


TRANSMITTAL

TO Council	DATE 08-01-17	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 5

At its meeting of June 29, 2017, the Municipal Facilities Committee (MFC) 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 negotiate and execute a lease amendment at 6380 Wilshire Blvd, Suite 800, for Council District Five.

There is no additional impact on the General Fund as a result of the recommended actions.


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

RHL:ACG:05180011

CITY OF LOS ANGELES

CALIFORNIA

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June 29, 2017

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

Attention: Eric Villanueva, Legislative Assistant

**REQUEST FOR AUTHORIZATION TO NEGOTIATE AND EXECUTE A LEASE
AMENDMENT AT 6380 WILSHIRE BLVD, SUITE 800 FOR COUNCIL DISTRICT FIVE**

The Department of General Services (GSD) requests authority to negotiate and execute a lease amendment for Council District Five (CD 5) located at 6380 Wilshire Blvd, Los Angeles, CA 90048.

BACKGROUND

CD 5 has occupied this office space since December of 2013. The existing lease will expire June 30, 2017. GSD is requesting authority on behalf of CD 5 to negotiate and execute an amendment for a second four-year term. The office space provides a larger and well-organized footprint. CD 5 and GSD have been working with the landlord to provide better security measures for the field office. The request includes a more secure reception area such as a thick reception window/plexiglass to be placed as a barrier between the receptionist and visiting public, buzzer alarm entry, security cameras, CCTV and video intercom system; and proximity card readers for the rear and main entrance of the suite. GSD negotiated the costs associated with these security measures to be paid solely by the landlord.

The current rent is \$9,408 monthly and will adjust to \$9,690 per the annual three percent escalations. Parking for CD 5 is approximately \$2,200 for 15 parking spaces at \$146 per space. The total current rent including parking for CD 5's office space is \$11,608.

TERMS AND CONDITIONS:

The lease amendment will contain the following:

LOCATION: 6380 Wilshire Blvd., Suite 800
Los Angeles, CA 90048

LANDLORD: 6380 Wilshire LLC

USE: Office space

SQUARE FEET: Approximately 4,794

TERM: Four years (48 months)

RENTAL RATE: \$11,985 (\$2.50 per sq. ft.)

ESCALATIONS: 3% annually

ADDITIONAL RENT: N/A

SECURITY DEPOSIT: N/A

OPTION TERM: One Four-year option

PARKING: 15 parking spaces at \$146 each

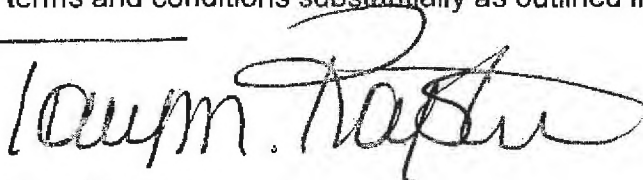
TENANT IMPROVEMENT: Tenant Improvements will include reception window, alarm buzzer entry system, proximity card reader at front and rear of the suite, security cameras, CCTV, Video intercom system at the sole expense of the landlord/owner.

FISCAL IMPACT

The annual rent for this second amendment is \$143,820 for rent with annual CPI increases of three percent. The price per square foot current market analysis for this type of rental office space in West Los Angeles ranged from \$2.51 to \$3.55. The price per square foot for this lease is \$2.50. This new lease will increase approximately \$2,300 per month based on the current research for office space within the West Los Angeles/Beverly Hills sub-market. CD 5 has been afforded the lower end of the market range for their field office space, per the attached market data summary.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to negotiate and execute the second lease amendment with 6380 Wilshire LLC, under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager

Result List

Market Analysis Summary:

Lease Comp	Analytics	Map					
✓ Jun 2017	Jul 2017	8420 Wilshire Blvd	Los Angeles	2nd	4,851	\$3.66 FS	Asking
✓ May 2017	Jul 2017	8447 Wilshire Blvd	Beverly Hills	1st	5,576	\$2.81 FS	Effective
✓ Feb 2017	Apr 2017	8360 Wilshire Blvd	Los Angeles	18th	5,160	\$3.55 FS	Asking
✓ Jan 2017	Mar 2017	8420 Wilshire Blvd	Los Angeles	12th	5,348	\$3.65 FS	Asking
✓ Dec 2016	Feb 2017	8383 Wilshire Blvd	Beverly Hills	4th	5,748	\$3.65 FS	Effective
✓ Nov 2016	Feb 2017	8447 Wilshire Blvd	Beverly Hills	1st	5,219	\$2.00 FS	Starting
✓ Nov 2016	Feb 2017	8300 Wilshire Blvd	Los Angeles	6th	4,751	\$3.45 FS	Asking
✓ Aug 2016	Oct 2016	8300 Wilshire Blvd	Los Angeles	7th	5,886	\$3.45 FS	Asking
✓ May 2015	Jun 2016	8300 Wilshire Blvd	Los Angeles	17th	4,720	\$3.35 FS	Asking

1 Lease Comp Selected

CoStar Research

My Data

Shared Data

Lease Analysis