

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to a new lease agreement with 104 North Avenue 56, LLC, for office space for use by Council District One as a field office.

Recommendation for Council action:

AUTHORIZE the Department of General Services (GSD) to negotiate and execute a new lease agreement with 104 North Avenue 56, LLC, for approximately 2,064 square feet of office space at 5577 North Figueroa Street for use by Council District One as a field office, for an annual rental rate of \$105,264.

Fiscal Impact Statement: The GSD reports that the City currently pays \$4,303 per month or \$51,636 annually including common area maintenance and janitorial costs for the office space. The new proposed monthly rent is \$8,772 per month or \$105,264 per year, or up to \$107,364 per year based on current operating expenses. Expenses may increase slightly if the City pays for operating expenses directly.

Community Impact Statement: None submitted.

SUMMARY

In the report to Council dated February 22, 2018, GSD requests authority to negotiate and execute a new lease agreement with 104 North Avenue 56, LLC, for the continued use of office space for use by Council District One as a field office. GSD reports that the Councilmember for the District supports the continued use of this site. According to GSD, it is also a community gathering place that is safe and within blocks of the Metro Gold Line and bus transit systems.

GSD's report includes a market analysis of area rents. Retail space in the area is keeping pace with the residential real estate boom that Highland Park has experienced over the past five years. This area is considered an emerging business district with escalating pricing for retail leases. As leases expire in the immediate area, landlords are increasing their price per square foot. On February 22, 2018, the Municipal Facilities Committee (MFC) approved the lease.

At its meeting held February 27, 2018, the Information, Technology, and General Services Committee recommended that Council authorize GSD to negotiate and execute the lease with 104 North Avenue 56, LLC, as recommended by the MFC.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

MEMBER VOTE

RODRIGUEZ: YES
BLUMENFIELD: YES
O'FARRELL: YES

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-