

CITY OF LOS ANGELES  
CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
GENERAL SERVICES  
ROOM 701  
CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
(213) 928-9555  
FAX No. (213) 928-9515

July 30, 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 FAME ASSISTANCE CORPORATION  
FOR A COUNCIL DISTRICT EIGHT FIELD OFFICE**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease for a Council District 8 (CD-8) field office with the FAME Assistance Corporation (FAME) located at 1968 W. Adams Blvd, Los Angeles, CA 90018.

**BACKGROUND**

In July 2018 the CD-8 Constituent Center (CSC) located at 8475 S. Vermont Ave, a City-owned facility, began an extensive renovation of the entire 16,000 square foot (s.f) building. Both occupants, CD-8 and the Los Angeles Department of Building and Safety (LADBS), completely vacated the building for the construction. The City identified temporary office space to satisfy the short-term needs of both departments and executed a two-year lease with FAME. The LADBS portion of the CSC is now complete so they will move back to the CSC before September 30, 2020 when the current lease with FAME terminates.

CD-8 requests to remain in their current space under the new lease as the location has proved to be beneficial for the CD-8 constituents in the northern part of the district. The new lease reduces the leased space from 4,300 s.f. to 1,698 s.f. due to the departure of LADBS from the basement floor.

**TERMS AND CONDITIONS**

The lease term is for five years with one five-year extension option. The lease can be terminated by the City with a 60-day written notice based on Council election results or change in district boundaries. The lease also includes two basement level storage units, approximately 280 sf for \$3,360 annually and four parking spaces included at no additional cost. The landlord will cover



all utilities, maintenance, custodial and property taxes in this full-service gross lease. A complete set of terms and conditions are outlined on the attached term sheet.

### **TENANT IMPROVEMENTS**

CD-8's space on the ground floor was recently repainted and remains in good condition. Therefore, no additional funding for tenant improvements are needed for the new lease.

### **MARKET ANALYSIS**

Based on recent market analysis, the price per s.f. for similar locations and type of office space range from \$1.75 - \$3.00 per square foot (PSF) with modified-gross leases. This lease has a price per s.f. of \$2.00, a reduction from the \$2.40 the City pays under the current lease. This price reflects a full-service gross lease, meaning that operating costs are included, and is within the acceptable range of comparable properties.

Location	Rental Rate	Rentable Square Footage
<b>1968 S Adams</b>	<b>\$2.00</b>	<b>1,698</b>
1746-1752 W Adams	\$1.92 - 2.21	2,850
3228 W Jefferson Blvd	\$2.35	3,937
3150-3160 W Olympic	\$2.00 – 3.00	3,200
4077 W Pico Blvd	\$1.75 – 2.00	5,200
2523-2525 W Washington Blvd	\$1.76 – 2.79	2,100

### **FISCAL IMPACT**

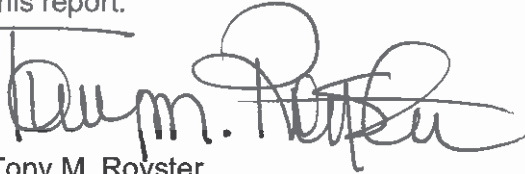
No additional funding will be needed from the General Fund to finance this lease in the current year if a \$12,136 re-appropriation is made from the existing Tenant Improvement funds encumbered against the current contract.

The new lease will have a monthly cost of \$3,676 or \$44,112 annually for both office and storage. The total projected FY 20/21 expense for the existing and new leases is \$64,506 (three months of the current rate and nine months of the new rate). The remaining \$12,136 can be covered by surplus Tenant Improvement funds encumbered against the current lease contract.

GSD will request on-going annual funding in the department's budget request.

**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 with FAME Assistance Corp at 1968 W. Adams Blvd for a CD-8 Field Office under the terms and conditions substantially outlined in this report.

A handwritten signature in black ink, appearing to read "Tony M. Royster". The signature is written in a cursive style with a horizontal line above it.

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	None
MAINTENANCE/ REPAIR	Landlord  
MAINTENANCE/ REPAIR DETAILS	Landlord responsible for Building Structure, HVAC, Electricity, Elevators, Water, Janitorial Services
TENANT IMPROVEMENTS	None
PARKING	4 spaces for staff. Visitor parking is free
UTILITIES	Included in Rent
CUSTODIAL	Included in Rent
SECURITY	City to provide as needed
PROP 13 PROTECTION	Other Included in Rent
INSURANCE (City)	City shall indemnify and hold harmless Landlord
INSURANCE (Landlord)	Landlord will maintain insurance required by City's Risk Management
OTHER:	Landlord will provide access to use the large conference room at least 3 times per year at no charge.