justification

PERB's Los Angeles Regional Office is not ADA compliant. The public areas outside of the primary suite of operation do not meet standards outlined in the Americans with Disabilities Act. The elevator, restrooms, and path of travel all hold the potential to limit or harm individuals with disabilities. Prospective buildings that meet these standards are estimated at a rate that, in addition to relocation costs, cannot be absorbed within PERB's current appropriation. Given the decision of the DGS ADA Committee and the impending

¹ Effective July 1, 2012, Senate Bill 1038 moved SMCS within PERB, which increased PERB's staffing levels by 13 positions.

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termination of the lease in February 2017, the Los Angeles Regional Office move must occur in budget year 2016-17.

ADA compliance is vital to PERB's function given the necessary interaction with the public, especially in the Southern California area served by the Los Angeles Regional Office, which has the largest, and growing, number of constituents of all three PERB Regional Offices. PERB's mission is to administer the eight collective bargaining statutes covering many of California's employees, which requires holding conferences, hearings, and other meetings with constituents. PERB facilities must accommodate any and all needs of those constituents, or employees, who are classified as disabled in order to act as a neutral quasi-judicial body.

The existing Los Angeles Regional Office lease was for 5,408 square feet. PERB leased an additional 625 square feet within the same building in February 2015 to accommodate heavy workload for hearing schedules that were overlapping and needing to be extended out on the calendar for lack of space. The concern for space has also grown as it became necessary to convert the only staff conference room to an office when one Attorney position was added to accommodate Los Angeles Regional Office's backlog in Los Angeles-area cases in 2014-15. PERB first attempted to accommodate the growth by borrowing other hearing rooms in State buildings and offices around the Los Angeles area, but the logistics made it difficult to do so. The additional space contains a third hearing room and a break out room, and is used for hearings where there are fewer parties, and where security concerns are minimal due to its remote location.

PERB hearing rooms are designed so that there is a public entrance and a secure entrance for the judges to exit into the secure "employee only" area. Because hearings heard at this level have typically exhausted many levels of appeal even prior to reaching PERB, security is a priority and CHP is regularly scheduled to assist. Hearing rooms also double as overflow meeting rooms for public ballot counting, and when mediation or conferences takes place and there are a large number of parties involved.

This request includes space for additional office space and one additional hearing room/break out room combination for a total of 7,756 square feet (Attachment C). Obtaining this square footage will allow PERB adequate office space for current and proposed staffing increases and current hearing workload volume to reduce case backlogs. It will also create an increase in PERB's rent costs.

The current rent rate of \$3.50 per square foot with 6,171 net usable square feet creates an annual rent expense of approximately \$259,000. The proposed rent rate of \$2.85 per square foot with 7,756 square feet increases the annual rent expense to approximately \$265,000. Additionally, DGS estimated occupancy costs with amortization of tenant improvements over the 48-month firm-term of the lease at 6.50% interest that adds \$1.19 to the base rent for a total rate of \$4.04 per square foot (\$50 per square foot for a total of \$387,800 See Attachment B). Annual rent will total approximately \$376,000 for fiscal year 2016-17. In comparison to the current rent rate, PERB will experience an increase of approximately \$117,000 in 2016-17 rent costs.

E. Outcomes and Accountability

Approval of this proposal would allow PERB to lease an ADA-compliant space and set up all necessary security, data, and communication systems as well as necessary standard office equipment. Staff would have sufficient office and meeting spaces to perform duties more effectively and efficiently, and disabled employees and constituents would no longer face the difficulties caused by a building that fails to meet ADA standards.

F. Analysis of All Feasible Alternatives

1. Recommended Alternative

\$100,000 one-time funds and \$117,000 ongoing

Move: July 2016

- Accommodate any needs a disabled constituent or employee may have that ADA standards would alleviate
- Provide adequate meeting space to conduct conferences and hearings with constituents
- Favorable rent rates

The requested funding would accommodate increased lease rates, moving costs, and necessary tenant improvements for the selected office building. All monies would originate from the General Fund. This alternative would be the most effective and reduce both case backlog and the possibility of PERB failing to accommodate staff or constituents with disabilities.

2. Alternative Two

Postpone the Move

- Not ADA compliant for an additional fiscal year
- Take no action until lease expires February 2017
- Conduct another site search
- Present BCP for fiscal year 2017-18
 - Conduct office move immediately upon receiving funds
- Staff struggle with inadequate space for an additional fiscal year
 - Case backlog increase
- Lease would terminate before enactment of budget

The soft term of the lease does not expire until February of 2017; therefore, the problem could remain unsolved until then. However, the lease would end before the enactment of the budget, causing PERB to either reduce necessary spending and/or staffing in order to fund moving costs, or attempt to negotiate an extension with the facility and the ADA Committee.

3. Alternative Three

Re-Allocate Workload

- Continued failure to meet ADA standards
- Move portion of Los Angeles' cases to Headquarters
- Constituents travel from southern California to Sacramento
 - Delays in scheduling
 - Increased travel time and costs

Those involved in hearings and conferences must be able to coordinate time off from work in order to travel to and from, and participate in PERB meetings. Increased travel time and costs is likely to deter constituents and cause further delay in the scheduling and conduction of conferences and hearings. This alternative would reduce the effectiveness of PERB's mandates and cause PERB to not fulfill its mission of promoting labor peace in the public sector.

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G. Implementation Plan

There has been an ongoing site search that was narrowed down to two locations in early December 2015. Negotiations on site selection are anticipated to continue for two or three more months. From March through June 2016, some preliminary design work will take place and be paid within existing resources to ensure that the site being selected will fit PERB's specified needs. It is anticipated that the lease will begin July 2016.

H. Supplemental Information

The proposal includes funds for the transport and set up of equipment, data, communications, and security:

Attachment A - RESD Cruise Request (Form 9) with DOF approval and Form 10, which details each moving and rent expense listed in this proposal.

Attachment B - Estimate of Occupancy Costs as approved by the Real Estate Services Division of DGS and DOF.

Attachment C - DGS-approved Program Data report for the move, detailing space and security requirements.

I. Recommendation

Approve funding requested to facilitate PERB's relocation to an ADA-compliant building.

The current lease expires in February 2017 and the DGS ADA Committee has prohibited PERB from remaining in the current building past the soft term of the lease.

New office sites currently in consideration meet all of the agency's needs and ADA building standards. By performing the move now and providing employees with adequate space for staff, meetings with constituents, and allowing adequate time and funds to complete the transition smoothly, facilities will not be a deterrent to PERB's ability to effectively fulfill its duties and mandates.

STATE OF CALIFORNIA
SPACE ACTION REQUEST
 REVISED APRIL 1, 2011 V.2

RESD CRUISE REQUEST

CRUISE FORM 9

FOR RESD USE ONLY

State of California, Department of General Services
 Real Estate Services Division (RESD)
 707 Third Street, West Sacramento, CA 95605 (IMS Code Z-01) (916) 376-1800

REQUEST ID NO. 24569	ABMS/ PROJECT NO. 139750
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NAME OF REQUESTING STATE AGENCY Public Employment Relations Board		DATE SUBMITTED TO RESD 12/17/2014
AGENCY CONTACT PERSON Mary Ann Aguayo	CONTACT NUMBER(S) PHONE: (916) 322-3112 FAX: (916) 327-7955	AGENCY 5-DIGIT BILLING CODE 31004
MAILING ADDRESS TO WHICH DOCUMENTS SHOULD BE SENT 1031 18th Street Sacramento, CA 95811	E-MAIL ADDRESS maguayo@perb.ca.gov	LEASE FILE NUMBER / SPACE ASSIGNMENT NO. 5994-001
NAME OF UNIT TO OCCUPY SPACE Los Angeles Regional Office	PROJECT COUNTY(S) LOS ANGELES	REQUESTED COMPLETION DATE 08/02/2015

CURRENT ADDRESS OF UNIT (Include room number) IF NOT CURRENTLY HOUSED, PLEASE EXPLAIN:

700 N. CENTRAL AVENUE GLENDALE, CA 91203

1. ACTION REQUESTED / PROJECT TYPE:
New Leased Space

2. ABMS PROJECT TITLE:
PERB-New Leased Space-LARO Relocation

3. PROJECT DESCRIPTION/COMMENTS:
New space due to existing leased space not being ADA compliant and need additional space for increased in staffing

4. REQUESTED LEASE TERMINATION DATE: 12/01/2015

5. TYPE OF SPACE TO BE LEASED / OCCUPIED

Ownership: <input type="checkbox"/> DGS-OWNED <input type="checkbox"/> SUBLEASE <input checked="" type="checkbox"/> NO PREFERENCE	Space type(s) : <input checked="" type="checkbox"/> OFFICE <input type="checkbox"/> STORAGE/WAREHOUSE <input type="checkbox"/> LAB <input type="checkbox"/> LAND <input type="checkbox"/> OTHER (Trailer, Boat Dock, Radio Site, etc.)	Occupancy Type(s): <input type="checkbox"/> EXISTING CONSTRUCTION <input checked="" type="checkbox"/> PERMANENT <input type="checkbox"/> TEMPORARY (Less than one year) <input type="checkbox"/> NEW CONSTRUCTION
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6. CURRENT OCCUPANCY STATUS OF SUBJECT UNIT

<input type="checkbox"/> DGS-OWNED <input type="checkbox"/> AGENCY-OWNED <input checked="" type="checkbox"/> LEASED <input type="checkbox"/> NOT HOUSED	CURRENT AREA OCCUPIED 6,171 SQ. FT.	CURRENT RENTAL RATE	
		\$3.60 COST PER SQ. FT.	\$21,604.72 PER MONTH \$259,268.64 PER YEAR
EXPIRATION DATE OF CURRENT LEASE: February 28, 2017		CURRENT LEASE CANCELABLE AFTER July 31, 2015 ON 30 DAYS NOTICE.	

7. STAFFING (Attach Form 4083 for new space, addition to space, lease extension, lease renewal, alterations)

TOTAL NUMBER OF EMPLOYEES INVOLVED	CURRENT	5 YEARS	SPACE NEEDED	ESTIMATED SQUARE FEET	PARKING REQUIREMENTS:	
See program data			OFFICE	7,756	<input checked="" type="checkbox"/> New <input type="checkbox"/> Additional <input type="checkbox"/> No Change <input type="checkbox"/> None	
			STORAGE / WAREHOUSE		STATE CARS	0
			LAND		PUBLIC	20
					EMPLOYEE (See Gov. Code 14677)	13

8. LEASE REQUIREMENTS

LEASE TERM	STARTING DATE	ENDING DATE	FIRM TERM	RENT TO INCLUDE
96 Months	12/01/2015	11/30/2023	48 Months	<input checked="" type="checkbox"/> JANITORIAL <input checked="" type="checkbox"/> UTILITIES <input type="checkbox"/> SECURITY GUARD SERVICE <input type="checkbox"/> NONE

9. SPECIAL OPERATION REQUIREMENTS / LOCATION PREFERENCE

PREFERRED LOCATION: CITIES: Glendale, Burbank, Pasadena COUNTIES: Los Angeles	SPECIFY DAYS AND HOURS OF OPERATION IF OUTSIDE OF 7:00 AM - 6:00 PM.
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Explanation of parking needs and how parking is currently accommodated in current location. Explain who pays what and the total current cost for parking.

Low cost parking is needed for the public to attend the hearings. Low cost parking is also desirable for employee parking.

Explain one-time costs and how they will be paid for if not to be amortized in lease; e.g., moving costs; furnishings; telecommunication systems; equipment; data processing equipment, acquisition, installation and cabling; special tenant improvements. Tenant improvements will need to be amortized and a BCP approved.

If no budget augmentation is deemed necessary, explain how net additional cost (one-time and lease costs) will be paid for (redirection from what allotments, fund sources, and programs).

PERB anticipates that with current favorable lease rates, the needed space can be leased without incurring additional ongoing funds. Funding for tenant improvements is necessary.

Is a purchase option being contemplated for this project?
No

Where major increases in costs are indicated, a cost analysis should be included to further clarify the request. If necessary, attach supporting documents. Also indicate specifically what effect a denial of this request will have upon your program responsibilities. Further information may be requested by RESD.
n/a

Indicate specifically what effect a denial of this request will have upon your program responsibilities. Further information may be requested by RESD.
PERB is currently struggling to carry out its mission due to severe space limitations.

18. AGENCY APPROVAL

The delegated agency officials affixing their approvals below, certify that all fiscal impacts, staffing information, and justification (included herein and on the attached Program Data, Estimate of Occupancy Cost, and/or Space Planning Data forms, as necessary) relating to this request are accurate, complete, and are based on either: (Specify A or B).

A - Actual staffing approved in the most recent budget B - As approved by the Department of Finance

DEPARTMENT BUDGET OFFICER	NAME, TITLE, DIVISION	DATE
▷ (same)		
AUTHORIZED APPROVER	NAME, TITLE, DIVISION	DATE
▷ Mary Ann Aguayo	Mary Ann Aguayo, Chief Admin Officer	2-9-2015

19. FINANCE APPROVAL (Required if a budget augmentation is required within the term of the proposed lease.)

The Department of Finance reviews the CRUISE 9 and Form 10 for programmatic need and consistency with the Statewide Asset Management Plan. We defer to the Department of General Services to ensure that the terms and conditions of any associated lease comply with all constitutional and statutory requirements.

The Department of Finance hereby authorizes the RESD to proceed with this request.

APPROVAL OF DELEGATED DEPARTMENT OF FINANCE OFFICIAL	NAME AND TITLE, DIVISION	DATE
▷		

**Form 10
Attachment A
Public Employment Relations Board
Glendale, California
Project #139750**

Existing Location Costs:

The current annual rent for the Public Employment Relations Board (PERB) located at 700 N. Central Avenue, Glendale, California is \$ 259,256.64 (6,171 net usable square feet x \$3.50 x 12 months). This includes all operating costs.

New Location Costs:

PERB intends to occupy approximately 7,756 net usable square feet of new leased space in Los Angeles County to accommodate current staff requirements and projected staff growth. Market rent for office space is estimated at \$2.85 per usable square feet including \$20.00 per square foot of tenant improvement allowance. The tenant improvements for this requirement are estimated at \$70.00 per square foot and it is our intention to amortize the additional \$50.00 per square foot over the 48-month firm term of the lease at 6.50% interest. The amortization of tenant improvements will add \$1.19 to the base rent of \$2.85 resulting in a total rent of \$4.04 per square foot. Therefore, the anticipated annual rent for the project is \$376,010.88 (\$4.04 x 7,756 sf x 12 months). Annual rent increases are estimated at 3% per year.

One Time Estimated Expense:

Moving expense

PERB estimates moving costs to be \$ 8,000.00

Telephone expense

PERB estimates the cost for the purchase, installation, and to activate telephone services to be \$ 10,000.00

Data expense

PERB estimates the cost for equipment, installation, vendor services and activation to be \$ 20,000.00

Supplies expense

PERB estimates the cost of supplies at \$ 2,000.00

Furniture expense

PERB estimates the cost to reconfigure and install existing Modular Systems Furniture at \$ 20,000.00

Security System

PERB estimates the cost to install the security system at \$ 40,000.00

State of California

Department of General Services
Real Estate Services Division

ESTIMATE OF OCCUPANCY COSTS

Instructions:

Submit in full detail with all Space Action Requests, REED space program, when the action requested requires Department of Finance approval.

NAME OF REQUESTING AGENCY	Public Employment Relations Board
NAME OF UNIT TO OCCUPY SPACE	Los Angeles Regional Office
PRESENT ADDRESS /RENT/TERM	700 N. Central Avenue, Glendale, CA 91203
AGENCY CONTACT PERSON	Mary Ann Aguayo
TELE:	(916) 322-3112
FAX:	(916) 327-7955

PROJECT DESCRIPTION PERB needs to relocate as the existing space cannot accommodate current staffing requirements and is not ADA compliant

EXISTING LOCATION COSTS (In thousands)	SUCCEEDING FISCAL YEARS												
	* Fiscal Year 14/15	Current	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
Annual Rent 6,171 s.f. @ \$3.60	\$259	\$259	\$259	\$259	\$259	\$	\$	\$	\$	\$	\$	\$	\$
Operating Expenses													
One-time Expenses													
Facility Up-Grades													
Program Up-Grades													
Parking													
Other													
Total	\$259	\$259	\$259	\$259	\$259	\$	\$	\$	\$	\$	\$	\$	\$

NEW LOCATION COSTS	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
Annual Rent 7,759 s.f. @ \$4.04 /s.f. X 12	\$376	\$387	\$399	\$411	\$	\$	\$	\$	\$	\$	\$
Proposed annual increase 3.00%											
Operating Expenses Included in rent											
Moving Expenses See attachment A	8										
Telephone See attachment A	10										
Data See attachment A	20										
Supplies See attachment A	2										
Furniture See attachment A	20										
Parking											
Other Security Syst See attachment A	40										
Total	\$476	\$387	\$399	\$411	\$	\$	\$	\$	\$	\$	\$

Total Increase \$217 \$128 \$140 \$152 \$ \$ \$ \$ \$ \$ \$ \$

Source of Funds:
 General 100 % Federal % Special %
 Other %

* Complete only if existing space is an option: 1) Modular Systems Furniture etc.; 2) Alterations for seismic, fire & life safety, asbestos abatement projects, etc.; 3) Cable / telephone systems, alterations, etc.; 4) Miscellaneous -- identify.

COMMENTS: (Use additional sheets as necessary)
 See Attachment A for existing and new location costs

I certify that all data and estimates provided are accurate to the best of my knowledge, and this project is consistent with any applicable regional strategic plan.

Agency Budget Officer: Mary Ann Aguayo <i>MAA</i>	Date: 2/19/2015	Phone No.: 916.322.3112
RELPS Planner: Richard Sonnenleiter <i>RS</i>	Date: 2/6/15	Phone No.: 916.375.4072
RELPS REO: Alka Singh <i>AS</i>	Date: 2/6/15	Phone No.: 916.375.4079
RELPS Planning Manager: Debbi Gable <i>DG</i>	Date: 2/6/15	Phone No.: 916.375.4132
RELPS Area Manager: Jim McNearney <i>JM</i>	Date: 2/6/15	Phone No.: 916.375.4107
RELPS Asst. Chief: Patti Joseph <i>PJ</i>	Date: 2/6/15	Phone No.: 916.375.4141

(Please type or print names and initial)

The Department of Finance hereby authorizes the Real Estate Services Division to proceed with this request.
 DOF Budget Analyst: *[Signature]* Date: 4/20/15 Phone No.: (916) 322-2263