

CITY OF LOS ANGELES

CALIFORNIA

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May 28, 2020

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

Attention: Armando Bencomo, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NEW LEASE WITH ISAHQ DEEB DBA PAZZA PASTA AT MARVIN BRAUDE RETAIL MALL IN VAN NUYS

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with Isahq Deeb dba Pazza Pasta for the operation of a fast-casual restaurant in Space B at the Marvin Braude Retail Mall located at 6262 Van Nuys Blvd in Van Nuys.

BACKGROUND

Five of the seven retail suites at the Marvin Braude Retail Mall have been vacant for several years due to a string of business failures. Council District 6 requested a new Request For Proposal (RFP) be issued to revive this location and increase pedestrian activity with customer based retail businesses serving the local community and Civic Center visitors.

An RFP was issued by GSD Real Estate Services in June 2018 and generated three proposals which resulted in two signed leases. Isahq Deeb submitted a new proposal in February 2020. The proposal was reviewed by a committee consisting of representatives from the Council District 6 office in an advisory capacity, Los Angeles Department of Transportation, and GSD Real Estate Services. Isahq Deeb was awarded Suite B to operate an Italian fast-casual restaurant based on his business background, financial strengths, and capability to add a valuable service to the community. The RFP will continue to remain open until all vacancies are filled.

Isahq Deeb has over 15 years of combined management experience in the restaurant industry and will incorporate locally sourced high-quality ingredients to serve pasta, pizza, sub sandwiches, and salads on lunch and dinner menus. He will also provide catering services and utilize technology for marketing, coupons, ordering, and mobile payments. Isahq Deeb also plans to be active in the local community by participating in event sponsorships as well as and donating to local charities.



TERMS AND CONDITIONS

The lease is for 10 years with two five-year extension options. This lease will generate \$32,418 annually to the General Fund with three percent annual escalations throughout the agreement. The tenant will be responsible for tenant improvements and utilities. A complete set of terms and conditions are outlined on the attached term sheet.

MARKET ANALYSIS

Based on recent market analysis, market rents of similar type properties and uses in the Van Nuys submarket of Los Angeles ranges from \$1.50 - \$2.46 per square foot (PSF) + tenant's proportionate share of operating expenses, property tax, and insurance (triple net).

Isahq Deeb proposed a rental rate of \$1.50 per square foot for use of Suite B. This falls within current range of comparable properties in the area. A new restaurant will be beneficial for the Van Nuys Government Center and immediate surrounding areas due to limited restaurant options for employees and guests.

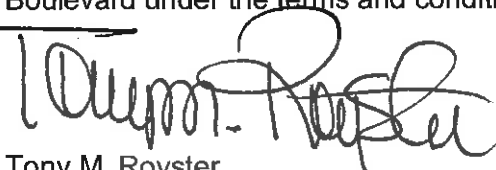
Location	Rental Rate	Rentable Square Footage	Lease Type
6217-6225 Van Nuys Blvd	\$2.46	1,200	Modified Gross
6310-6318 Van Nuys Blvd	\$2.00	4,500	Modified Gross
6405-6407 Van Nuys Blvd	\$1.50- \$2.00	2,260	Triple Net
6551 Van Nuys Blvd	\$1.50	1,500	Modified Gross
14624 Victory Blvd	\$2.00	950	Undeclared

FISCAL IMPACT

The revenue from this lease will generate revenue of approximately \$32,418 annually to the General Fund along with escalations throughout the license term.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate and execute a new lease agreement with Isahq Deeb to operate a fast-casual Italian restaurant in Suite B of the Marvin Braude Retail Mall at 6262 Van Nuys Boulevard under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet

LEASING TERM SHEET

MFC DATE

LANDLORD

ADDRESS

TENANT

ADDRESS

LOCATION

AGREEMENT TYPE

USE

SQUARE FEET

TERM

RENT START DATE

LEASE START DATE

OPTION TERM

HOLDOVER

SUBLET/
ASSIGNMENT

TERMINATION

RENTAL RATE

ESCALATION

RENTAL ABATEMENT

ADDITIONAL RENT

PROPERTY TAX

OPEX

CAM

OTHER

SECURITY DEPOSIT

MAINTENANCE/
REPAIR

MAINTENANCE/
REPAIR DETAILS

TENANT
IMPROVEMENTS

PARKING

UTILITIES

CUSTODIAL

SECURITY

PROP 13
PROTECTION

INSURANCE
(City)

INSURANCE
(Landlord)

OTHER: