

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 2

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
(213) 928-9555
FAX No. (213) 928-9515

March 26, 2026

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

Attention: Adam Lid, Legislative Assistant

***REVISED* REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE
A NEW LEASE AGREEMENT FOR THE LOS ANGELES POLICE DEPARTMENT
SOUTH TRAFFIC DIVISION AT 6230 S. GRAMERCY PLACE, LOS ANGELES, CA 90047**

The Department of General Services (GSD) requests authority to amend a previously approved authority to lease. The only revision is to clarify the commencement of the lease term to commence upon the first day of the month immediately following the date that is thirty (30) days after the date of Substantial Completion of Tenant Improvements, delivery of Premises, and Tenant's Acceptance of the Premises, rather than upon City Clerk attestation as was previously approved. This site will be developed for use by the Los Angeles Police Department South Traffic Division (LAPD-SD).

This change is administrative in nature and is intended to align the intended lease term with actual legal and operational occupancy of the premises following construction completion.

BACKGROUND

LAPD-SD is currently in leased mall space wherein the mall is being slated for redevelopment and will no longer be able to accommodate the current use. Attached is the Council approved report authorizing GSD to negotiate and execute a lease for the subject property under the terms and conditions outlined therein (CF No. 24-1037) (Attachment A).

Under the original structure, the lease term commenced upon City Clerk attestation, while rent commencement was tied to the substantial completion of tenant improvements. As lease negotiations progressed and construction sequencing was finalized, GSD identified that this structure could result in the lease term beginning prior to the City's ability to lawfully occupy the premises due to the timing gap between attestation and construction completion.

To ensure the City receives the full benefit of the approved lease term and avoids commencing the lease prior to legal occupancy, GSD is requesting approval of a material clarification to the lease commencement language.



PROPOSED MATERIAL CHANGE

The proposed material change clarifies the commencement of the lease term to align with the City's occupancy of the premises.

Original Term Structure:

The lease term commenced upon City Clerk attestation, while rent commenced upon substantial completion of tenant improvements.

Revised Term Structure:

The lease term and rent commencement shall begin upon the substantial completion of tenant improvements and the issuance of a final or temporary Certificate of Occupancy permitting legal occupancy of the premises, at which time the premises are legally and physically available for the City's use.

This clarification ensures that the lease term does not commence prior to the City's ability to lawfully occupy and utilize the premises. No other material terms of the lease are modified.

TERMS AND CONDITIONS

All previously approved terms and conditions of the lease remain unchanged, including but not limited to:

- Lease term length
- Rental rates and escalations
- Tenant improvement scope and funding structure
- Termination rights
- Option periods
- Fiscal commitments previously authorized by Council

The only provision to change is to clarify the start of the lease term and beginning of rent upon substantial completion as described above.

FISCAL IMPACT

There is no fiscal impact to the General Fund as a result of this clarification.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to amend the lease and rent commencement terms for the proposed lease at 6230 South Gramercy Place as described in this report.



Tony M. Royster
General Manager

0150-12782-0000

TRANSMITTAL

TO The City Council	DATE 9/3/24	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 8

At its meeting held on August 29, 2024, the Municipal Facilities Committee approved the attached report from the Department of General Services (GSD), which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a lease agreement with Gage/St. Andrews Properties, LLC, at 6230 South Gramercy Place for the Los Angeles Police Department’s South Traffic Division (STD).

The term for the lease agreement is 15 years with two five-year options to extend. The landlord will manage the construction of a 25,000 square foot building for the STD. The landlord will upfront the tenant improvement costs of up to \$9 million which will be reimbursed by the City and added to the monthly rent over ten years at an eight-percent fixed rate. The City will have the option to purchase the property in years 12 to 15 of the lease and the purchase price will include the value of the land only.

Fiscal Impact: There is no additional General Fund impact beyond monies authorized for this purpose as part of current year Citywide Leasing Account.


 for Matthew W. Szabo
 City Administrative Officer

MWS:AW:05250026

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



DEPARTMENT OF
GENERAL SERVICES
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KAREN BASS
MAYOR

July 25, 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 NEW LEASE AGREEMENT FOR THE LOS ANGELES POLICE DEPARTMENT
SOUTH TRAFFIC DIVISION AT 6230 S GRAMERCY PLACE, LOS ANGELES, CA 90047**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease agreement with Gage/St. Andrews Properties, LLC for the property at 6230 S. Gramercy Place, Los Angeles in Council District 8 (CD8) for use by the Los Angeles Police Department South Traffic Division (South Traffic).

BACKGROUND

South Traffic's Current Location

Since 1989, the City has leased 21,413 square feet (SF) of office and parking space for South Traffic in the parking level of the Baldwin Hills Crenshaw Mall located at 4125 Crenshaw Blvd. Originally, the lease was \$1 per year but in 2012 a new lease was executed at market rent due to considerable renovations completed at the complex. The 2012 lease was for five years with several extension options. In 2021 the City was advised by the Landlord, HAAS BHCP Property Owner, LLC, that the mall, including the area that South Traffic occupies, is planned for redevelopment. The Landlord agreed to allow six-month extensions, at the Landlord's discretion while the redevelopment plans proceed. Time is of the essence since the current options go through September 2025. A separate report will be submitted to amend the current lease to allow additional extensions through 2026. These proposed extensions will also be at the Landlord's discretion.

Search for A New Site

As GSD searched for alternative locations for lease or purchase to relocate South Traffic it became evident that the market options were very limited for this unique requirement within the geographic area that South Traffic serves. GSD then released a request for proposal to Real Estate Brokerage firms on the CAO's pre-qualified list of firms for real estate services. Cushman & Wakefield (C&W) was the selected firm and a contract was executed in December 2022.



Since South Traffic needs a permanent home and because the tenant improvements (TI) are costly for such a police facility, the Municipal Facilities Committee (MFC) provided direction to GSD to concentrate on properties for purchase, or lease with an option to purchase.

Concurrently, the Bureau of Engineering (BOE) studied an option of building on an existing City property at Southeast Area Police Station and co-locating South Traffic. BOE provided a Rough Order of Magnitude (ROM) cost for three options on that site. (Attachment B)

Survey of Options in the Market

The initial requirement for South Traffic's program includes 25,000 square feet of space in a standalone building that meets Category IV seismic code, as required for a 24-hour emergency center. The new site must be located within LAPD's South Bureau jurisdiction and in close proximity to major freeways. Parking at the building must be secured and accommodate approximately 130 police personnel, 82 fleet vehicles, and 60 staff vehicles – a total of 272 vehicles across different shifts. LAPD determined that a parking area with the capacity for 110 parking spaces (4.4 parking spaces/1,000 SF) satisfied their overall parking needs.

C&W conducted a market survey to identify any existing privately owned sites which met the search parameters. Despite an extensive search, it was concluded that no site within the South Bureau area could fulfill all of South Traffic's space, parking, and adhere to seismic requirements. The search was then expanded to include development opportunities. The sites listed below were shortlisted by LAPD.

Address	Total Building SF	Description
6230 Gramercy Place	129,299 SF	Large land site with approximately 25,000 SF warehouse building. Currently used as an Official Police Garage (OPG). Proposed new location for LAPD.
15001 S. Figueroa St.	148,104 SF	Large industrial building where developer was interested to build-to-suit for LAPD use, but owner sold property to industrial user.
990 W. 8 th St.	35,394 SF	Existing parking garage with 25,000 SF available on top floor for office use but located just outside the boundaries which was not an acceptable location.
3300 W Slauson Ave	55,907 SF	Existing Ralph's Shopping Center which seller elected to sell to a developer for a residential and mixed-use development project.

Option to Build at Southeast Area Police Station Site

The BOE conducted a feasibility study and provided a rough order of magnitude (ROM) estimate to build on the current property site of the Southeast Police station located at 145 W. 108th St. (Attachment B). There are three proposed development options to accommodate a 24,000 SF building, parking for additional 183 vehicles (83 fleet vehicles, 50 personnel vehicles, and 50 motorcycles), in addition to parking needed for the existing Southeast station displaced by the development. The three options are described in Attachment B.

The first conceptual option (L-Shape), which features one building that integrates both the parking structure and office program, is estimated to cost \$113.4 million, and provides 352 parking spaces (302 vehicles and 50 motorcycles). The other two concepts (Wide and Narrow) feature separate

buildings for the offices and parking; these concepts are estimated to cost between \$146.1 million and \$152.8 million and both provide roughly 440 parking spaces (roughly 390 vehicles and 50 motorcycles). BOE recommends either the L-Shape or the Wide concepts for the following reasons: The L-Shape concept achieves the program goals at the lowest cost and, relative to the other schemes, has a reduced impact to the site due to the smaller footprint and ability to maintain existing driveways. The Wide concept provides the greatest amount of flexibility for future growth or expansion of the office building and/or the parking structure.

The timeframe to build out these options are approximately five to five and a half years. A temporary site for South Traffic would need to be identified resulting in additional costs to build out, lease, install infrastructure, and move twice.

LEASE OPTION - 6230 GRAMERCY PLACE

Working with LAPD, GSD identified a three-acre site that will easily accommodate the South Traffic Division. (Attachment D: Site Map) The project is a build-to-suit as the existing structure on site is primarily a shell of a warehouse and OPG lot. The improvements would be amortized into the lease with the City having the option to purchase the property in 12 years. Construction and tenant improvements for this option is expected to be approximately 18 months from execution of the lease.

SITE COMPARISON

	6230 Gramercy Place	145 W. 108th St. (Southeast Police Station)
Building Size	25,000 SF	24,000 SF
Parking Size	129,299 SF	132,000 SF (L-Shape) 163,000 SF (Narrow & Wide)
Construction Timeline	18 months	5-5 ½ years
Initial Costs	<ul style="list-style-type: none"> • Landlord \$9M (reimbursable over 10 yrs) • City \$2M front funding • City \$3.9M (FFE, Comm, etc.) 	Construction \$113.4 M (L-Shape) \$152.8 M (Narrow) \$146.1 M (Wide) *all options require \$3.9 M for FFE, Comm, etc.

TERMS AND CONDITIONS

The proposed Gramercy lease is for 15 years with two (2), five (5) year options to renew at Fair Market Value. The City has the right to terminate the Lease any time after the 10th year of the term, with no termination fee. The Landlord will build a standalone one-story building measuring approximately 25,000 SF located on approximately 129,299 SF of land. Parking for 230 non-tandem vehicle parking spaces within the site is included in the Lease at no additional cost.

The monthly rent for the initial 10 years includes base and additional rent. The base rental rate will be \$1.28 per SF per month (\$15.36 per SF annually) on a Modified-Gross basis and will be subject to fixed annual increases of 3%. The complete terms and conditions are outlined in the attached term sheet. (Attachment A)

PURCHASE OPTION

The City will have a one-time right and option (Purchase Option) to purchase the premises during the initial term, but no sooner than 12 years after the commencement date. The price will be predicated on the fair market value of the property. Additionally, if the Landlord elects to sell the property, the City will have the First Right to Purchase. The purchase price will be based on land value only, since the cost for the improvements will be paid for by the City.

TENANT IMPROVEMENTS

The Landlord will pay for its building architect to create a preliminary space plan based on South Traffic's program requirements. (See Attachment C) The Landlord will also be responsible for any demolition of the existing buildings and site work such as paving, drainage, sewer, landscaping, asphalt, curbs, gutters, fencing, lighting, and other improvements necessary to deliver a clean and usable land site, including but not limited to, any environmental clean-up as may be required to meet code. The Landlord will also be responsible for any electrical work or equipment (transformers, etc.) required to bring electrical service to the Building's panel to meet South Traffic's electrical needs.

The Landlord, in coordination with the City, will design, obtain permits for, and construct a police station building with the requisite number of parking stalls in accordance with the City's approved plans. This will include an overhead carport structure to accommodate approximately 51 motorcycles and equipment. Landlord's work includes installing an eight-foot wrought iron fence with at least two secured entrances with roller gates and with security access compatible with the City's current system.

The Landlord will provide up to \$9,000,000 for reimbursable tenant improvements. Reimbursement will be in the form of Additional Rent amortized over the first 10 years of the lease at a fixed interest rate of 8% costing approximately \$0.84 per SF per month (\$10.13 per SF annually) with no annual increases, totaling \$13,103,380 including principal and interest. The Landlord will provide four (4) months of rent abatement during months two through five of the lease term.

The City will fund \$2,000,000 of tenant improvement costs payable to the Landlord on a pari passu basis, as invoices are delivered to Landlord and progress payments are due with unconditional lien waivers and proof of payment.

MARKET ANALYSIS

Current Market lease comps in the surrounding South Los Angeles submarket range from \$1.11 - \$1.49 PSF/month on an Industrial-Gross basis, which is a 13% year over year increase from 2022. Overall vacancy rates are 2.9% as a result of the increased demand of industrial properties in Los Angeles. There are currently 57 properties under construction market wide, with 31% of the space pre-leased. The starting rate of \$1.28 per square foot for the proposed LAPD site is on the low end of market range for the area. Additionally, the proposed lease is not subject to any operating expenses (other than utilities) or real estate tax pass throughs.

Los Angeles - Industrial Land Comps

	Address	Land SF	Building SF	Base Rent/SF/Month	Free Rent	Term	Annual Escalations	Comments
1	200 Quay Ave. Wilmington	16,000 SF (0.4 AC)	None	\$1.25 Gross	None	12 months	N/A	Overweight Corridor. Concrete yard. Lease signed 9/30/2024 with BR Transport Express.
2	930 Alameda St. Wilmington	53,143 SF (1.2 AC)	6,120 SF	\$1.13 Gross	None	72 months	4%	Port truck yard. Paved and fenced site. LAM3 zoning. 6,120 sf warehouse. Lease signed 7/1/2023 with Mission School Transportation.
3	14521 S Avalon Blvd. Gardena	82,195 SF (1.9 AC)	8,300 SF	\$1.39 Gross (\$1.00 NNN + \$0.39 OpEx)	None	48 months	3%	2,300 sf office and 6,000 sf of other buildings. Asphalt paved lot. Contractor storage yard. Lease signed 8/14/2023 with HHM International.
4	7223 Alondra Blvd. Paramount	98,859 SF (2.3 AC)	None	\$1.11 Gross	1 month	61 months	3.5%	Truck/Trailer Yard. Property had an existing CUP for trucking in place. One – 5 year option at FMV. Lease signed 5/8/2023 with Contractors Cargo.
5	2828 Junipero Ave. Signal Hill	115,675 SF (2.7 AC)	43,774 SF	\$1.49 Gross (\$1.10 NNN + \$0.39 OpEx)	2 months	62 months	4%	Lease signed 6/22/2023 with LAN Logistics.
6	21900 S Alameda St. Los Angeles	181,645 SF (4.2 AC)	None	\$1.46 Gross (\$1.07 NNN + \$0.39 OpEx)	3 months	39 months	4%	Container storage yard. Paved, fenced, and lit. 1,600 office trailer on site. Lease signed 3/15/2023 with JCT.

* For NNN rates we added \$0.39 per SF in OpEx to make Gross equivalent rates.

TEMPORARY LOCATION (IF NEEDED)

A temporary location may need to be identified for South Traffic Division wherein the Division can temporarily be located in its entirety. Bi-furcating the Division is not an option due to the operational impact. GSD is also negotiating with the landlord to provide additional time for the existing lease at their current location.

FISCAL IMPACT

No funding was requested for this new lease in the Citywide Leasing Account Budget for FY 2024-25 as the terms and financial projections were undetermined. However, \$4.73 Million of the surplus from the FY 2023-2024 Citywide Leasing Account will be re-appropriated to offset the first year’s costs. Furniture, moving, IT, antenna, cameras, alarm, etc. costs are projected to total \$3.9 million which will be spread across two fiscal years: \$2,730,000 in FY 2024-25; and \$1,170,000 in FY 2025-26. Also, \$2 million of non-amortized TI funding is needed in FY 2024-25. Base rent for five months of the first fiscal year, less four months of rent abatement (\$662,011), is projected to cost approximately \$165,503. Amortized TI will cost approximately \$1,310,338 annually (for ten years). For the lease year in FY 26, the estimated TI costs are expected to be \$545,974. Utility costs are unknown at this time as this is a new use for the property.

Based on preliminary pricing, the estimated first year rental cost shall be up to \$1,881,477, excluding utilities. The aggregate cost associated with the proposed lease over the 15-year term is \$55,279,419. There is no additional impact to the General Fund Leasing Account for FY 2024-25 as substantial savings from Fiscal Year 2023-24 are being reappropriated which will cover this expense. Additional funding for future fiscal years will be requested through the budget process.

Projected Costs for 3 Fiscal Years				
	Monthly Proposed Costs	2024-25 (One Time TI) Expense	2025-26 Year 1 Estimated Expense	2026-27 Year 2 Estimated Expense
Base Rent	\$165,503		\$827,514	\$2,010,858
Amortized TI	\$109,195		\$545,974	\$1,310,338
Rent Abatement			-\$662,011	
Water, Power, and Trash	TBD		TBD	TBD
Furniture, Moving, Antenna, IT, Cameras, & Alarm Costs (one time)*		\$2,730,000	\$1,170,000	
Non Amortized TI		\$2,000,000		
Total	\$274,698	\$4,730,000	\$1,881,477	\$3,321,196

Assume 18 months construction with estimated completion date of 2/26

Year 1 assumes 5 months of rent costs during FY 2025-26

Year 2 assumes 7 months of base rent and 5 months with 3% escalation

* Costs will be spread across 2 fiscal years

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 agreement with Gage/St. Andrews Properties, LLC for property at 6230 S. Gramercy Place, Los Angeles 90047 for the Los Angeles Police Department South Traffic Division use under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

- Attachments: Attachment A: Term Sheet 6230 S. Gramercy Place
- Attachment B: BoE ROM for SE station for South Traffic
- Attachment C: Proposed site plan for Gramercy
- Attachment D: Site Map

LEASING TERM SHEET

MFC DATE

07/25/2024

LANDLORD

Gage/St. Andrews Properties, LLC

ADDRESS

8600 Rheem Ave. South Gate, CA 90280

TENANT

City Of Los Angeles- GSD

ADDRESS

111 East 1st Street Suite 201 Los Angeles, CA 90012

LOCATION

6230 S. Gramercy Place LA, CA 90047

AGREEMENT TYPE

Modified Gross (Industrial)

USE

Office and Industrial Use for LAPD South Traffic Division

SQUARE FEET

23,537 RSF is the estimated building sf. Total property area accommodates 230 vehicles and 51 motorcycle space - 129,299 land SF

TERM

180 months from Lease Commencement Date

RENT START DATE

1st day following 30 days after "Substantial Completion" of Landlord's Work

LEASE START DATE

Upon City Clerk's Attestation

OPTION TERM

Two (2) renewal options for five (5) years with no less than nine (9) and no more than twelve (12) months prior written notice. The Renewal Option Rent shall be at 100% of Fair Market Value, which definition shall be mutually agreed upon in the Lease.

HOLDOVER	Tenant can remain in the Premises on a holdover basis subject to the existing terms and conditions.
SUBLET/ ASSIGNMENT	<p>Tenant shall have the right to assign or sublease any portion of the Premises subject to the prior written consent of the Landlord.</p> <p>Landlord shall not lease, or consent to a sublease or assignment to any third-party tenant who is in anyway in the business of growing or selling of marijuana, smoking or pipe shops, or any business which its proximity to a Los Angeles Police Department may be prohibited due to the City of Los Angeles's employee's policies & procedures.</p>
TERMINATION	Tenant shall have the right to terminate the lease for all of the Premises at anytime following the Tenth (10th) anniversary of the Commencement Date subject to Tenant first providing Landlord with at least six (6) months prior written notice.
RENTAL RATE	\$1.28/PSF @ 129,299 SF - Modified Gross
ESCALATION	3% Annual increase upon each anniversary of the Rent Commencement Date
RENTAL ABATEMENT	Tenant's obligation to pay monthly Base Rent on the Premises shall be abated for a total of four (4) months applicable toward months 2, 3, 4, and 5 of the Lease Term.
ADDITIONAL RENT	Tenant obligation of up to \$109,194.83/mo. (For 120 months for amortized TI allowance at 8%.)
PROPERTY TAX	Landlord will be responsible for paying, at their sole costs and expense, all real estate taxes and operating expenses (excluding utilities).
OPEX	N/A
CAM	N/A
OTHER	Landlord is responsible for janitorial services to be further defined in the lease as nightly vacuuming of the office area, empty trash, cleaning of the kitchen area, and cleaning and restocking the bathrooms. Scope of work to be further defined in the Lease.

SECURITY DEPOSIT

None

MAINTENANCE/
REPAIR

Landlord to ensure all HVAC, electrical, fire, and life-safety and plumbing systems serving the Premises are in good working condition.

Landlord shall be responsible for any maintenance, repair and/or replacement to such systems as required throughout the term of the Lease.

TENANT
IMPROVEMENTS

LANDLORD'S WORK:

Landlord, at its sole cost and expense, shall be responsible for the following work, to be further defined in the Work Letter.

- o Any demo of the existing buildings and site in accordance with Landlord's site work plans.

- o Any Site Work required in accordance with the plans and , shall be defined as paving, drainage, sewer, landscaping, asphalt, curbs, gutters, fencing, lighting, and other improvements necessary to deliver a clean and usable land site, including but not limited to, any environmental clean up as may be required to meet code, Site work shall not include canopies or other improvements to the land that are specific to Tenant's use.

- o Any electrical work or equipment (transformers, etc) required to bring electrical service to the Building's panel to meet Tenants electrical needs. The building currently has 800 amp, 480v service to the building. Landlord agrees to deliver this capacity in good working order. Any upgrades to this service to meet Tenant requirements shall be reimbursed as outlined in the Tenant Improvement work below. Please note the potential electrical upgrade is included in the estimated reimbursable hard costs below.

- o Any fire life safety infrastructure (pump houses, etc) required to meet code for the existing structures.

- o Any off-site work required to be completed as required by the governing authority.

- o Install an 8-foot wrought iron fence with at least two separate and secured entrances with automatic roller gates including equipment capable of tying into Tenant's key card or key fob access systems for the Building (provided by Tenant) for its parking and Premises as further illustrated in attached Exhibit B herein. The new entrance(s) shall be secured with key card access only for Tenants employees use.

- o Landlord shall ensure that all lights in the parking lots are in good working order and comply with the Tenants outdoor lighting standards.

- o Landlord shall install plants along the perimeter of the building, adjust irrigation at planters away from the windows, and properly

maintain the landscaping throughout the term of the lease, including any option periods.

TENANT IMPROVEMENT WORK:

Landlord, in coordination with Tenant, shall be responsible for designing, permitting, and constructing a police station building and any exterior structures in accordance with Tenant's approved plans and specifications including, but not limited to all base Building improvements, Tenant Improvements, and any Furniture, Fixtures, and Equipment (FF&E) (Project Work) paid for by Landlord and later reimbursed by Tenant (excluding any Landlord Work), however not to exceed Eleven Million Dollars (\$11,000,000) (Project Allowance). Landlord shall amortize the Project Allowance actually incurred over a period of the initial ten (10) years of the Lease Term using an interest rate equal to the lesser of (i) 4.0% over the 10 year Treasury Yield or (ii) eight percent (8%) annual interest rate and Tenant shall pay Landlord such amount in the form of additional Rent.

Tenant shall fund Two Million Dollars (\$2,000,000) of Tenant Improvement costs payable to the Landlord on a pari passu basis, as invoices are delivered to Landlord and progress payments are due with unconditional lien waivers and proof of payment. The terms and structure of the payment shall be specified in the lease document.

The scope of Project Work shall include, but not be limited to, the following:

- o Building core and shell in accordance with Tenant's specifications, including but not limited to, ensure roof and windows are watertight.
- o Any work related to bringing the Building, common areas, and Premises in compliance with codes for Tenant's intended use, including ADA, Title 24, and/or Fire/Life Safety. Project Cost
- o Any mechanical electrical and plumbing systems serving the Premises, other than what's required of Landlord as part of the Site Work.
- o Furnish an overhead carport structure on a portion of the parking area to provide coverage for approximately 51 motorcycles and equipment, as well as, repave and restripe Tenant's parking area with single, non-tandem parking spaces in compliance with ADA and in accordance with Tenant's specifications. Project Cost
- o Furnish restrooms, including but not limited to, new toilet partitions, lavatories, floor tile, counter tops, sinks, and "touchless" faucets, soap dispensers, and hand dryers if needed and in coordination with the Tenants assigned Project Manager.
- o Provide ADA approved gender-neutral restrooms on each floor for the public and separately for Tenant's employees.
- o Install ADA compliant water bottle filling stations on each floor within the public lobbies and employee office areas.

- o Any interior tenant improvements.
- o Purchase and installation of any furniture, fixtures, and improvements, if any allowance remains.

CONSTRUCTION OF THE PREMISES: Landlord shall construct and deliver the Premises in accordance with the terms of the Lease and mutually approved plans per City specification (Final Plans). Landlord, at Tenant's expense, shall engage a reputable Project Manager not to exceed a three percent (3%) management fee, who will bid out the work to at least three (3) reputable General Contractors and the lowest qualified bidder shall be selected, unless otherwise approved in writing by Tenant. Landlord and Landlord's contractors shall be required to comply with prevailing wage requirements under California Labor Code Section 1720 et. Seq. Landlord shall designate, subject to Tenant's reasonable approval, an anticipated date of Substantial Completion of the Project Work (Target Delivery Date). Tenant shall receive a day-for-day abatement for any delays in Substantial Completion past the Target Delivery Date for any reason other than Tenant Delay or Force Majeure delays (to be further defined).

Landlord, at its sole cost and expense, shall pay for its Building Architect to create a preliminary space plan (with pricing notes) based upon Tenant's program requirements, space planning meetings, and reasonable comments/changes by Tenant.

Landlord, as a deduction from the Tenant Improvement Allowance, shall purchase and install a generator in accordance with Tenant's plans and specifications as part of the Tenant Improvements (Generator). Tenant's generator shall be used for its exclusive use and not utilized for any Building life safety requirements which may otherwise be required for the Building.

PARKING

Landlord shall provide Tenant approximately 230 parking parking spaces as may be adjusted pursuant to Tenant's Final Plans in a secured parking lot at the Building at no additional charge. Landlord, at its sole cost and expense, shall repave, restripe, and secure Tenant's parking by installing a wrought iron fence and roller gate (as described above).

Additionally, Landlord shall construct an overhead carport structure on a portion of the parking area to provide coverage for approximately 51 motorcycles and equipment pursuant to Tenant's Final Plan, part of Tenant Improvement Allowance and not Landlord's Work.

UTILITIES

Tenant shall be responsible for all utility costs including gas, electric, trash, sewer and water.

CUSTODIAL

Landlord shall provide janitorial services. Janitorial services are to be provided during hours established by Landlord.

SECURITY

Tenant shall have the right to install its own security system within the Premises, subject to Landlord approval

PROP 13
PROTECTION

Landlord will provide Prop 13 protection. Industrial Modified Gross Lease.

INSURANCE
(City)

City is Self-Insured. City shall indemnify and hold harmless Landlord from and against any and all loss, liability, or expense for claims for injury or damage arising or alleged to arise from the acts or omissions of City or any of its officers, agencies, employees, contractors, licensees or invitees, jointly or severally, in the occupancy or use of the premises.

OTHER:

Landlord will provide to Tenant an American with Disabilities Act (ADA) report(s), asbestos report(s), and any available seismic report(s) for the Building, including structural plans, at Landlord's sole cost and expense. Tenant will not finalize the Lease without Tenant's review and approval of these reports.

Tenant shall have the right to install, at its sole cost and expense, a communications antenna and related equipment in a location to be designated by Tenant and reasonably approved by Landlord in accordance with any applicable laws to Tenant.

PURCHASE OPTION: Any time during the initial term or the option period(s) but no sooner than 12 years after the Commencement Date, Landlord shall grant Tenant the one time right and option (Purchase Option) to purchase the Premises provided that Tenant is not in default of the Lease at the time the Purchase Option is exercised. If Tenant desires to exercise the Purchase Option, Tenant shall deliver to Landlord a written notice of such election. Purchase Price shall be predicated on the fair market value of the Property. The appraisal will be the Fair Market value based on the land value excluding the value attributed to the improvements paid by the City.

FIRST RIGHT TO PURCHASE: In the event Landlord elects to sell the Premises, then Landlord must first send written Notice (Offer Notice) to Tenant providing (i) notice of its intent to sell the Premises, (ii) provide an asking price, plus any unamortized Project Allowance which may be due as of the close of escrow. Tenant then has one hundred and twenty (120) days from receipt of such Offer Notice to respond with either accepting such notice or provide a counter offer. Landlord must either accept or decline such counter offer. In the event Landlord accepts the offer, then Tenant shall have a period of time (to be further addressed in the Lease) to complete its due diligence process and obtain approval from the Los Angeles City Council. In the event Landlord rejects the offer, then Landlord shall have twelve (12) months to go sell the Premises on the open market; however, in the event either (i) the sale

price is less than the amount Tenant was willing to purchase the Premises for or (ii) the twelve (12) month period expires, then Tenant's First Right to Purchase is then reinstated and Landlord must follow the same process as provided above.

PRINT:

SIGNATURE:

Rough Order of Magnitude (ROM) for building costs only Provided by Bureau of Engineering

Summary	L-Shape	Narrow	Wide
Office Building Area	24,000 SF	24,000 SF	24,000 SF
Parking Structure Area	132,944 SF	163,600 SF	163,600 SF
Levels Above Grade	3 Levels + Roof	3 Levels + Roof	3 Levels + Roof
Parking Provided*	352	437	441

Cost Estimate

Pre Design	\$0.7 M	\$0.9 M	\$0.9 M
BOE PM/CM	\$1.3 M	\$1.8 M	\$1.7 M
Consultant Design	\$4.2 M	\$5.6 M	\$5.4 M
Construction w/ Contingency	\$77.2 M	\$104.2 M	\$99.8 M
<i>Demolition</i>	<i>\$1.1 M</i>	<i>\$1.2 M</i>	<i>\$1.2 M</i>
<i>Office</i>	<i>\$24.0 M</i>	<i>\$33.6 M</i>	<i>\$33.6 M</i>
<i>Parking</i>	<i>\$39.2 M</i>	<i>\$52.0 M</i>	<i>\$48.3 M</i>
<i>Contingency</i>	<i>\$12.9 M</i>	<i>\$17.4 M</i>	<i>\$16.7 M</i>
Construction Cost Escalation	\$27.3 M	\$36.8 M	\$35.3 M
Construction related costs	\$2.7 M	\$3.5 M	\$3.0 M
<i>BCA inspection</i>	<i>\$0.6 M</i>	<i>\$0.7 M</i>	<i>\$0.7 M</i>
<i>Materials Testing</i>	<i>\$0.4 M</i>	<i>\$0.5 M</i>	<i>\$0.5 M</i>
<i>1% Art</i>	<i>\$0.7 M</i>	<i>\$0.9 M</i>	<i>\$0.9 M</i>
<i>Permits</i>	<i>\$1.0 M</i>	<i>\$1.4 M</i>	<i>\$0.9 M</i>

Total Project Cost**	\$113.4 M	\$152.8 M	\$146.1 M
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Schedule	5 years total	5.5 years total
Pre-Design	6 months	6 months
Design	1 year	1 year
Bid & Award	6 months	6 months
Construction	2.5 years	3 years
Post Construction	6 months	6 months

PROPOSED PLANS FOR 6290 GRAMERCY PLACE

first floor | SPACE PLAN



Legend

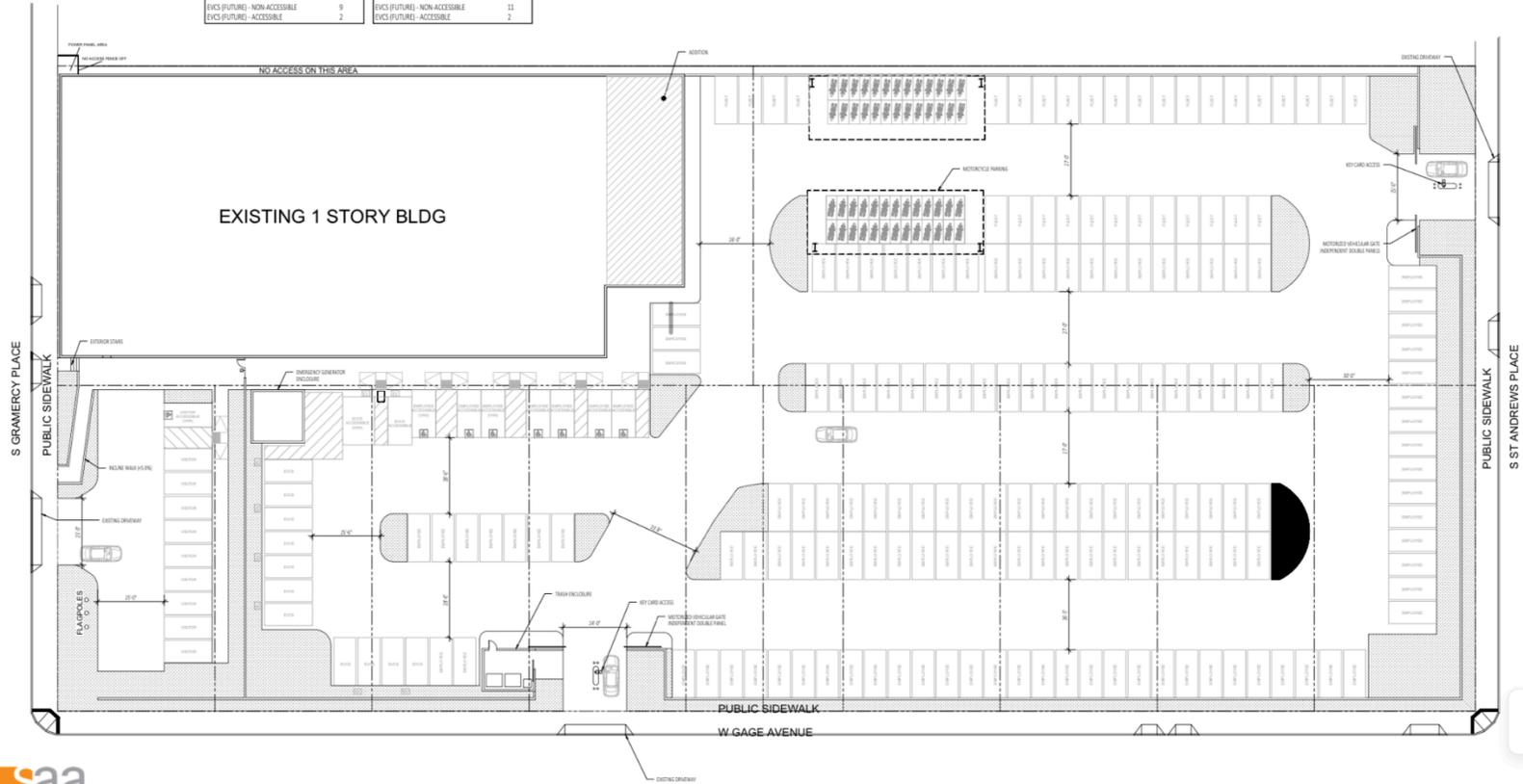
Report writing		Admin office & captain's office	
Watch commander		Detective's office	
Sergeant's office		Community traffic safety (CTSU)	
Cad/i/d office		Officers shared support @ officer entries	
Training office		Public and building support	



PROPOSED PLANS FOR 6290 GRAMERCY PLACE

south traffic division | SITE PLAN

VEHICLE SPACES REQUIRED BY LAPD - 230 SPACES TOTAL		PROPOSED PARKING - 261 SPACES TOTAL	
FLEET PARKING - STANDARD	32	FLEET PARKING - STANDARD	32
FLEET PARKING - MOTORCYCLE	53	FLEET PARKING - MOTORCYCLE	52
EMPLOYEE PARKING - NON-ACCESSIBLE	125	EMPLOYEE PARKING - NON-ACCESSIBLE	147
EMPLOYEE PARKING - ACCESSIBLE	5	EMPLOYEE PARKING - ACCESSIBLE	7
VISITOR PARKING - NON-ACCESSIBLE	5	VISITOR PARKING - NON-ACCESSIBLE	9
VISITOR PARKING - ACCESSIBLE	1	VISITOR PARKING - ACCESSIBLE	1
EVCS (FUTURE) - NON-ACCESSIBLE	9	EVCS (FUTURE) - NON-ACCESSIBLE	11
EVCS (FUTURE) - ACCESSIBLE	2	EVCS (FUTURE) - ACCESSIBLE	2



Proposed Site plan for 6230 Gramercy Place, Los Angeles

