

CITY OF LOS ANGELES
CALIFORNIA

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November 15, 2012

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

Attention: Maria Espinoza, Legislative Assistant

Approved on 11/15/2012 by
The Municipal Facilities Committee

**REQUEST TO NEGOTIATE AND EXECUTE A LEASE RENEWAL AT 319 EAST
SECOND STREET, LOS ANGELES, FOR ITA'S CHANNEL 35**

The Department of General Services (GSD) requests approval to negotiate and execute a lease renewal for studio space for Channel 35 of the Information Technology Agency (ITA) at 319 East Second Street, Los Angeles.

BACKGROUND

Channel 35 occupies approximately 6,137 rentable square feet of office space at 319 East Second Street, Suite 301. This space is used by Channel 35 as their television studio and for related services. The lease began on July 10, 1998 and expires on December 31, 2012.

Several sites in city-owned buildings in and around the Civic Center are currently being considered as a permanent home for Channel 35. Once completed, it is anticipated that the new location will house both administrative offices as well as the television studio and broadcast control room. It is expected to take approximately three years to secure, plan, build out, equip and move into a new location. Therefore, an extension to the current lease is being recommended by GSD for the interim period. Because of the huge investment in tenant improvements and equipment originally made and already in place, and the unique nature of the requirements of this studio space, no other locations for lease were investigated for this short interim period.



TERMS AND CONDITIONS

The proposed lease agreement contains the following terms and conditions:

- LOCATION: 319 East Second Street, Suite 301, Los Angeles, CA 90012
- LANDLORD: Little Tokyo Mall, LLC
- USE: General office, television studio and related services
- SQUARE FEET: Approximately 6,137 rentable square feet
- TERM: January 1, 2013 through December 31, 2017
- RENTAL RATE: Modified gross lease at \$1.20 per rentable square foot per month; Tenant shall continue to pay for electricity, interior maintenance and janitorial expenses as in current lease
- EARLY TERMINATION RIGHT: Right to terminate lease at any time after December 31, 2015 with six (6) months advance written notification
- PARKING: Nine (9) reserved spaces, in close proximity to Channel 35 space, included in rent
- SECURITY: Landlord will provide manned security system 24 hours/day, 7 days/week in garage
- TENANT IMPROVEMENTS: New paint in all corridors leading to and from Channel 35 space and parking garage; landlord to install new barrier around HVAC units that service the premises; landlord shall repair HVAC serving premises

FISCAL IMPACT

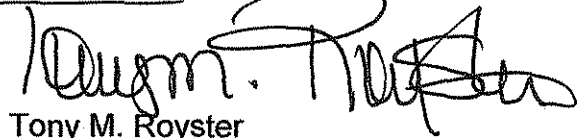
The City is currently paying \$8,980 per month (\$1.46 per rentable square foot per month). The new lease rate will be \$7,365 per month (\$1.20 per square foot per month) for the entire new lease period, with no annual escalation. This is a savings of almost 18% which equates to approximately \$20,000 savings every year.

This lease is paid 100% by the Telecommunications Development Account (TDA), therefore there is no impact to the General Fund.

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DISPUTY

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to negotiate and execute a lease renewal for office space at 319 East Second Street, Los Angeles, CA 90012 for Channel 35 of the Information Technology Agency, substantially as outlined in this report

A handwritten signature in black ink, appearing to read "Tony M. Royster". The signature is written in a cursive, somewhat stylized font. A horizontal line is drawn above the signature, extending from the left margin towards the center of the page.

Tony M. Royster
General Manager