

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 5

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

May 6, 2026

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 305, City Hall
Los Angeles, CA. 90012

Attention: Adam Lid, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE
A LEASE AGREEMENT FOR OFFICE OF INSPECTOR GENERAL AT
660 S. FIGUEROA BOULEVARD LOS ANGELES, CA 90017**

The Department of General Services (GSD) requests approval to negotiate and execute a lease agreement for the Office of Inspector General (OIG) at 660 Figueroa Blvd, Los Angeles, CA 90017. This will be a relocation from their current office at 350 Figueroa Boulevard Los Angeles, CA 90012 as their current lease location is being redeveloped for multifamily housing.

After reviewing several opportunities in the market, two locations were considered for this requirement. The first option is located at 700 S. Flower St. The other option is located at 660 Figueroa Blvd., Los Angeles, CA 90017. Both are in Council District 14 (CD14) with close proximity to City Hall and access to public transit, OIG prefers the 700 S. Flower location, however GSD recommends the 660 Figueroa option based on the negotiated deal points.

BACKGROUND

OIG has been located at 350 Figueroa World Trade Center since 2017. Due to the expiration of the lease and the planned redevelopment of the current site by the owner, GSD has been looking to relocate OIG. The current lease expired on March 31, 2026 and is currently on holdover. GSD is working with the current landlord to transition out of their current space. During this period, GSD toured and explored several locations available to lease for OIG and narrowed the options to two sites based on asking rents and required space plans reflecting the most recently updated space standards. GSD engaged each landlords' brokers on non-binding offers based on their needs and current market conditions.



The OIG currently consists of 35 personnel. The following is a listing of personnel classifications provided by OIG.

Current Staffing:

Rank	Total Staff
Inspector General	1
Assistant Inspector General	3
Police Performance Auditor IV	1
Sergeant II	1
Police Special Investigator	20
Police Performance Auditor III	3
Executive Administrative Assistant	1
Secretary	1
Senior Administrative Clerk	2
Systems Analyst	1
Reserve Police Officer (RPO)	1
	34 + 1 (RPO)

The current staff levels and telecommute schedules, which have been approved by the Office of the Mayor, were considered as part of the office relocation. The OIG currently operates under a hybrid work model in which all employees are required to report to the office at least three days per week, consistent with their assigned work schedules. In addition to these regular in-office days, all staff are required to attend in-person, all-staff meetings at least once per month. Beyond these baseline requirements however, many OIG staff report to the office more frequently to meet the operational demands of their respective sections.

Both options listed in this report are for less square footage than the OIG's current location at 350 Figueroa, which is 12,252 Rentable Square Feet (RSF). While GSD recommends 660 Figueroa due to cost, the OIG prefers the 700 S. Flower location. Either option would result in lower rent than the current site. OIG's preferred location at 700 S. Flower has more flexible parking and on-site amenities such as a common roof space for meetings, MTA station, post office and is part of a larger retail complex.

Due to the sensitive nature of the work, OIG must be in a location that is off-site and with enough distance to other LAPD offices or stations but is still within the downtown area for centralized access for officers.

TERMS AND CONDITIONS

The proposed lease term is up to 65 months with one five-year option. There are rent concessions with varying rent abatement for both sites. However, the rate for 660 Figueroa is more competitive than 700 S. Flower.

700 S. Flower

The deal for points for 700 S. Flower (6,918 RSF) includes a 65-month term at \$3.45 per square foot (PSF), or \$23,867.10 per month with 3% annual increases and one 5-year option to extend. This is a full-service gross lease with no operating expenses (OPEX), providing an all-in rent value. In addition, GSD secured five months of free rent (months 2 - 5 and 13). Parking is currently at \$330 per month for unreserved per pass for up to 18 spaces on site with a 5% annual cap on the increase.

660 S. Figueroa

Comparatively, 660 S. Figueroa (6,370 RSF), is offering a 60-month lease with one, five-year option to extend with starting rent at \$2.25 PSF, or \$14,332.50 per month with 3% annual increases and 3.5 months rent abatement. However, there will be OPEX with a 2026 Base Year. The current estimate for the 2027 OPEX is \$0.12 PSF monthly. However, GSD negotiated a 10% cap on controllable costs that would be part of the rent calculation in 2027. Parking is limited on site at \$340 per month per space for up to six spaces which is located on top of the 7th and Figueroa metro station. OIG has stated the limited parking may be challenging but it is still operationally feasible with the metro station and coordinating off-site parking.

Comparatively, the monthly base rent commitments for the first year for the two sites are approximately \$14,332.50 per month for 660 Figueroa and \$23,867.10 per month for 700 S. Flower. For each site, the tenant improvements will be performed by the respective landlord at the landlord's cost.

A set of terms and conditions are outlined on the attached term sheets for each site.

Rent Comparison

Location	Rental Rate (PSF)	Rentable Square Feet	Proposed Monthly Rent	Lease Type
350 Figueroa (Current)	\$2.80	12,252 RSF	\$34,305.60	Full-Service Gross
660 Figueroa	\$2.25	6,370 RSF	\$14,332.50	Full Service Gross w/ a 2026 Base Year \$0.12/psf monthly estimate for 2027.
700 S. Flower	\$3.45	6,918 RSF	\$23,867.10	Full-Service Gross

MARKET ANALYSIS

The price per square foot (sf) current market analysis for this type of space on average is \$2.85 PSF. The per sf cost for the lease at 700 S. Flower is approximately \$3.45 PSF and 660 Figueroa is \$2.55 PSF.

Location	Rental Rate (PSF) Annual	Rentable Square Feet	Lease Type
261 S. Figueroa	\$36.00	5,000 - 7,000	Full Service Gross w/ Base Year
888 W. 6th St.	\$37.80-\$42.00	7,000 - 10,000	Full Service Gross w/ Base Year
835 Wilshire	\$30.00	10,000	Full Service Gross
800 W. 6th St.	\$33.00	6,240 - 6,430	Full Service Gross w/ Base Year
Average Rental Rate	\$34.20 / \$2.85 PSF		

TENANT IMPROVEMENTS

Both options require minimal tenant improvement work and both landlords have agreed to perform the work at no additional cost to the City under the initial term lease. The tenant improvements for the work stations and offices will adhere to the new space standards approved by Council.

The scope of work for the tenant improvements would be the following:

700 S. Flower (Flower) and 660 Figueroa (Figueroa):

Prior to Lease Commencement, Landlord shall (at Landlord's sole cost, choice of materials and labor) make the below improvements to the space.

- Possible build out of an enclosed reception area
- The open area for furniture systems should have sufficient power for cubicles and other office equipment.

FURNITURE, COMMUNICATION AND MOVING EXPENSE

Preliminary estimates based on a rough order of magnitude (ROM) by LAPD's facility team by City vendors at these sites for installation of office furniture and chairs, security equipment and IT for approximately 35 staff are as follows:

Equipment	Scope	Cost
Cameras/Security Equipment:	New camera system with three cameras, 3 card readers and 1 audio/visual camera/intercom:	\$15,000
Furniture	1 conference table & chairs; 4 private office desks/furniture <ul style="list-style-type: none"> ● 700 S Flower: 14 cubicles ● 660 Figueroa: 25 cubicles 	\$180,000
Moving Expenses:	Associated desks for 35 positions; various office furniture; 2 fridges; 1 gigantic conference table; chairs; numerous file cabinets; shelving; 2 large copiers; large number of records in file boxes.	\$35,000
I/T:	36 phones and related equipment; server room; 2 fax lines; computer port installation:	\$170,000

FISCAL IMPACT

Funding for this new lease was projected at \$513,667 for FY 2026-27 in the Citywide Leasing Account.

700 S. Flower

For OIG's preferred option at 700 S. Flower, the total cost is estimated at \$590,829.70 for move-in costs and 12 months of rent. This includes rent of approximately \$23,867 per month or \$286,405 annually, parking at \$23,760 annually, and one-time tenant improvement costs of approximately \$400,000. There is an estimated negative impact of \$77,163 to the General Fund for FY 2026-27.

660 Figueroa

For the option at 660 Figueroa, the total cost is estimated at \$539,166 for move-in costs and 12 months of rent. This includes rent of approximately \$14,333 per month or \$171,990 annually, parking at \$24,480 annually, and one-time tenant improvement costs of approximately \$400,000. There is an estimated negative impact of \$25,499 to the General Fund for FY 2026-27.

GSD will coordinate with the CAO on the Quarterly Status Report to determine if additional funds are needed in the Citywide Leasing Account to cover these expenses.

700 S. Flower

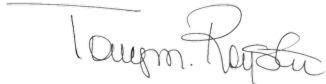
Proposed Fiscal Year 2026-27 Costs at 700 S. Flower				
	Monthly Proposed Costs	2026-27 Estimated Expense (12 mo.)	2026-27 Requested Funding	2026-27 Estimated Shortfall
Rent	\$23,867	\$286,405		
Rent Abatement		-119,336		
Parking (6 spaces)	1,980	23,760		
FFE, Tenant Improvement (One-time cost)		400,000		
TOTAL	\$25,847.10	\$590,829.70	\$513,667	-\$77,163

660 Figueroa

Proposed Fiscal Year 2026-27 Costs at 660 S. Figueroa				
	Monthly Proposed Costs	2026-27 Estimated Expense (12 mo.)	2026-27 Requested Funding	2026-27 Estimated Shortfall
Rent	\$14,333	\$171,990		
Rent Abatement		-\$50,164		
Estimated Operating Expenses (starting in year 2)	\$764			
Parking (6 spaces)	\$2,040	\$24,480		
Parking Abatement		-\$7,140		
FFE, Tenant Improvement (One-time cost)		\$400,000		
TOTAL	\$17,137	\$539,166	\$513,667	-\$25,499

RECOMMENDATION

Authorize the Department of General Services, subject to the approval of the Mayor, to negotiate and execute a lease for the Office of Inspector General at 660 Figueroa Blvd, Los Angeles, CA 90017 under the terms and conditions substantially outlined in this request.



Tony M. Royster
General Manager

Attachments: 700 S. Flower – Term Sheet
700 S. Flower – Site Map
660 Figueroa – Term Sheet
660 Figueroa – Site Map

LEASING TERM SHEET

DATE	April 16, 2026
LANDLORD	NREA-TRC 700, LLC, a Delaware limited liability company, or its affiliate or assignee.
ADDRESS	700 S. Flower LA, CA 90012
TENANT	City of Los Angeles - GSD
ADDRESS	111 East First Street, Room 201, Los Angeles, CA 90012
LOCATION ADDRESS	700 S. Flower St. Ste 2650 LA, CA 90017
USE	Office
SQUARE FEET	6,918 rentable square feet (RSF)
EARLY POSSESSION	30 days prior to Lease Commencement Date
TERM	65 months
LEASE COMMENCEMENT DATE	Upon City Clerk's attestation and mutually agreed date following Landlord's completion of Landlord's Work and Tenant's acceptance of the premises.
LEASE EXPIRATION DATE	65 months from Lease Commencement Date
RENT START DATE	Lease Commencement Date
RENT	Base Rent: \$3.45 PSF - \$23,867.10/mo.
AGREEMENT TYPE	Full Service Gross - no OPEX
RENT INCREASES	3% annual starting month 13, the increase does not apply to months 61 - 65.
HOLDOVER	MTM for the first 3 months at the same rate, then 150%
SUBLET/ ASSIGNMENT	With Landlord approval

RENEWAL OPTION

OPTION	60 months - (1) 5-year option - with 9 months notice but no more than 12 months prior.
DATES	TBD
OPTION RENT / ESCALATION	Up to 10% above then current rent
OPTION RENT - RENT SCHEDULE	See above - Option Rent
RENT ABATEMENT	5 Months - Months 2, 3, 4, 5 and 13
OPEX - CAM	None
LATE FEE	None
PROPERTY TAX	None
PROPERTY INS.	Per the Lease Agreement
ADDITIONAL RENT	Per the current lease, however reset Base Year to 2026
PARKING - NUMBER OF PASSES	Parking ratio is 3:1,000, City may lease up to 18 spaces
MONTHLY PARKING COST	Current parking rate is up to 18 spaces, \$330 for unreserved, the max annual increase shall not exceed 5% annually.
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR: LANDLORD	Landlord responsible for building maintenance for major systems
MAINTENANCE/ REPAIR: TENANT	The City shall only be responsible for maintaining the interior of the Premises excluding major systems
TENANT IMPROVEMENTS: ALLOWANCE/SCOPE	N/A
UTILITIES	Landlord
CUSTODIAL / LANDSCAPING	Landlord

SECURITY

Landlord

PROP 13

N/A

INSURANCE
(CITY)

City is self-insured. Landlord shall also have coverage consistent with the lease per Risk Management's recommendation

INSURANCE
(OTHER PARTY)

To be further defined in the agreement

OTHER:

Landlord work:

Prior to Lease Commencement, Landlord shall (at Landlord's sole cost, choice of materials and labor) make the below improvements to the space.

- Possible build out of an enclosed reception area
- The open area for furniture systems should have sufficient power for cubicles and other office equipment.

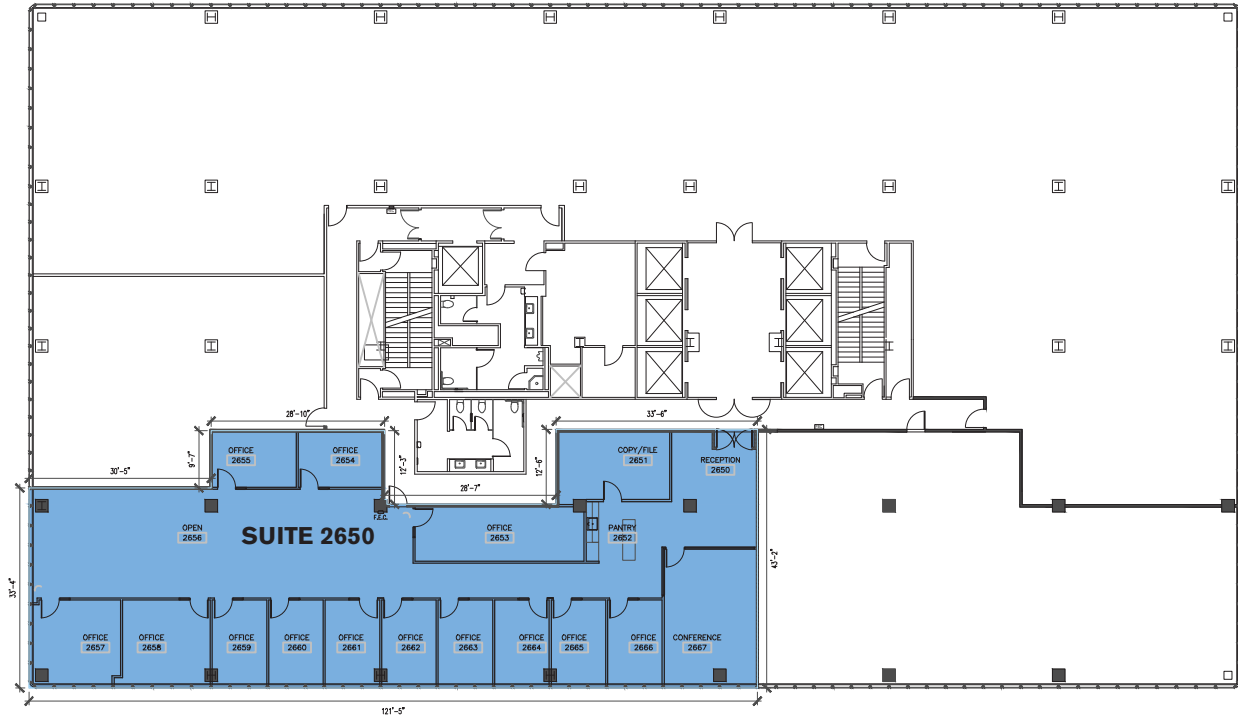
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SIGNATURE:

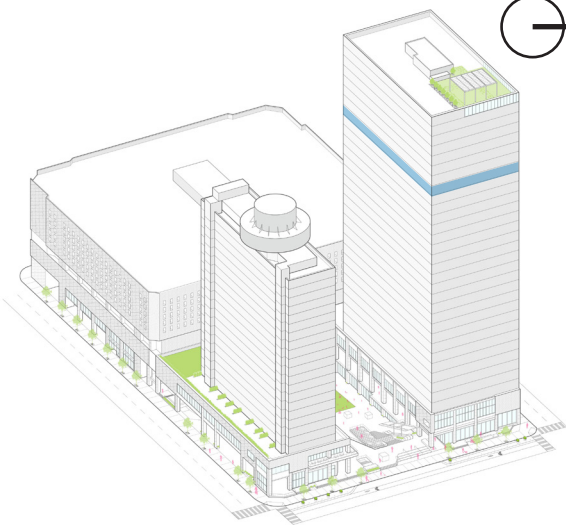
26 FLOOR

SUITE 2650
R.S.F 6,918

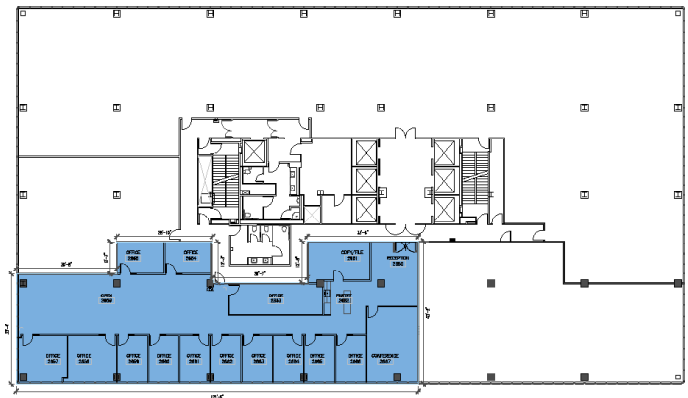
THE BLOC
700 S FLOWER ST
LOS ANGELES CA 90017
LEASING PLAN



SCALE 1/32" = 1'-0" 0 8 16 32 64 ENLARGED PLAN



STACKING DIAGRAM



KEY PLAN N.T.S.

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ADDRESS	660 Figueroa St. LA, CA 90017
TENANT	City of Los Angeles - GSD
ADDRESS	111 East First Street, Room 201, Los Angeles, CA 90012
LOCATION ADDRESS	660 Figueroa - Suite 1900
USE	Office
SQUARE FEET	6,370 rentable square feet (RSF)
EARLY POSSESSION	30 days prior to Lease Commencement Date
TERM	60 months
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LEASE EXPIRATION DATE	60 months from Lease Commencement Date
RENT START DATE	Lease Commencement Date
RENT	Base Rent: \$2.25 PSF - \$14,332.50/mo.
AGREEMENT TYPE	Full-service Gross with a 2026 Base Year, 95% Gross up, OPEX capped at 5% annual increase of controllable costs
RENT INCREASES	3% annual increases starting month 13
HOLDOVER	MTM for the first 3 months at the same rate, then 150%
SUBLET/ ASSIGNMENT	Per lease agreement - With landlord approval

RENEWAL OPTION

OPTION	60 months - (1) 5-year option - with 9 months notice but no more than 12 months prior
DATES	TBD
OPTION RENT / ESCALATION	Up to 12% above then current rent with 3% annual increases
OPTION RENT - RENT SCHEDULE	See above - Option Rent
RENT ABATEMENT	3.5 Months - Months 2, 3, 4 and half of 6 along w parking for the same period.
OPEX - CAM	2026 Base Year, 10% cap of controllables, with 95% Gross up
LATE FEE	None
PROPERTY TAX	None
PROPERTY INS.	Per the Lease Agreement
ADDITIONAL RENT	Per the current lease, however reset Base Year to 2026
PARKING - NUMBER OF PASSES	Parking ratio is 1:1,000, City may lease up to 6 spaces
MONTHLY PARKING COST	Current parking rate is up to 6 spaces, \$340 for unreserved, the max annual increase shall not exceed 5% annually.
SECURITY DEPOSIT	None
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PRINT:

SIGNATURE:



Suite 1900 - 6,370 RSF

