

## CITY OF LOS ANGELES

CALIFORNIA

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GENERAL MANAGER  
AND  
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MAYOR

DEPARTMENT OF  
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July 25, 2024

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

Attention: Jason Lopez, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A THIRD AMENDMENT  
TO LEASE (C-122349) AT 4125 CRENSHAW BLVD. FOR THE  
LOS ANGELES POLICE DEPARTMENT SOUTH TRAFFIC DIVISION**

The Department of General Services (GSD) requests authority to negotiate a third amendment for two additional six-month options to extend lease C-122349. The lease is for the Los Angeles Police Department, South Traffic Division (South Traffic) located at 4125 Crenshaw Blvd, Unit 193, at the Baldwin Hills Crenshaw Plaza Shopping Center in Council District 8. This amendment will be with the new property owners - HAAS BHCP Property Owners, LLC, a Delaware limited liability company.

**BACKGROUND**

South Traffic has occupied the Baldwin Hills Crenshaw Plaza Shopping Center since 1989. However, between 1989 and 2012, the City had been paying \$1 per year in lease costs. After considerable renovation to the complex the landlord was no longer able to provide the space at \$1 per year.

The First Amendment to this contract, dated August 30, 2017, provided a three-year term with two (2) one-year options that expired September 30, 2022. The Second Amendment extended the term with options through September 30, 2025, which have been exercised. On August 20, 2021, the interests of the Baldwin Hills Crenshaw Plaza Shopping Center were transferred from Capri Urban Baldwin, LLC, a Delaware limited liability company to HAAS BHCP Property Owners, LLC.

Additional options at this site are needed while the long-term or permanent replacement location is being identified and built out for South Traffic Division's needs. The request to negotiate and execute an agreement for the replacement location will be submitted by GSD in a separate report.



**TERMS AND CONDITIONS**

The proposed terms and conditions for this Third Amendment are to extend for an additional two, six-month options. The first is from October 1, 2025 through March 31, 2026 and the second from April 1, 2026 through September 30, 2026. The monthly rental rate is currently \$1.62 per square foot (per sf), with annual escalations at 3% built into the proposed two, six-month extension options. A complete set of terms and conditions are outlined on the attached term sheet.

**MARKET ANALYSIS**

The per sf in the current market for this type of leased space ranges from \$1.85 to \$3.85. The current rental rate is \$1.62 per sf per month. This is considered below market rate as compared to properties in the area with relatively similar square footage. The proposed base rate under this proposed amendment begins at \$1.67 per sf per month reflects a full-service gross lease and is within the acceptable range for comparable office space in the area.

<b>Location</b>	<b>Property Type</b>	<b>Rent Rate PSF</b>	<b>Rentable Square Feet</b>	<b>Lease Type</b>
1130 K St.	Office	\$ 3.00	2,002	Full-Service Gross
925 L St.	Office	\$ 3.85	1,214	Full-Service Gross
830 K St.	Office/Retail	\$ 3.00	1,596	Full-Service Gross
921 11th St.	Office	\$ 3.00	1,255	Full-Service Gross
1121 L St.	Office	\$ 3.85	1,289	Full-Service Gross
<b>Average Rental Rate</b>		<b>\$ 3.34</b>		


**FISCAL IMPACT**

The rental increase for this second amendment is \$1,010.52, and equates to a 3% increase from \$33,669 per month to \$34,679 per month. There is sufficient funding in the Citywide Leasing Account to cover the cost for this lease.

<b>2024-25 Proposed Lease Costs</b>				
	<b>Monthly Proposed Costs</b>	<b>2024-25 Estimated Expense</b>	<b>2024-25 Budget Funding</b>	<b>2024-25 Estimated Funding (Surplus)</b>
Base Rent	\$34,679	\$416,150		
Utility- Electrical Services	\$500	\$6,000		
Common Area Maintenance	\$170	\$2,040		
<b>TOTAL</b>	<b>\$35,349</b>	<b>\$424,190</b>	<b>\$438,974</b>	<b>\$14,784</b>

**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 Third Amendment to C-122349 with HAAS BHCP Property Owners, LLC, for the continued use of property located at 4125 Crenshaw Blvd, Los Angeles, CA 90008 under the terms and conditions substantially outlined in this report.

  
Tony M. Royster  
General Manager

Attachments: Leasing Term Sheet

## LEASING TERM SHEET

MFC DATE July 25, 2024

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LANDLORD HAAS BHCP Property Owner, LLC

ADDRESS 3650 W. Martin Luther King Jr. Blvd, Los Angeles, CA 90008

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TENANT City of Los Angeles- LAPD South Traffic

ADDRESS 111 East 1<sup>st</sup> Street, Los Angeles, CA 90012

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LOCATION 4125 Crenshaw Blvd, Unit 193, Los Angeles, CA 90008

AGREEMENT TYPE Lease

USE Office Space

SQUARE FEET 21,413 SF of ground floor office space

TERM Up to 12 months

RENT START DATE 10/1/26

LEASE START DATE Upon City Clerk's Attestation

OPTION TERM None

HOLDOVER No Change -Equal to the amount paid during the final month of the Term.

SUBLET/  
ASSIGNMENT No change - Subject to the prior written notice to Landlord

TERMINATION None

RENTAL RATE \$1.67 /PSF

ESCALATION 3% Annually

RENTAL ABATEMENT N/A

ADDITIONAL RENT None

PROPERTY TAX	None
OPEX	None
CAM	None
OTHER	
SECURITY DEPOSIT	None
LANDLORD MAINTENANCE/ REPAIR	No change-Currently, LL responsible for Building Structure unless City is the cause of damage.
TENANT IMPROVEMENTS	N/A
PARKING	No Change -Currently, 32 spaces designated spaces are available.
UTILITIES	City
CUSTODIAL	No Change -Currently, Tenant shall provide, at Tenant's sole cost and expense.
SECURITY	As available, currently the building does not have security personnel
PROP 13 PROTECTION	Landlord will NOT provide Prop 13 protection
INSURANCE (City)	City is self-insured.
OTHER:	
PRINT:	
SIGNATURE:	