

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 6

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
GENERAL SERVICES
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May 29, 2025

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

Attention: Adam Lid, Legislative Assistant

**REQUEST AUTHORITY TO AMEND A LICENSE AGREEMENT WITH
350 SOUTH FIGUEROA, LLC FOR TEMPORARY EMPLOYEE PARKING AT
350 SOUTH FIGUEROA STREET, LOS ANGELES, CA 90071**

The Department of General Services (GSD) requests authority to negotiate and execute a license agreement amendment (Amendment) with 350 South Figueroa, LLC (Owner) for up to 430 parking spaces at the World Trade Center (WTC) parking garage located at 350 South Figueroa Street, Los Angeles, CA 90071 to expand off-site employee parking for several City departments that currently occupy temporary co-working office space at 444 South Flower Street (Industrious).

BACKGROUND

On June 28, 2024, the City Council adopted a motion (C.F. 24-0646) to authorize GSD to negotiate and execute a license agreement for up to 350 parking spaces with 350 South Figueroa, LLC (Jamison Services, Inc.) to provide supplemental off-site employee parking at the World Trade Center (WTC) parking garage as a contingency plan to potentially replace the current parking agreement C-144995 with Maguire Properties-555 W. Fifth, LLC (Gas Company Tower). This agreement with Maguire Properties is currently terminable by either the licensee or licensor on thirty (30) days' prior written notice in the event that negotiations for the Gas Company Tower (GCT) lease for long-term office space are terminated. Since the City's negotiations with GCT ended in 2024, GSD executed the license agreement with 350 South Figueroa, LLC in mid-May 2025 for employee parking in a different section of the same WTC parking garage as a preemptive measure to avoid any disruption to employee parking.

Under the current Agreement, the City has the right to lease up to 350 parking spaces at the World Trade Center parking garage at a fixed monthly rate of \$185, which includes City Parking Occupancy Tax. This agreement not only provides a contingency for the 175 parking spaces (\$110) under the current month-to-month agreement with Maguire



Properties-555 W. Fifth, LLC but it also allows the City to transition approximately 145 employees (112 General Funded) from on-site parking at Industrious to off-site parking at the nearby World Trade Center in an effort to reduce overall parking costs (\$185 at WTC vs. \$320 at Industrious, resulting in \$135,540 in annual savings).

The City Council approved the extension to the Industrious license agreement, which included the City's near-term plan to reduce the total number of seats for the City departments that currently occupy the Industrious co-working office space, and subsequently approved the assignment of all relinquished seats to the Los Angeles Housing Department (LAHD) in late March 2025. As a result, LAHD requires additional parking spaces for their expansion at Industrious, which is not addressed in the current parking license Agreement.

TERMS AND CONDITIONS

The proposed license Amendment is for a 12-month extension term (Extension Term), which shall take effect immediately upon the parties' execution and delivery of an amendment to the initial Parking License Agreement. The 12-month Term of the initial Parking License and the Extension Term shall be restated as a combined 24-month total term (Restated Term) retroactive to the Commencement Date of the initial Parking License, and shall continue on a month-to-month basis thereafter.

Under the license Amendment, the City shall have the right to a maximum of 430 unreserved parking spaces, which includes the 350 unreserved spaces in the initial Parking License, with a City expansion option to add up to 80 additional parking spaces on 30 days' notice, at the same \$185 per parking pass per month, including Parking Occupancy Tax as the initial Parking License, fixed for the Restated Term. The City may elect to increase (not to exceed the total number of spaces) or decrease the number of parking spaces on 30 days' notice throughout the Restated Term, and the Owner shall have a Limited Owner Termination Right during the last 12 months of the Restated Term only, subject to certain conditions which is detailed in the Other section in the term sheet. A full set of terms and conditions are included in the attached term sheet.

FISCAL IMPACT

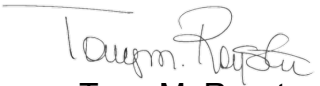
Funding for this parking license was included in the Fiscal Year (FY) 2025-26 General Funded Municipal Leasing Account in the amount of \$231,200 with \$364,080 in projected expenses. However, GF savings in the amount of \$135,540 from transferring 145 (112 GF), more costly, on-site parking passes to this new location will offset the shortfall of \$132,880 shown below. Special Funds from LAHD, EWDD, and CIFD are projected to contribute \$590,520. There is no additional impact to the General Fund at this time.

FY 2025-26 Proposed Parking Costs by Dept. at 350 S. Figueroa						
FUND	DEPT.	350 S. Figueroa Parking Spaces @\$185	Monthly Cost	FY 2025-26 Budget	FY 2025-26 Projected Expense	FY 2025-26 Budget Remaining
GENERAL FUND	OOF	124	\$22,940		\$275,280	
	YDD	12	\$2,220		\$26,640	
	LAHD CIFD, YDD PERS	8	\$1,480		\$17,760	
	CIFD 34%	19	\$3,515		\$42,180	
	SUB TOTAL	163	\$30,155	\$231,200	\$361,860	-\$130,660
*SAVINGS: ON-SITE PARKING						\$135,540
SPECIAL FUND	EWDD + PERS	96	\$17,760		\$213,120	
	CIFD 66%	36	\$6,660		\$79,920	
	LAHD	134	\$24,790		\$297,480	
	SUB TOTAL	266	\$49,210		\$590,520	
TOTAL		429	\$79,365	\$231,200	\$952,380	\$4,880

**Total General Fund (GF) Savings from 112 (GF) On-site parking stalls (@ \$320/ea) and 51 (GF) Off-site stalls (@ \$110/ea) moving to 350 S. Figueroa (@ \$185/ea)*

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate and execute an amendment to the parking license agreement with 350 South Figueroa, LLC for temporary employee parking at the World Trade Center to provide supplemental off-site parking to City departments that currently occupy the Industrious co-working office space under the terms and conditions substantially outlined in this report.


 Tony M. Royster
 General Manager

Attachment: Term Sheet

LEASING TERM SHEET

MFC DATE	May 29, 2025
LANDLORD	350 South Figueroa, LLC
ADDRESS	350 South Figueroa Street, Suite 140, Los Angeles, CA 90071
TENANT	Los Angeles Housing Department (LAHD), Economic and Workforce Development Department (EWDD), Community Investment for Families Department (CIFD), Office of Finance (OOF), and Youth Development Department (YDD)
ADDRESS	350 South Figueroa Street, Los Angeles, CA 90071
LOCATION	World Trade Center, 350 South Figueroa Street, Los Angeles, CA 90071
AGREEMENT TYPE	License Agreement Amendment
USE	Employee Parking
SQUARE FEET	N/A
TERM	12 Months (Extension Term), which shall take effect immediately upon the parties' execution and delivery of an amendment to the initial Parking License agreement. The 12-month Term of the initial Parking License and the Extension Term shall be restated as a combined 24-month total term (Restated Term) retroactive to the Commencement Date of the initial Parking License, and shall continue on a month-to-month basis thereafter. City shall have the right to increase or decrease the number of parking spaces (not to exceed the 430 parking spaces) on 30 days' notice during the Restated Term. Owner shall have a limited termination right (Limited Owner Termination Right) during the Extension Term only (i.e., during the last 12 months of the Restated Term) subject to certain conditions further described under "OTHER" below.
EARLY POSSESSION	N/A
RENT START DATE	5/15/2025
LEASE START DATE	Commencement Date of the initial Parking License. Restated Term will take effect upon the parties' execution and delivery of an amendment for the Restated Term.
OPTION TERM	None
HOLDOVER	Month-to-Month

SUBLET/ ASSIGNMENT	N/A
TERMINATION	24 Months following the Commencement Date of the initial Parking License subject to City termination rights on 30 days' notice to Owner and Limited Owner Termination Right, subject to certain conditions further described under "OTHER" below.
RENTAL RATE	\$185 per parking pass per month (includes Parking Occupancy Tax)
ESCALATION	None
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	None
PROPERTY TAX	N/A
OPEX	N/A
CAM	N/A
OTHER	N/A
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	Landlord is responsible per the initial Parking License.
MAINTENANCE/ REPAIR DETAILS	N/A
TENANT IMPROVEMENTS	N/A
PARKING	Up to a maximum of 430 unreserved spaces, which includes the 350 unreserved spaces in the initial Parking License, with a City expansion option to add up to 80 additional parking spaces on 30 days' notice. City may elect to increase (not to exceed the total number of spaces) or decrease the number of parking spaces on 30 days' notice throughout the Restated Term, and Owner shall have a Limited Owner Termination Right during the last 12 months of the Restated Term only, subject to certain conditions further described under "OTHER" below.
UTILITIES	N/A
CUSTODIAL	N/A
SECURITY	Landlord is responsible per the initial Parking License.

PROP 13
PROTECTION

N/A

INSURANCE
(City)

City is Self-Insured per the initial Parking License.

OTHER:

All remaining terms and conditions not specially mentioned in this Amendment to License Agreement Term Sheet will remain unchanged from the Initial Parking License agreement.

City Partial and Full Termination Rights - At any time during the Restated Term, City shall have a continuing right to terminate parking spaces and the Amendment on no less than 30 days' prior notice to Owner at no cost to the City.

Limited Owner Termination Right - The Owner has determined that the Parking Garage requires seismic retrofit work to comply with the City of Los Angeles Non-Ductile Concrete Retrofit Ordinance (Retrofit Work). The Owner shall have a limited right to terminate the Parking License Amendment during the final 12 months of the Restated Term if the Retrofit Work materially affects parking availability and cannot be reasonably implemented without reducing parking spaces (Limited Owner Termination Right). To maintain transparency, the Owner must provide the City with detailed project information and notifications about the Retrofit Work's milestones before exercising its termination right. Maintaining the City's parking rights under the Parking License Amendment will also take priority over other agreements, except for Owner's existing parking obligations for office tenants in the World Trade Center office building. The Owner will not perform Retrofit Work that unreasonably affects the City's parking spaces and must take steps to mitigate impacts. This includes phasing construction, using alternative methods, and prioritizing the City's parking spaces. In addition, prior to exercising the Limited Owner Termination Right, Owner must prepare a comprehensive Parking Impact Study detailing the Retrofit Work's impact and mitigation efforts, and must be submitted to City at least 30 days before exercising the termination right. Within 10 business days after receipt of this study, the parties will discuss potential alternative solutions and must exhaust feasible mitigation efforts before the Owner's termination right becomes effective. If no solution is found, Owner shall have the right to exercise the Limited Owner Termination Right by providing at least 150 days' prior written notice to City. If the Retrofit Work only reduces parking spaces, the Parking License Amendment will continue with a proportional reduction in Monthly Rent. If Owner terminates the Amendment for all or a portion of the City's parking spaces, and the City chooses not to exercise its continuous option to terminate the Amendment on 30 days' notice prior to the Owner's termination date, the Monthly Rent for each terminated or displaced parking space shall be fully abated for the final 3 months prior to the termination date, to offset the costs incurred by the City in securing alternative parking arrangements for its displaced parking spaces.

PRINT:

SIGNATURE: