

## TRANSMITTAL

TO Council	DATE  02/22/18	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 14

At its meeting held on February 22, 2018, the Municipal Facilities Committee adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize GSD to execute a new license with the State of California and Judicial Council of California for office space at the Clara Foltz Courthouse located at 210 W. Temple Street for continued use by the Los Angeles Police Department and City Attorney to facilitate interviews and for use as a waiting room for court testimony preparation. On an annual basis, the total annual leasing costs are \$30,375, which reflects an increase of \$4,386 above the current level that is subject to three percent annual escalations. The proposed lease will add approximately \$1,462 in unfunded costs to GSD's Leasing Account for the current fiscal year that would be addressed through the Financial Status Report.

  
Richard H. Llewellyn, Jr.  
Interim City Administrative Officer  
Chair, Municipal Facilities Committee

CITY OF LOS ANGELES  
CALIFORNIA

Agenda Item No. 5b

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
GENERAL SERVICES  
ROOM 701  
CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
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February 22, 2017

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

Attention: John White, Legislative Assistant

**APPROVAL OF A NEW LICENSE WITH THE  
STATE OF CALIFORNIA AT THE CLARA FOLTZ COURTHOUSE**

The Department of General Services (GSD) requests approval of a license for approximately 847 rentable square feet of floor space at the Clara Foltz Courthouse located at 210 W. Temple Street, Los Angeles, California 90012 for Rooms 3-518, 7-715, 7-520, 7-401 and 7-516 for use by the Los Angeles Police Department (LAPD) and City Attorney.

**BACKGROUND**

Under contract C-120603, the Clara Foltz Courthouse license commenced August 1, 2010 through July 31, 2013 for 2,347 square feet. LAPD used rooms 3-518, 7-518, 7-520, 7-401, 17-806, 17-808, 17-810, 17-1207, 17-1203. City Attorney used rooms 5-314, 6-109. Effective May 1, 2012, the office use was reduced to 1,957 square feet by eliminating Room 3-518. On August 1, 2014, a new contract, C-124713 was executed for 847 square feet using Rooms 3-518, 7-715, 7-520, 7-404 and 7-516 under a month to month license agreement with a 30 day written notice to vacate by either party. There is no parking provision associated with this license. The State wishes to renew the license agreement under the same terms and conditions.

The City Attorney and LAPD currently use several offices of shared space at the Clara Foltz Courthouse to facilitate interviews and for use as waiting rooms when preparing for court. The space will continue to be used for the same purpose and the City

Attorney and LAPD Facilities Management have determined that this office space was sufficient for their needs.

### MARKET ANALYSIS

The State of California has historically leased space to the City through license agreements at minimal cost. However, after years of budget cuts and shrinking revenue, the State now bases new rates on an analysis of market pricing.

After conducting their market analysis, the State chose a low-end market rate of \$2.00 for most of their court space primarily to provide consistency across their courthouse leases. The State proposes a higher rate for the Clara Foltz Courthouse due to its Civic Center location and high volume of cases. The State would not negotiate a lower rate. For the Clara Foltz Courthouse, this translates to \$2,041.27 per month or \$2.41 per square foot which is higher than the \$2.00 price the State now uses for most sites.

The rate proposed by the State is below the average of the analysis (see attachment) conducted by GSD which showed average office rents in the Los Angeles area for office space to be \$2.53 per square foot.

In addition to the State proposed \$2.41 per square foot base rate, custodial costs are also passed on to the tenants now. For the Clara Foltz courthouse, the state proposes \$490 per month. When combined, the cost of \$2.99 per square foot is higher than the sample market average and equates to \$2,531.27 per month and \$30,375.24 per year.

Rates for custodial services proposed by the Judicial Council can vary per courthouse and service provider. The price cannot be negotiated because it is an existing expense passed-through to the tenant.

Maintaining space within the courthouse is critical due to its proximity to courtrooms as proceedings often experience start and stop delays. A designated space also ensures privacy for City staff, witness interviews and interrogations.

### TERMS AND CONDITIONS

The license agreement contains the following:

LOCATION:	210 W. Temple St. Los Angeles, California 90012, Rooms 3-518, 7-715, 7-520, 7-404 and 7-516
LANDLORD:	State of California and Judicial Council of California
USE:	Office Space
TERM:	Month to Month, can be terminated with 30 day written notice by either party

OPTION TERM: N/A

RATE: \$30,375.24 per year for rent and custodial services

SQUARE FEET: 847 rentable square feet

ESCALATIONS: Up to 3% annual rate increases and up to 5% annual custodial increases

UTILITIES: N/A

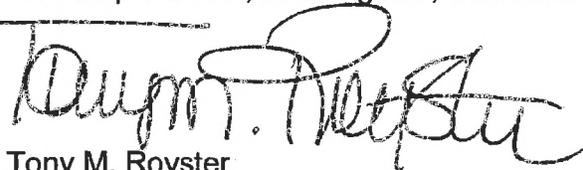
PARKING: N/A

FISCAL IMPACT

Currently, the City is paying \$2,165.76 monthly or \$25,989.12 annually without any custodial service or Common Area Maintenance charges. The new proposed lease will increase costs by \$365.51 per month or \$4,386.12 in the first year. Annual escalations will be up to three percent.

RECOMMENDATION

That the Los Angeles City Council approves a license agreement with the State of California for the continued use of space at the Clara Foltz Courthouse located at 210 W. Temple Street, Los Angeles, California 90012.



Tony M. Royster  
General Manager

Search Criteria    Result List    Result Detail

## 13 Lease Comps

Lease Comps	Analytics	Map							
Sign Date	Start Date	Address	City	Floor	SF Leased	Rent/SF/Mo	Services	Rent Type	
 Dec 2017	Jan 2018	<a href="#">14930 Ventura Blvd</a>	Sherman Oaks	3rd	1,048	\$2.25	+UTIL	Asking	
 Dec 2017	Dec 2017	<a href="#">212 N Glendale Ave</a>	Glendale	1st	650	\$2.75	N	Asking	
 Dec 2017	Jan 2018	<a href="#">10755 Lower Azusa Rd</a>	El Monte	1st	860	\$1.41	MG	Asking	
 Dec 2017	Jan 2018	<a href="#">3700 Wilshire Blvd</a>	Los Angeles	9th	875	\$2.30	FS	Asking	
 Dec 2017	Jan 2018	<a href="#">335 W Arbor Vitae St</a>	Inglewood	2nd	600	\$1.17	MG	Asking	
 Dec 2017	Jan 2018	<a href="#">4551 Glencoe Ave</a>	Marina Del Rey	2nd	1,205	\$4.50	FS	Asking	
 Dec 2017	Jan 2018	<a href="#">55 E Huntington Dr</a>	Arcadia	2nd	657	\$2.50	FS	Asking	
 Dec 2017	Jan 2018	<a href="#">3435 Ocean Park Blvd</a>	Santa Monica	2nd	1,800	\$3.50	MG	Asking	
 Dec 2017	Jan 2018	<a href="#">5300-5326 Avalon Blvd</a>	Los Angeles	1st	1,000	\$1.45	NNN	Asking	
 Dec 2017	Dec 2017	<a href="#">7412-7422 Pacific Blvd</a>	Huntington Park	1st	360	\$2.36	MG	Asking	
 Dec 2017	Dec 2017	<a href="#">20 E Colorado Blvd</a>	Pasadena	2nd	337	\$3.25	FS	Asking	
 Dec 2017	Jan 2018	<a href="#">7602 Painter Ave</a>	Whittier	1st	1,558	\$1.75	MG	Asking	
 Dec 2017	Jan 2018	<a href="#">6301-6303 Wilshire Blvd</a>	Los Angeles	2nd	300	\$3.75	FS	Starting	