

CITY OF LOS ANGELES
CALIFORNIA

Agenda Item No. 2

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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August 27, 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 AUTHORIZATION TO NEGOTIATE AND EXECUTE
A NEW LEASE WITH 1609 WESTWOOD & COMPANY
FOR A PARKING ADJUDICATION OFFICE**

The Department of General Services (GSD) requests authorization to negotiate and execute a new lease with 1609 Westwood & Company (Landlord), a California corporation, for the Department of Transportation's (LADOT) West Los Angeles (LA) Adjudication Office located at 1575 Westwood Blvd., Los Angeles, CA 90024 (Westwood).

BACKGROUND

On June 24, 2014 City Council approved a new lease (CF 14-0718) between LADOT and the Landlord, which commenced April 1, 2015 and expired on March 31, 2020. LADOT currently occupies a portion of the second floor of the office space at Westwood on a month-to-month status.

LADOT's Adjudication Office allows citizens to contest parking citations and appeal determinations that were rendered during initial administrative review. Hearing officers meet with the public, review evidence, receive testimony, and send written decisions to contestants. LADOT has three hearing offices located strategically throughout the City to benefit customer access.

The office at Westwood serves the West LA constituency and is an ideal location due to its proximity to public transportation and access to major freeways.

LADOT is requesting a short-term lease in order to access their long-term office needs.



TERMS AND CONDITIONS

General terms are for a three-year lease retroactive to April 1, 2020, with two one-year extensions. LADOT has requested four additional parking spaces for a total of \$16,800/yr. (7 spaces X \$200/sp. X 12 mo.). The landlord is also no longer including custodial & electrical utility costs in the base rent. The additional charges amount to \$9,600 annually for custodial services (\$800/mo.) and \$12,000 annually for electric utility (\$1,000/mo.). A complete set of terms and conditions are outlined on the attached term sheet.

TENANT IMPROVEMENTS

The current space is adequately maintained and remains in good condition, therefore, no additional funding for tenant improvements is needed for the new lease.

MARKET ANALYSIS

Based on a recent market analysis of price per square foot (sf) for similar location and type of office space, the comparative price per sf range is from \$2.75 to \$3.85. This lease has a price per sf of \$2.75 and is within the low end of the range of comparable properties.

Property Address	Avg. Rent/SF/Mo	Total Available Space (SF)
1575 Westwood Blvd	\$2.75	2,500
1651 Westwood Blvd	\$2.75	5,717
1642 Westwood Blvd	\$2.98	5,647
1650 Westwood Blvd	\$3.45	4,123
1626 Westwood Blvd	\$3.64	1,100
1550 Westwood Blvd	\$3.85	1,680
Average:	\$3.24	3,461

FISCAL IMPACT

The lease is currently funded in the FY19-20 budget for \$6,704 monthly or \$80,443 annually. Additional funding of \$46,902 will be needed from the General Fund to finance this lease in the current year.

FY 20-21 Funding - Westwood			
	Current	Revised	Additional Required
Rent	\$73,243	\$83,119	\$9,876
Parking*	\$7,200	\$14,400	\$7,200
Electrical Utility		\$12,000	\$12,000
Custodial Services		\$9,600	\$9,600
Retro Payment**		\$8,226	\$8,226
TOTAL	\$80,443	\$127,345	\$46,902
*FY20-21 – Three months at \$600/mo. and nine months at \$1,400/mo.			
**Includes Apr.-June '20 Retro Rent, Custodial Services and Electric Utility charges.			

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

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 lease with 1609 Westwood & Company under the terms and conditions substantially outlined in this request for the Department of Transportation's West Los Angeles Adjudication Office located at 1575 Westwood Blvd., Los Angeles, CA 90024.



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	n/a
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Other See 'Maintenance/Repair Details' section below.
MAINTENANCE/ REPAIR DETAILS	Landlord shall repair/maintain Building/Building Systems and any/all improvements at solely their own costs, including, but not limited to basic and routine maintenance and repairs throughout the Building.
TENANT IMPROVEMENTS	None
PARKING	\$1,400/mo. (Seven (7) Spaces at \$200/space) beginning at lease execution.
UTILITIES	\$1,000/mo. paid by Tenant
CUSTODIAL	\$800/mo. paid by Tenant
SECURITY	See 'Other:' Section Below (2)
PROP 13 PROTECTION	Landlord will NOT provide Prop 13 protection.
INSURANCE	City shall indemnify and hold harmless Landlord
OTHER:	<p>Termination: a) Lease Termination Date to coincide with initial 3-year term, unless terminated earlier by mutual agreement or extended as provided in lease; b) Any extension(s), thereto, are subject to termination without cause, a follows: -If by City, upon thirty (30) days written notice, and; -If by Landlord, upon six months ' (6 months') written notice.</p> <p>SECURITY: Security Measures. Landlord, at its own cost and expense, shall provide security measures on the Property at a level that is necessary to ensure the safety of Tenant and visitors thereto.</p>