


TRANSMITTAL

TO Council	DATE 01-07-19	COUNCIL FILE NO. 17-1406
FROM Municipal Facilities Committee		COUNCIL DISTRICT 1

At its special meeting held on December 20, 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, on behalf of Council District One (CD 1), to negotiate and execute a lease with Retirement Housing Foundation for office space located at 1901 West 6th Street. The lease will run concurrent with the Council term for approximately four years ending on June 30, 2022 with one four-year option to renew. The property owner has agreed to provide the space to the City at no cost. However, the City will be responsible for other costs such as custodial, maintenance and utilities.

There is no additional General Fund impact for current year expenses that include tenant improvements, communication installation, furniture and moving expenses, as monies within GSD's Leasing Account are sufficient to fully fund these one-time costs totaling \$107,063. There is an annual cost for utilities and custodial expense that would be addressed through the City Budget process.



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

RHL:MGR:RWS: 05190080

CITY OF LOS ANGELES
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December 20, 2018

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

Attention: Leyla Campos, Legislative Assistant

**REQUEST AUTHORIZATION TO NEGOTIATE AND EXECUTE
A NEW LEASE FOR COUNCIL DISTRICT 1 (CD 1) AT
1901 WEST 6TH STREET, LOS ANGELES, CALIFORNIA 90057**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease for CD1 office space located at 1901 West 6th Street, Los Angeles, CA 90057 as instructed by the Council and Mayor (C.F.17-1406).

BACKGROUND

On June 19, 2018, a motion was approved for a new field office to serve constituents of the southernmost portion of the Council District 1 in Westlake and Pico Union.

CD1 has two field offices located in the northern sector of the District, Glassell Park Field office – 3750 Verdugo Road and Highland Park – 5577 N. Figueroa Street. Although these locations are convenient for northernmost constituents they offer a challenge for residents to the south.

The new field office will consist of existing staff and includes one District Director, two Field Deputies and one Case Manager relocating from existing field offices. In addition, there will be two new hires - a Field Deputy and a Receptionist.

The 53 unit building, which opened in June 2016, is located in the heart of Los Angeles's Westlake district. Known as The Paseo at Californian it consists of residential units and ground floor retail. The property was funded using Transit Oriented Development Funds as well as multiple other funding sources. The property owners are



the Retirement Housing Foundation (RHF) which is a non-profit organization. The office space for CD1 is approximately 1,000 sq.ft and located on the 1st floor retail level.

The lease will run concurrent with the Council term for approximately four years ending June 30th 2022 with an option to extend for an additional four years ending June 30th 2026.

TENANT IMPROVEMENT FURNITURE

Minor tenant improvements will be performed by the landlord's contractor and paid for by the City. They will consist of two office space installations, a receptionist desk, a combination of old and new workstations and furniture for an estimated cost of \$43,000. The space plan design was prepared by an architectural firm through CD1.

COMMUNICATION, DATA, SECURITY AND MOVING EXPENSE

Communication expense including security cameras, data, cabling, phone plus exterior signage and moving expenses are approximately \$46,219.

MAINTENANCE

City as tenant will be responsible for basic maintenance within the leased space. The landlord will maintain and repair the foundation, structure, roof, HVAC equipment, plumbing, sewer, electrical, fire sprinklers and boiler.

MARKET ANALYSIS

Based on recent market comparables the price per square foot (psf) for a similar location and type of office space ranges from \$1.19 to \$3.55. However, in the lease the monetary rental consideration will be zero cost per year as the landlord has agreed to provide the space at no cost to the City.

TERMS AND CONDITIONS

The new terms and conditions are as follows:

- LOCATION: 1901 W.6th Street, LA, CA 90057
- LANDLORD: The Retirement Housing Foundation (RHF)
- USE: Office space
- SQUARE FEET: Approximately 1,000
- TERM: 4 years
- RENTAL RATE: Zero

ESCALATIONS: N/A

OPTIONS: One 4 year option

ADDITIONAL RENT: No property taxes or insurance pass through costs

SECURITY DEPOSIT: N/A

UTILITIES: Tenant (City) pays for utilities directly to DWP

CUSTODIAL: Tenant (City) responsibility

PARKING: Two parking spaces at no cost

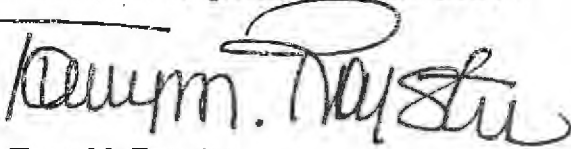
TENANT IMPROVEMENT: City is responsible for all tenant improvement

FISCAL IMPACT

The General Fund impact for this lease will be approximately \$107,063 in one-time costs for tenant improvements, communication installation, furniture and moving expenses with an annual cost for utilities and custodial expense. The CAO advises they will provide the necessary funds.

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a lease with Retirement Housing Foundation, under the terms and conditions as substantially outlined in this request for office space at 1901 West 6th Street, Los Angeles, California 90057.



Tony M. Royster
General Manager