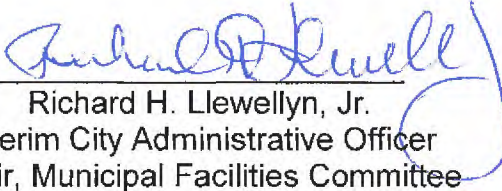


TRANSMITTAL

TO Council	DATE 08-01-17	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 15

At its meeting of June 29, 2017, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached Department of General Services (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize GSD to negotiate and execute a lease amendment on behalf of the Housing Community Investment Department for office space located at 680-690 Knox Street, Los Angeles, CA 90502.

There is no additional impact on the General Fund as a result of the recommended actions.


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

RHL:ACG:05180009

CITY OF LOS ANGELES

CALIFORNIA

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

June 29, 2017

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

Attention: Eric Villanueva, Legislative Assistant

**REQUEST FOR AUTHORIZATION TO NEGOTIATE AND
EXECUTE A LEASE AMENDMENT AT 680-690 KNOX STREET
FOR THE HOUSING AND COMMUNITY INVESTMENT DEPARTMENT**

The Department of General Services (GSD) requests authority to negotiate and execute a lease amendment on behalf of the Housing Community Investment Department (HCID) for office space located at 680-690 Knox Street, Torrance, CA 90502.

BACKGROUND

The HCID South-Bay Division has occupied this office space since August of 2004. The property is located within Council District 15 (CD 15); however, the address includes a zip code for Torrance California. CD15 is aware this office space is within the City boundaries and supports this lease option to extend.

HCID prefers this location because it is centrally located between Harbor Gateway and the South Bay area that is accessible to its client base.

The lease amendment will be for eight years and includes approximately 10,170 of rentable square feet. The term of the lease is currently set to expire on November 30, 2017. The extended term will commence on December 1, 2017, and expire on November 30, 2024.

The price per square foot (PSF) in this location for similar size and type office space yielded a range from \$2.15 to \$3.65 PSF. This lease amendment was negotiated at \$2.15 PSF. GSD was also successful in negotiating five months of rent abatement (free rent) and a tenant improvement (TI) allowance of approximately \$127,000. HCID will be able to paint, replace the carpet and make minor upgrades to the office space.

The lease amendment will contain the following:

TERMS AND CONDITIONS

LOCATION: 680-690 Knox Street
Torrance, CA 90502

LANDLORD: BRCP REALTY So Cal Portfolio, LLC

USE: Office space

SQUARE FEET: Approximately 10,170

TERM: Eight years (96 months), November 30, 2024

RENTAL RATE: \$21,865.50 (\$2.15 per sq. ft.)

ESCALATIONS: 3% annually

ADDITIONAL RENT: N/A

SECURITY DEPOSIT: N/A

OPTION TERM: N/A

PARKING: Free parking

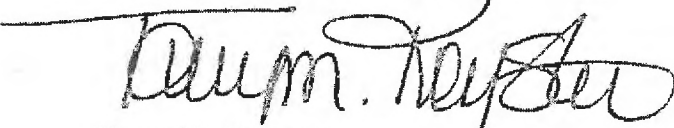
TENANT
IMPROVEMENT: TI allowance of approximately \$127,000.

FISCAL IMPACT

The rent increase for this second amendment is \$1,291, raising the rent from \$20,574 per month to \$21,865 per month. HCID pays rent directly to the landlord.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to negotiate and execute the second lease amendment with BRCP REALTY So Cal Portfolio, LLC, for office space located at 680-690 Knox Street under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager

Attachment

Head - SUBJECT:
680-690 Knox Street

10,170 SQ FT

\$ 2.15

Address	City	Property Type	Property Size	Space Avail	Rent/SF/Mo
879 W 190th St	Gardena	Class A Office	257,156 SF	75,212 SF	\$2.15-\$2.40
3447 Atlantic Ave	Long Beach	Class B Office	37,743 SF	37,700 SF	\$2.25
1301 El Segundo Blvd	El Segundo	Class C Industrial/Manufacturing	26,404 SF	26,080 SF	\$2.95
21250 Hawthorne Blvd	Torrance	Class A Office	306,765 SF	66,076 SF	\$2.65-\$3.65
21515 Hawthorne Blvd	Torrance	Class A Office	214,559 SF	45,257 SF	\$2.75-\$3.25
21535 Hawthorne Blvd	Torrance	Class A Office	85,453 SF	85,453 SF	\$3.25-\$3.50
21545 Hawthorne Blvd	Torrance	Class B Office	15,388 SF	15,388 SF	\$2.50
2201 Park Pl	El Segundo	Class B Flex/Light Distribution	40,000 SF	17,722 SF	\$3.35
2301-2321 Rosecrans Ave	El Segundo	Class A Office	288,421 SF	11,931 SF	\$3.35-\$3.55
101 N Sepulveda Blvd	El Segundo	Class A Office	198,532 SF	30,190 SF	\$3.25
2165 E Spring St	Long Beach	Class B Office	24,278 SF	24,278 SF	\$2.25
2333 Utah Ave	El Segundo	Class B Industrial/Manufacturing	47,098 SF	47,098 SF	\$2.65