

## COMMUNICATION

**TO: LOS ANGELES CITY COUNCIL**

**File No. 09-2118**

**FROM: COUNCILMEMBER TONY CARDENAS, CHAIR  
INFORMATION TECHNOLOGY AND GENERAL SERVICES COMMITTEE**

COMMUNICATION FROM CHAIR, INFORMATION TECHNOLOGY AND GOVERNMENT AFFAIRS COMMITTEE relative to a lease renewal for the Los Angeles Housing Department.

Recommendation for Council action:

AUTHORIZE the Department of General Services (GSD) to negotiate and execute a lease renewal at 690 Knox Street, Los Angeles, California, as office space for the Los Angeles Housing Department (LAHD) under the terms and conditions as outlined in the GSD report dated August 27, 2009 attached to the Council file.

Fiscal Impact Statement: The GSD reports that the base monthly rental rate for the first year will be \$9,797 per month or \$117,564 the first year, which is a first-year savings of approximately \$100,404 over the current lease. The LAHD has sufficient funds to pay for the cost of this lease.

Community Impact Statement: None submitted.

### SUMMARY

At its regular meeting held on October 6, 2009, the Information Technology and Government Affairs Committee considered a GSD report relative to a lease renewal for the LAHD. The GSD reports that the LAHD's lease at Knox Street will expire on November 30, 2009. The GSD has negotiated an agreement with BRCP Realty So Cal Portfolio for a reduction of rent concurrent with a term extension. The reduction is approximately 20% and extends the lease term from five to eight years. This proposal is beneficial to the City because of the reduced lease costs and to the landlord in an extended tenancy. Further, the GSD, as the negotiating agent on behalf of LAHD, was instructed by City Council, to renegotiate all five of the Department's leases to reduce lease costs. To date, this lease is the only one in which the GSD has been successful in negotiating a rent reduction. The GSD report attached to the file specifies all other terms and conditions. A representative of GSD provided a brief overview of the lease renewal and the Chair of the Committee moved to approve the recommendation contained in the GSD report. This matter is now submitted to Council for its consideration.

Respectfully submitted,

**COUNCILMEMBER TONY CARDENAS, CHAIR  
INFORMATION TECHNOLOGY AND GOVERNMENT AFFAIRS COMMITTEE**

<u>MEMBER</u>	<u>VOTE</u>
CARDENAS:	YES
PERRY:	ABSENT

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**Not Official Until Council Acts**