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CALIFORNIA

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Approved on: May 30, 2013 by
The Municipal Facilities Committee

May 30, 2013

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

Attention: Maria Espinoza, Legislative Assistant

**REQUEST TO NEGOTIATE AND EXECUTE LICENSE AGREEMENTS WITH THE
STATE OF CALIFORNIA FOR CONTINUED USE OF COURTHOUSE SPACES IN
LOS ANGELES COUNTY AND AN AGREEMENT(S) WITH THE SUPERIOR COURT
OF THE COUNTY OF LOS ANGELES FOR CUSTODIAL SERVICES AT ALL
COURTHOUSES WHERE THE CITY OF LOS ANGELES IS LICENSEE**

The Department of General Services (GSD) requests authority to negotiate and execute four (4) new license agreements with the State of California (State) for spaces within the Clara Shortridge Foltz, Compton, Van Nuys and Metropolitan courthouses for use by the City Attorney's Office and/or the Los Angeles Police Department.

GSD also requests authority to negotiate and execute an agreement or agreements if and as necessary with the Superior Court of the County of Los Angeles (LASC) for custodial services at all courthouse locations where the City is licensee. If this is required, authority is further requested to revise the remaining existing license agreements for all other courthouse locations to reflect custodial charges to be paid directly to the LASC and corresponding decreases in per-square-foot rental cost payments paid directly to the State.

BACKGROUND

On June 12, 2012, the City Council approved leases and licenses for courthouse space at various courthouses in Los Angeles County (C.F.# 11-1519). Five (5) of those were in the form of lease agreements, approved with a retroactive start date of August 1, 2010 for three-year terms ending on July 31, 2013. As four (4) of these courthouses are still

required for use by the City Attorney's Office and/or the Los Angeles Police Department (one location has since been terminated), new agreements are now required for these four (4) locations to extend the City's occupancy term beyond their current expiration date of July 31, 2013.

Agreements for all the other remaining locations, approved in the same Council action referenced above, were written in the form of licenses as opposed to leases. The State of California is now requesting that the new agreements to extend the expiring lease agreements all be executed in license form, not lease form. This will provide uniformity in type of agreement for all the courthouse locations as well as having identical terms and conditions, and GSD is therefore requesting approval of these new license agreements to extend the terms of the expiring lease agreements.

The four (4) new license agreements, as detailed below, will begin on August 1, 2013. As with the existing license agreements for the other courthouses, these new licenses will have no specific termination date but are cancelable by either party with 30-days' notice.

COURTHOUSE	LOCATION	Rentable Sq. Feet	Monthly Rent as of 8/1/13 Including Custodial
Clara Shortridge Foltz	210 West Temple St.	2,347	\$4,937.71
Compton	200 W. Compton Blvd., Rm 705B	75	\$54.12
Van Nuys	14400 Erwin St Mall, Rms 201 & 440J	1,428	\$3,699.55
Metropolitan	1945 South Hill St., Rms 107, 108, 501A & 501H	5,375	\$13,558.52

The monthly license fees for these courthouses for the new term beginning on August 1, 2013, as shown in the table above, are three percent (3%) higher than the current year's rate. This is the same annual increase as approved for all other courthouse spaces, all of which will increase by 3% on August 1, 2013.

All of the specific terms and conditions in these new license agreements (some of which were different in the lease form versus the license form) will now all be identical and uniform. This will provide ease of administration for both the City and the State.

The LASC is responsible for the custodial work performed in these various courthouse facilities. The LASC may ask to be paid directly for these services, instead of being included in the rent paid to the State through the Administrative Office of the Courts (AOC)¹ as is done currently. If that occurs, the AOC would reduce the amount of rents owed by the City to the State for each courthouse by the amount of the custodial service

¹ The AOC is an entity of the judicial branch of the government of the State of California, in its capacity as the staff agency to the Judicial Council of California. The City makes lease payments to the State of California for these courthouse licenses through the AOC.

charge at that courthouse, so the City could pay the LASC directly. This will result in the same total cost to the City. License agreements to be executed for the new term for the four (4) renewing locations will reflect the actual amount of rent and custodial charges separately, if the LASC requires separate payment. If necessary, GSD will execute a separate agreement or agreements with the LASC for payment of custodial charges at all current courthouse locations.

TERMS AND CONDITIONS

LOCATION: Various (see chart above)

LESSOR: State of California

USE: Office space for City Attorney and/or Los Angeles Police Department

SQUARE FEET: See chart above

TERM: Until cancelled by either party with 30 days' advance notice

RENTAL RATE: See chart above; amount shown by location includes custodial charges, but payments will be made directly to the LASC for custodial services if required by the LASC

ESCALATIONS: 3% annual increase

SERVICES: Utilities, repairs and maintenance at the sole cost of the Lessor

FISCAL IMPACT

Funding for the four (4) license agreements for the courthouses listed above, totaling \$22,249.90 per month or \$266,998.80 per year, effective August 1, 2013, including the annual 3% increase, is already included in the 6030 Leasing Account FY 2013-14 proposed budget. Therefore no additional funding is required.

If the LASC requires separate payment for custodial charges, the AOC will reduce the rental amount due for each location by the corresponding custodial charge, resulting in no net change to the total rent owed.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to:

- (1) Negotiate and execute four (4) license agreements with the State of California for use of the courthouses listed above, as substantially outlined in this report;

- (2) Negotiate and execute an agreement or agreements, if and as necessary, with the Superior Court for custodial services at all courthouses under license by the City, and
- (3) Negotiate and execute revised license agreements, if and as necessary, for all other courthouse locations under license by the City to reflect the reduction of rent to offset the new custodial charges.



Tony M. Royster
General Manager