

**TRANSMITTAL**

TO  
Council

DATE  
01-05-18

COUNCIL FILE NO.

FROM  
Municipal Facilities Committee

COUNCIL DISTRICT  
7

At its Special meeting held on December 21, 2017, 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 for office space at the Sylmar Courthouse located at 16350 Filbert Street, for continued use by the Los Angeles Police Department (LAPD) to facilitate interrogations and to service as a waiting room for officers preparing to testify. There is no immediate impact on the General Fund as leasing costs will be funded through GSD's leasing account, with any potential year-end deficit to be reported and addressed as part of the Financial Status Reports.



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

CITY OF LOS ANGELES  
CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
GENERAL SERVICES  
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December 21, 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 SYLMAR COURTHOUSE**

The Department of General Services (GSD) requests approval of a license for approximately 107 rentable square feet of floor space at the Sylmar Courthouse located at 16350 Filbert Street, Sylmar, California for use by the Los Angeles Police Department (LAPD).

**BACKGROUND**

Under Contract C-120611, the Sylmar Courthouse lease commenced August 1, 2010 under a month to month license agreement with a 270 day written notice to vacate by either party. The new proposed license agreement reflects a change of terms and conditions and reduced space from 189 to 107 square feet.

LAPD uses the enclosed office space to facilitate interrogations and as a waiting room when preparing to testify at court. LAPD Facilities Management has determined that one separate enclosed office space was sufficient for their needs.

**MARKET ANALYSIS**

The State of California has historically leased space to the City through license agreements at a 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 start rate of \$2.00 for most of their court space primarily to provide consistency across their courthouse leases. For the Sylmar Courthouse, this translates to \$214 per month for 107 per square foot office.

The rate proposed by the State is also on the low-end 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 \$2.00 per square foot base rate, custodial costs are also passed on to tenants now. For the Sylmar Courthouse, the State proposes \$86 per month. When combined, the cost of \$2.80 per square foot is higher than the sample market average and equates to a total of \$300 per month and \$3,600 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:	16350 Filbert Street, Sylmar, California 91342
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:	\$3,600 per year for rent and custodial service
SQUARE FEET:	107 rentable square feet
ESCALATIONS:	Up to 3% annual increases
UTILITIES:	N/A
PARKING:	N/A

FISCAL IMPACT

Currently, the City of Los Angeles is paying \$61.50 monthly or \$738 annually without any custodial service or Common Area Maintenance charges. The new proposed license will increase costs by \$238.50 per month or \$2,862 in the first year. Annual escalations will be up to three percent.

RECOMMENDATION

That the Los Angeles City Council approves a new license with the State of California for the continued use of space at the Sylmar Courthouse, located at 16350 Filbert Street, Sylmar, California 91342.

  
Mr 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	850	\$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