

TRANSMITTAL

TO Council	DATE 02/22/18	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT N/A

At its meeting held on February 22, 2018, 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 and Judicial Council of California for office space at the East Los Angeles Courthouse located at 4848 Civic Center Way, Room 402, for continued use by the Los Angeles Police Department as a waiting room when preparing for court testimony. On an annual basis, the total annual leasing costs are \$4,765, which reflects an increase of \$2,444 above the current level that is subject to three percent annual escalations. The proposed lease will add approximately \$815 in unfunded costs to GSD's Leasing Account for the current fiscal year that would be addressed through the Financial Status Report.


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

CITY OF LOS ANGELES
CALIFORNIA

Agenda Item No. 5c

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

February 22, 2018

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 EAST LOS ANGELES COURTHOUSE**

The Department of General Services (GSD) requests approval of a license for approximately 167 rentable square feet of floor space at the East Los Angeles Courthouse located at 4848 Civic Center Way, Room 402, Los Angeles, California 90022 for use by the Los Angeles Police Department (LAPD).

BACKGROUND

Under contract C-124712, the East Los Angeles lease commenced August 1, 2014 under a month to month license agreement with a 270 day written notice to vacate by either party. The original agreement had a square footage use of 958 square feet. A new amendment executed on February 1, 2015 reduced the square footage to 167 square feet and relocated the rooms from 109 and 109A to room 402. The State wishes to renew the license agreement under the same terms and conditions. There is no parking provision associated with this license.

LAPD is currently using space at the Courthouse as a waiting room when preparing for court testimony. The space will continue to be used for the same purpose and LAPD Facilities Management has determined that this office space is 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 rate of \$2.00 per square foot for most of their court space primarily to provide consistency across their courthouse leases. For the East Los Angeles Courthouse this translates to \$334 per month for the 167 square feet of space.

The rate for the State is at 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 the tenants now. For the East Los Angeles courthouse, the State proposes \$63.08 per month. When the rent and custodial rate are combined, the cost of \$2.38 per square foot is lower than the sample market average and equates to \$397.08 per month and \$4,764.96 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: 4848 Civic Center Way, East Los Angeles, CA 90022, Room 402

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: \$4,764.96 per year for rent and custodial service

SQUARE FEET: 167 rentable square feet

ESCALATIONS: Up to 3% annual rate increases and up to 5% annual custodial increases

UTILITIES: N/A

PARKING: N/A

FISCAL IMPACT

Currently, the City of Los Angeles is paying \$193.41 per month or \$2,320.92 annually without custodial services or Common Area Maintenance charges. The new proposed license will increase costs by \$203.67 per month \$2,444.04 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 East Los Angeles Courthouse located at 4848 Civic Center Way, Los Angeles, California 90022.



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	14930 Ventura Blvd	Sherman Oaks	3rd	1,048	\$2.25 +UTIL	Asking	
✓	Dec 2017	Dec 2017	212 N Glendale Ave	Glendale	1st	650	\$2.75 N	Asking	
✓	Dec 2017	Jan 2018	10755 Lower Azusa Rd	El Monte	1st	850	\$1.41 MG	Asking	
✓	Dec 2017	Jan 2018	3700 Wilshire Blvd	Los Angeles	9th	875	\$2.30 FS	Asking	
✓	Dec 2017	Jan 2018	335 W Arbor Vitae St	Inglewood	2nd	600	\$1.17 MG	Asking	
✓	Dec 2017	Jan 2018	4551 Glencoe Ave	Marina Del Rey	2nd	1,205	\$4.50 FS	Asking	
✓	Dec 2017	Jan 2018	55 E Huntington Dr	Arcadia	2nd	667	\$2.50 FS	Asking	
✓	Dec 2017	Jan 2018	3435 Ocean Park Blvd	Santa Monica	2nd	1,800	\$3.50 MG	Asking	
✓	Dec 2017	Jan 2018	5300-5326 Avalon Blvd	Los Angeles	1st	1,000	\$1.45 NNN	Asking	
✓	Dec 2017	Dec 2017	7412-7422 Pacific Blvd	Huntington Park	1st	360	\$2.36 MG	Asking	
✓	Dec 2017	Dec 2017	20 E Colorado Blvd	Pasadena	2nd	337	\$3.25 FS	Asking	
✓	Dec 2017	Jan 2018	7602 Painter Ave	Whittier	1st	1,558	\$1.75 MG	Asking	
✓	Dec 2017	Jan 2018	6301-6303 Wilshire Blvd	Los Angeles	2nd	300	\$3.75 FS	Starting	