CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
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CITY PURCHASING AGENT

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MAYOR

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June 25, 2026

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

Attention: Adam Lid, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH 2922 S. CRENSHAW BLVD (LA) OZ OWNER, LLC FOR A COUNCIL DISTRICT 10 FIELD OFFICE LOCATED AT 2922 S. CRENSHAW BOULEVARD, SUITE 350, LOS ANGELES, CA 90016

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement with 2922 S. Crenshaw Blvd (LA) OZ Owner, LLC, a Delaware limited liability company (Landlord) for office space for Council District 10 (CD 10) located at 2922 S. Crenshaw Blvd, Suite 350, Los Angeles, CA 90016 (Premises).

BACKGROUND

CD 10 requires a field office to support constituent services and daily operations within a centrally located and accessible area of the district. The proposed location provides strong visibility, access to major transit corridors, and proximity to the surrounding community.

The proposed Premises will support administrative functions, constituent-facing services, and community engagement activities. It meets the requirements for accessibility and ability to accommodate current staffing and operational needs.

TERMS AND CONDITIONS

The proposed lease provides approximately 5,616 rentable square feet (sf) of office space for 33 months, commencing upon City Clerk attestation and a mutually agreed-upon date following the Landlord's completion of required improvements and the City's acceptance of the Premises. The base rent is $4.60 per sf per month, or approximately $25,833.60 with no annual rent escalations during the initial term. The lease includes a three (3) month abatement period to be applied during months two through four of the lease term for rent and associated parking costs.

As this is a modified gross lease, the City shall be responsible for janitorial services and utilities, while the Landlord will provide building services with operating expenses passed through to the

City on a Common Area Maintenance (CAM) basis. Operating expenses are currently estimated at approximately $1.51 per square foot, subject to verification.

The City will have the option to lease up to 15 parking spaces, consisting of 13 unreserved spaces at a monthly rate of $150 per space and two reserved spaces at a monthly rate of $200 per space, as needed for operational purposes. No security deposit will be required.

The proposed lease includes a holdover provision allowing the City to remain on a month-to-month basis at the current rental rate for the first three months, after which the rate shall increase to 150% of the then-current rent. Subleasing or assignment will be permitted with Landlord approval, consistent with standard lease terms.

Additionally, the lease provides the City with one option to extend the term for an additional four years. During the option term, the rental rate shall not exceed three percent (3%) above the then-current rent, and the City's share of controllable operating expenses shall be capped at ten percent (10%) on a cumulative basis, providing cost predictability over the extended term.

As part of the leasehold improvements, the Landlord will construct a demising wall and install a private restroom within the Premises to support City operations.

A complete set of the proposed terms and conditions is outlined in the attached Term Sheet.

MARKET ANALYSIS

A survey of comparable office and mixed-use properties within the Crenshaw Corridor, Mid-City, and West Adams submarkets was conducted to evaluate the proposed rental rate for the subject property. The selected comparables reflect a range of office and retail/office hybrid spaces with similar square footage, location characteristics, and lease structures.

Location	Property Type	Base Rental Rate	Rentable SF	Lease Type
2900 Crenshaw	Office	$4.75	5,200	Modified Gross
3045 Crenshaw	Retail/Office	$4.50	4,800	NNN
5370 Obama Blvd	Office	$4.25	6,000	Full Service
4221 Crenshaw	Office	$4.60	5,500	Modified Gross
2600 S. La Brea	Office	$4.35	7,200	Modified Gross
Average Rental Rate		***$4.49 PSF***		

The proposed rental rate of $4.60 per square foot per month for the subject property is slightly above the calculated market average; however, it remains well within the acceptable range for comparable properties in this submarket.

Properties located directly along Crenshaw Boulevard and adjacent major corridors typically command a premium due to:

- High visibility and accessibility
- Proximity to transit corridors and community-serving uses
- Mixed-use development patterns and reinvestment in the corridor

Additionally, the proposed lease includes three months of rent abatement and no annual rent escalations during the initial term, which offsets the nominally higher base rate and results in an overall competitive effective rental rate.

Based on the surveyed data and the specific attributes of the Premises, the proposed rental rate is considered fair, reasonable, and consistent with current market conditions.

TENANT IMPROVEMENTS

The Premises will be delivered with limited tenant improvements to accommodate the operational needs for a CD 10 field office. As part of the lease agreement, the Landlord will construct a demising wall to clearly define and secure the leased premises and will install a private restroom within the suite.

These improvements are intended to provide functional separation of the space, enhance usability, and support staff operations without requiring significant structural modifications. Beyond the Landlord's scope of work, the City will be responsible for furniture installation, and workspace configuration necessary to meet departmental needs and align with City office space standards.

FURNITURE, COMMUNICATION, AND MOVING EXPENSES

The City may incur one-time costs of approximately $280,000 associated with furniture, fixtures, equipment, communications infrastructure, moving coordination, and operational setup associated with occupancy of the proposed premises. This estimate is based on prior Council Office tenant improvement and office buildout projects of similar size and operational scope.

Potential expenses may include, but are not limited to, workstations, office furniture, telecommunication and network connectivity, Wi-Fi and data infrastructure, cabling, telephone equipment, audiovisual equipment, security/access control systems, moving services, and related operational improvements necessary to support CD 10 operations.

Final costs will be dependent upon approved space plans, operational requirements, ITA coordination, procurement processes, furniture specifications, and any required tenant improvements or technology enhancements identified during project implementation. Funding for furniture, communications, and moving-related expenses shall remain subject to the availability of funds and applicable City approvals.

MAINTENANCE/UTILITIES/LANDSCAPING

Pursuant to the proposed lease terms, the Landlord shall be responsible for maintaining the structural components of the building and all major building systems, including the roof, exterior walls, plumbing, electrical, and HVAC systems, as well as all common areas serving the Premises, in good order and condition. The Landlord's responsibilities include routine maintenance and repairs necessary to ensure the safe and continuous operation of the building.

The City shall be responsible for maintaining the interior of the Premises in good order and repair, excluding major building systems. Interior maintenance responsibilities include routine upkeep associated with occupancy and use of the space.

Utilities servicing the Premises shall be the responsibility of the City. Electricity will be submetered and billed directly to the City, while water service will be included as part of Common Area Maintenance (CAM) charges. The City shall also be responsible for janitorial services, which will be provided by the Landlord and reimbursed by the City in accordance with the lease terms.

Landscaping and maintenance of exterior areas shall be the responsibility of the Landlord and are included as part of the building's operating expenses.

The City may install and maintain security systems within the Premises, as needed to support operations.

FUNDING

Funding in the amount of $303,000 is included in the Fiscal Year (FY) 2026–2027 General Fund Municipal Leasing Account for this lease. The projected amount does not include one-time furniture, moving, and IT costs.

FISCAL IMPACT

The proposed lease costs for this location total $490,585 for FY 2026-27 projecting 10 months of occupancy/rent. Base rent, utilities, janitorial and parking costs are estimated to cost $210,585 including $84,551 of rent and parking abatement credit. The one-time furniture, moving, and IT related costs are estimated at $280,000. With $303,000 budgeted for this lease for FY 2026-27, $187,585 is the estimated unfunded portion. GSD will coordinate with the City Administrative Officer (CAO) through the Quarterly Status Report process to identify any savings within the account which could potentially offset these additional costs. At this time there is no negative impact to the General Fund. Funding for future fiscal years will be requested in the annual budget process.

Proposed Costs for CD 10 Field Office 2922 S. Crenshaw Blvd

	Monthly Proposed Costs	Estimated 2026-27 Expense (10 Mo.)	2026-2027 Budget	2026-2027 Estimated Balance
Rent	$25,834	$258,336		
Utilities + Janitorial	$1,330	$13,300		
Parking Unreserved (13 @ $150) Reserved (2 @ $200)	$2,350	$23,500		
Rent + Parking Abatement (3 mo.)		-$84,551		
Furniture, Moving, & IT One-time costs		$280,000		
TOTAL	**$29,514**	**$490,585**	**$303,000**	**-$187,585**

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 2922 S. Crenshaw Blvd (LA) OZ Owner, LLC, a Delaware limited liability company for a Council District 10 field office located at 2922 S. Crenshaw Boulevard, Suite 350, Los Angeles, CA 90016 under the terms and conditions substantially outlined in this report.

Tony M. Royster
General Manager

Attachments: Term Sheet
Floor Plan

LEASING TERM SHEET

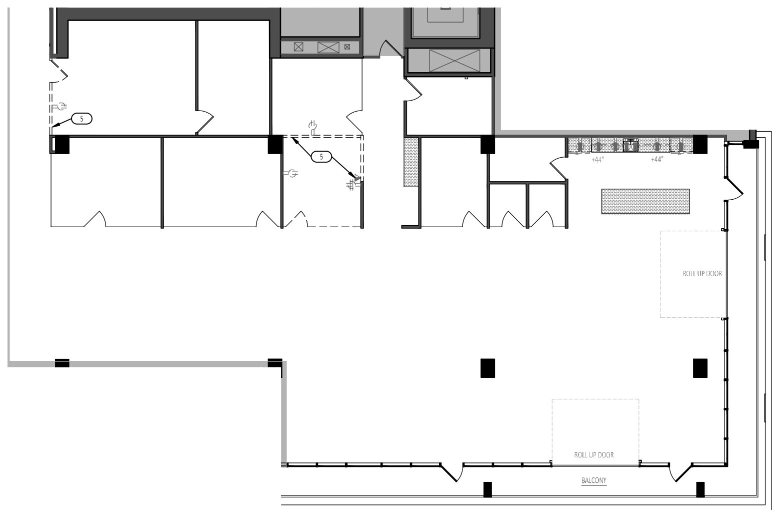
DATE	June 2026
LANDLORD	2922 S. Crenshaw - OZ Owner, LLC
ADDRESS	4700 Wilshire Blvd. LA, CA 90010
TENANT	City of Los Angeles - GSD
ADDRESS	111 East First Street, Room 201, Los Angeles, CA 90012
LOCATION ADDRESS	2922 S. Crenshaw Blvd. Suite 350, Los Angeles, CA 90016
USE	Office
SQUARE FEET	5,616 rentable square feet (RSF)
EARLY POSSESSION	30 days prior to Lease Commencement Date
TERM	33 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	33 months from Lease Commencement Date
RENT START DATE	Lease Commencement Date
RENT	Base Rent: $4.60 PSF - $25,833.60/mo.
AGREEMENT TYPE	Modified Gross - Tenant responsible for janitorial and utilities, remaining OPEX on CAM basis
RENT INCREASES	None
HOLDOVER	MTM for the first 3 months at the same rate, then 150%
SUBLET/ ASSIGNMENT	Per lease agreement - With landlord approval

RENEWAL OPTION

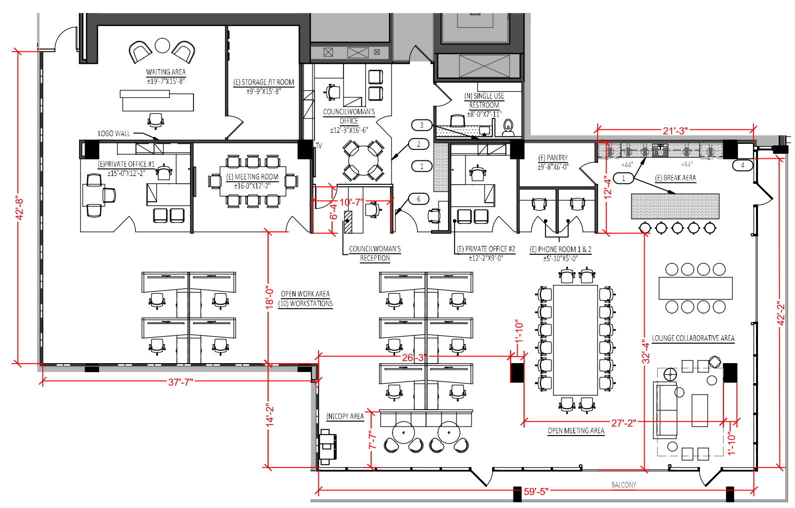
OPTION	48 months - 1 - 4-year option - with 9 months notice but no more than 12 months prior. During the option term, Tenant's controllable OPEX shall be capped at 10% for controllable costs on a cumulative compounding basis.
DATES	TBD

OPTION RENT / ESCALATION	Up to 3% above then current rent
OPTION RENT - RENT SCHEDULE	See above - Option Rent
RENT ABATEMENT	Three (3) Months - Months 2, 3, 4, - parking also abated during this period
OPEX - CAM	\$1.51 PSF (\$.78/psf Tax & Insurance) + \$0.73/psf CAM -LL to confirm prorata share
LATE FEE	None
PROPERTY TAX	See Opex above
PROPERTY INS.	Per the Lease Agreement
ADDITIONAL RENT	2026 Base Year - but passed through year 1 and subsequent lease years for Janitorial and Electric
PARKING - NUMBER OF PASSES	City may lease up to 15 spaces - \$150 Unreserved, \$200 Reserved
MONTHLY PARKING COST	\$150 Unreserved, \$200 Reserved
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	LL to add demising wall and install private restroom. LL to build out brand new spec suite consistent with previous build out
UTILITIES	Electric submetered, Water part of CAM, remaining is Tenant's responsibility

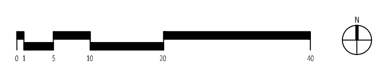
CUSTODIAL / LANDSCAPING	Landlord, Tenant shall reimburse for custodial, which current estimates at $.13/PSF. Landlord responsible for Landscaping.
SECURITY	Landlord, Tenant may install security systems within the premises
PROP 13	N/A
INSURANCE (CITY)	City is self-insured. Landlord shall also have coverage consistent with the lease per Risk Management's recommendation
INSURANCE (OTHER PARTY)	To be further defined in the agreement
OTHER:	
PRINT:	
SIGNATURE:	



2 DEMOLITION PLAN
SCALE: 1/8"=1'-0"



1 SPACE PLAN
SCALE: 1/8"=1'-0"



LEGEND:

- EXISTING PARTITION TO REMAIN
- NEW PARTITION
- NEW PARTIAL HEIGHT WALL
- EXISTING DEMISING PARTITION
- AREA NOT IN CONTRACT (N.I.C.).
- EXISTING MILLWORK
- NEW MILLWORK
- EXISTING DOOR, DOOR FRAME AND DOOR HARDWARE IS TO REMAIN AT LOCATION SHOWN.
- NEW SINGLE HERCULITE DOOR, HARDWARE AND FRAMELESS BUTT-JOINT GLAZING
- EXISTING SINGLE HERCULITE DOOR, HARDWARE AND FRAMELESS BUTT-JOINT GLAZING
- EXISTING STRUCTURE TO BE DEMOLISHED AND REMOVED FROM SITE.
- EXISTING SINGLE HERCULITE DOOR, HARDWARE AND FRAMELESS GLASS TO BE DEMOLISHED AND REMOVED FROM SITE.
- EXISTING DOOR, FRAME AND HARDWARE IS TO BE REMOVED. SAVE ALL ITEMS FOR RE-USE. CLEAN, REPAIR AND RE-FINISHED ALL RELOCATED DOORS.
- REMOVE EXISTING OUTLETS AND PULL ALL WIRING BACK TO SUBPANEL. PATCH/PREP. WALLS AS REQUIRED FOR NEW FINISH.
- E EXISTING TO REMAIN
- R RELOCATED

* ALL DIMENSIONS ARE APPROXIMATE.

* FURNITURE VENDOR SHALL VERIFY EXISTING FIELD CONDITIONS AND DIMENSIONS.

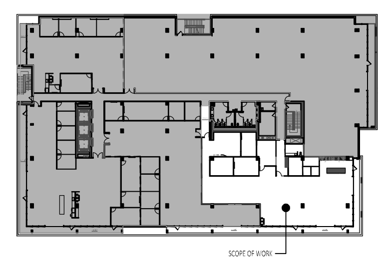
* ALL FURNITURE PROVIDED BY TENANT.

PROGRAM COUNTS	
DESCRIPTION	COUNT
(N) WAITING AREA	1
(N)COUNCILWOMAN'S OFFICE	1
(N)COUNCILWOMAN'S RECEPTION	1
(E) STORAGE/IT ROOM	1
(E) PRIVATE OFFICES	2
(E) MEETING ROOM	1
(E) BREAK ROOM	1
(N) WORKSTATIONS (6'X6')	12
(E) PHONE ROOMS	2
(E) PANTRY	1
(N) SINGLE USE RESTROOM	1
(N) COPY AREA	1
OPEN MEETING AREA	1
LOUNGE COLLABORATIVE AREA	1

LEGEND:

1. EXISTING MILLWORK TO REMAIN AS-IS.
2. PROVIDE NEW GLAZING TO MATCH EXISTING AS INDICATED ON PLAN.
3. PONY UP THE EXISTING WALL IN BETWEEN PRIVATE OFFICE AND NEW SINGLE USE RESTROOM. PROVIDE NEW 4" THICK WALL WITH 1" GAP AND INSULATION IN THE STUD CAVITY AND (2) SHEETS OF DRYWALL.
4. TENANT PROVIDED ICE CREAM MACHINE, SPECIFICATION TBD.
5. REMOVE INTERIOR TENANT NON-LOAD BEARING WALLS AND ASSOCIATED ELECTRICAL DATA, TELEPHONE AND J-BOXES. REMOVE ALL WIRING BACK TO ELECTRICAL SUB-PANELS.
6. GLASS DOOR IN THIS LOCATION SUBJECT TO CITY OF LA APPROVAL.

NOTE:
CONTRACTOR TO IDENTIFY IN BID AND INCLUDE IN PRICING ALL ITEMS LIKELY TO BE REQUIRED BY TITLE 24, CHAPTER 6 PART 141.0 AND 141.1 BASED ON SCOPE OF WORK SHOWN IN PLAN. THIS SHALL INCLUDE (AS APPLICABLE) BUT NOT LIMITED TO: DISAGGREGATION OF ELECTRICAL PANELS, CONTROLLED RECEPTACLES, DAYLIGHTING CONTROLS, OCCUPANCY SENSORS, MULTI-LEVEL SWITCHING AND/OR DIMING, DEMAND RESPONSE AND HVAC EFFICIENCY MEASURES.



FLOOR LOCATION PLAN

PROJECT:
COUNCILWOMAN'S OFFICE

SUITE 350
2922 CRENSHAW BLVD,
LOS ANGELES, CA 90016

saa
interiors + architecture
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SEAL AND STAMP:

CONSULTANTS:

DRAWINGS ISSUE

DATE	DESCRIPTION	DELTA
02/27/26	ISSUE FOR REVIEW	
3/9/26	ISSUE FOR REVIEW	

DATE:	02/12/26
DRAWN:	N.T
REVIEWED:	S.F
PROJECT NO:	639200
SCALE:	1/8"=1'-0"

SHEET TITLE:

SPACE PLAN

SHEET NO:

SP-B