

# CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS  
MAYOR

Agenda Item No. 4

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT

DEPARTMENT OF  
GENERAL SERVICES  
ROOM 701  
CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
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February 26, 2026

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

Attention: Adam Lid, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE AMENDMENT  
WITH 888 S. VERMONT AVE., LLC FOR UPDATED TERMS  
AT 888 S. VERMONT AVENUE LOS ANGELES, CA 90026 FOR  
THE LOS ANGELES DEPARTMENT OF TRANSPORTATION**

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The Department of General Services (GSD) requests authority to negotiate and execute a lease amendment with 888 S. Vermont Ave, LLC (Landlord) for additional parking at 888 S. Vermont Los Angeles, CA 90026 for use by the Los Angeles Department of Transportation (LADOT). It will also resolve a one-time cost to resolve LADOT's parking use of additional spaces and will clarify terms for use of recently installed EV chargers.

## **BACKGROUND**

On July 1, 2020, City Council approved a ten-year lease (C-137165) for LADOT at 888 Vermont Ave. for LADOT's Parking Enforcement and Traffic Control Unit (PETCU) that serves the Hollywood Enforcement Area Division. The current facility, which includes office and parking, is strategically located within a three-mile service area that includes Hollywood, Koreatown, Wilshire Center, and MacArthur Park. The need to remain within the Hollywood service area has presented significant challenges in locating suitable lease space within a high-density real estate area due to low vacancy rates, limited parking availability and relatively high rental rates. The lease expires January 2032 and includes two, five-year options to extend.

### **Additional Parking Spaces and Settlement**

LADOT requested additional parking spaces for their operations. However, negotiations with the Landlord have been ongoing due to limitations on site and other tenants' needs resulting in this proposed amendment. Per the lease, the City was able to utilize up to 118 parking spaces, at no charge, with an option for an additional 10-20 spaces allowed at \$150 per space per month.



Since 2020, LADOT has been utilizing up to 35 additional parking spaces, which is 15 more than the 20 additional spaces allowed under the lease. However, those additional spaces were not included in the rental payments due to a misunderstanding between the Landlord and the City. In order to resolve the outstanding payment issue, GSD negotiated with the Landlord for a one-time payment of \$65,000. The initial balance due was more than \$100,000. The Landlord previously advised that the City may use additional parking spaces temporarily while the lease amendments were being finalized.

With a new anchor retail tenant recently moving in, the Landlord advised the City of his need to align its parking commitments to all the tenants at the project. For clarity, this proposed amendment does not amend or affect the office lease portion of the agreement.

### EV Charging Stations

When LADOT moved into the site in 2020, they requested EV chargers to accommodate their EV fleet. Currently, there are 16 EV chargers that were installed by the Landlord. The Landlord will pass through electrical charges on a monthly basis currently estimated at \$1,700 per month. This proposed amendment will clarify that the City shall be responsible for EV charges associated with charging LADOT's fleet.

### TERMS AND CONDITIONS

The proposed amendment will increase the additional parking allowance, which is up to 20 additional spaces, to now up to 35 additional spaces, giving LADOT a total of 153 spaces. The 35 additional spaces will be at \$150 per month with a 3% annual escalation.

The commencement date of the amendment shall be October 1, 2025. The proposed amendment will also resolve the outstanding billing issue and allow a one-time payment of \$65,000 for the additional parking spaces used from 2020 to present. The Landlord has agreed to this one-time amount in recognition of the misunderstanding between the parties.

In addition, approval and funding are being requested for the use of EV chargers estimated at \$1,700 per month.

A complete set of terms and conditions are outlined on the attached term sheet.

### MARKET ANALYSIS

GSD surveyed the market for additional parking to satisfy LADOT's needs. Due to the lack of availability for viable parking in the area and the unique nature of this property with a multi-story parking garage, this site continues to be the best option for LADOT and its operations. Furthermore, GSD determined that \$150 per month per space is within the market rate for parking in the area that was negotiated as part of the original lease.

<b>MARKET ANALYSIS - RENTAL COMPARABLES</b>			
<b>Location</b>	<b>Property Type</b>	<b>Associated Parking Rate</b>	<b>Type</b>
3200 Wilshire	Office	\$205.00	Reserved
3250 Wilshire	Office	\$190.00	Reserved
3255 Wilshire	Office	\$155.00	Reserved
<b>Average Rental Rate</b>		<b>\$183.33/mo</b>	

*Note: Following the initial base year, the proposed rental rate aligns closely with market conditions and falls within 5% of the prevailing average market rate.*

**MAINTENANCE/UTILITIES/LANDSCAPING**

There are no changes regarding maintenance of the office or garage area. It will remain consistent with the existing lease. The Landlord is responsible for maintenance of the EV chargers.

Landscaping shall remain the Landlord's responsibility.

**FISCAL IMPACT**

Funding for this lease is included in the 2025-26 FY General Funded Leasing Account in the amount of \$1,748,550. A one-time payment of \$65,000, additional monthly parking costs totaling \$47,250, and EV charger fees of \$15,300 represent an additional impact to the General Fund with a total proposed increase of \$127,550 for the current FY. GSD will include this amount in the next quarterly status report of the Leasing Account. GSD has confirmed with DOT that it would be ineligible for Special Parking Revenue Fund (SPRF) funding.

<b><i>FY 2025-26 Proposed Amount 888 S. Vermont Ave.</i></b>				
	<b>Monthly Proposed Costs</b>	<b>2025-26 Estimated Expense</b>	<b>2025-26 Budget</b>	<b>2025-26 Estimated Surplus/ (Deficit)</b>
One- Time Payment		\$65,000		
Additional Parking Costs	\$5,250	\$47,250		
EV Charger Fee	\$1,700	\$15,300		
Rent (unchanged)	\$124,592	\$1,495,108		
CAM (unchanged)	\$21,120	\$253,442		
<b>TOTAL</b>	<b>\$152,663</b>	<b>\$1,876,100</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 lease amendment based on the revised terms and conditions with 888 Vermont Avenue, LLC for LADOT use of property located on 888 Vermont Avenue Los Angeles, CA 90005 under the terms and conditions as substantially outlined in this report.



Tony M Royster  
General Manager

Attachment: Term Sheet

## LEASING TERM SHEET

MFC DATE	February 2026
LANDLORD	888 S. Vermont Ave., LLC
ADDRESS	3250 Wilshire Blvd. Suite 1805, Los Angeles, CA 90010
TENANT	City of Los Angeles Department of Transportation (LADOT)
ADDRESS	888 S. Vermont Avenue Suite 200/500, Los Angeles, CA 90005
LOCATION ADDRESS	888 S. Vermont Ave., Los Angeles, CA 90005
USE	Parking and Office - Amendment is for changes to parking provisions only
SQUARE FEET	35 Additional Parking Passes for Unreserved spaces totaling 153 spaces.
EARLY POSSESSION	N/A
TERM	Coterminous with the current Lease that expires January 31, 2032
AMENDMENT COMMENCEMENT DATE	Upon City Clerk Attestation, but effective October 1, 2025
LEASE EXPIRATION DATE	January 31, 2032
AMENDED RENT START DATE	October 1, 2025
RENT	(Parking only) Additional Parking Rent: \$5,250/mo. (35 additional spaces at \$150/each)
AGREEMENT TYPE	Lease
RENT INCREASES	3% annual increase on October anniversary month limited to parking
HOLDOVER	No change from original lease
SUBLET/ ASSIGNMENT	No change from original lease

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### RENEWAL OPTION

NOTICE PERIOD	N/A
TERM	No change from original lease
DATES	No change from original lease
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OPTION RENT / ESCALATION	N/A – no change from original lease
OPTION RENT - RENT SCHEDULE	N/A - no change from original lease
RENT ABATEMENT	N/A - no change from original lease
OPEX - CAM	N/A - no change from original lease
LATE FEE	N/A - no change from original lease
PROPERTY TAX	N/A - no change from original lease
PROPERTY INS.	N/A - no change from original lease
ADDITIONAL RENT	N/A - no change from original lease
MONTHLY PARKING COST	\$150.00/mo. each up to 35 additional passes. The current lease allows for between 10 - 20 additional monthly passes. The amendment will expand the allowance up to 35.
SECURITY DEPOSIT	N/A - no change from original lease
MAINTENANCE/ REPAIR: LANDLORD	N/A - no change from original lease
MAINTENANCE/ REPAIR: TENANT	N/A - no change from original lease
TENANT IMPROVEMENTS: ALLOWANCE/SCOPE	N/A - no change from original lease
UTILITIES	Amendment to add that All EV charging charges will be Tenant's responsibility. Billed monthly by Landlord.
CUSTODIAL / LANDSCAPING	N/A - no change from original lease
SECURITY	N/A - no change from original lease

PROP 13

N/A - no change from original lease

INSURANCE  
(CITY)

N/A - no change from original lease

INSURANCE  
(OTHER PARTY)

- \$5,000,000 per occurrence
- Coverage must include premises, contractual, personal injury, products, fire-legal liability, etc
- The City and its boards/commissions must be named as additional insureds
- Proof of insurance must be provided before possession and upon City's request

OTHER:

\$65,000 Balance payment due as part of amendment, one time payment to Landlord

PRINT:

SIGNATURE: