

CITY OF LOS ANGELES

CALIFORNIA

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April 11, 2024

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

Attention: Jason Lopez, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A
TERMINATION AGREEMENT WITH LANKERSHIM LOS ANGELES
APARTMENTS, LLC FOR AN EXISTING OFFICE LEASE AT
5240 LANKERSHIM BOULEVARD, NORTH HOLLYWOOD, CA 91601**

The Department of General Services (GSD) requests authority to negotiate and execute a lease termination agreement with Lankershim Los Angeles Apartments, LLC (Landlord) for the early termination of an existing office lease for space within a privately-owned building located at 5240 Lankershim Boulevard, North Hollywood, CA 91601. This location is being utilized as a district office for Council President Krekorian which is located in Council District 2 (CD2).

BACKGROUND

In 2013, CD2 executed an office lease (C-121870) with Laemmle NoHo, LLC for an initial term of five (5) years with two, five-year options to extend. CD2 is in their last five-year option term which is due to expire in 2028. During the pandemic, Lankershim Los Angeles Apartments, LLC purchased the building with the intent to redevelop the property into a mixed-use multifamily development. As such, CD2 has been asked to relocate their current office with the Landlord paying reasonable costs associated with the office relocation. CD2 is the last remaining office tenant at the site. The Landlord presented terms and conditions to the City for early termination of their lease.

In October 2023, the City executed a new lease agreement for CD2 (C-144446) at 5250 Lankershim Boulevard, North Hollywood, CA 91601. CD2 has moved into temporary swing space at this location while their new district office is under construction, which is scheduled to be completed in April 2024. During this interim time, CD2 continues to serve the constituents of the District.



TERMS AND CONDITIONS

After negotiating with the Landlord, the City is seeking to terminate this lease early and accept \$270,608 in compensation, with no rent obligations once the termination agreement is finalized. GSD and the Landlord negotiated on the \$270,608 figure based on the initial relocation costs. Upon the termination date, the Landlord shall pay the City a termination fee in the amount of \$270,608.00, provided that the City has surrendered possession of the Premises, which occurred on April 2, 2024.


FISCAL IMPACT

The Citywide Leasing Account will be initially increased by \$270,608 upon the receipt of the termination fee payment. This funding will be used to offset relocation costs associated with vacating the property, therefore, there is no additional impact to the General Fund.

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 termination agreement with Lankershim Los Angeles Apartments, LLC to terminate the existing office lease at 5240 Lankershim Boulevard, North Hollywood, CA 91601, under the terms and conditions set forth in this report.
- Authorize the deposit of settlement funds in the amount of \$270,608 into the Citywide Leasing Account Department 63, Fund 100, Account 000025.



Tony M. Royster
General Manager