

City of Los Angeles

CALIFORNIA



ERIC GARCETTI

MAYOR

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March 6, 2019

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

Attention: Leyla Campos, Legislative Assistant

LEASE WITH THE LAMAR COMPANIES

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with The Lamar Companies (LAMAR) for a single-faced junior poster sign located on City-owned vacant property at the intersection of Highland and Franklin Avenues.

BACKGROUND

On January 5, 2018, the Municipal Facilities Committee (MFC) approved a GSD report requesting authority to execute a new billboard lease with the Lamar Companies on City-owned property located at 1901 North Highland Avenue. The MFC report was transmitted to Council and approved by the Information, Technology and General Services (ITGS) Committee on January 23, 2018 and forwarded to Council (C.F. 18-0023). On March 6, 2018, Council adopted a Motion (Ryu – Krekorian) to disapprove the new lease agreement and instructed GSD to conduct a concentrated market study of the immediate area and renegotiate the lease rate terms.

GSD obtained additional resource contact(s) to perform the concentrated market study of the immediate area. After a thorough analysis, it was determined that the market rate in the GSD report dated January 5, 2018 was accurate.

The new terms and conditions are as follows:

TERMS AND CONDITIONS

LOCATION:	1901 N. Highland Ave
LANDLORD:	City of Los Angeles
TENANT:	The Lamar Companies
USE:	Single-sided billboard
SQUARE FEET:	N/A
TERM	Month-To-Month
OPTION TERM:	N/A
RENTAL RATE:	\$210/month (\$2,520/year)
ESCALATIONS:	3% annually increases on lease anniversary date.
ADDITIONAL RENT:	N/A
HOLDOVER OPTION:	N/A
SECURITY DEPOSIT:	No security deposit required.
UTILITIES:	All utilities will be paid by tenant and separately metered.
TENANT IMPROVEMENTS:	Any Tenant Improvements will be at the sole cost of the tenant.
MAINTENANCE:	All maintenance, custodial & utility costs are the tenant's responsibility.
TERMINATION:	30-day termination by either party requiring lessee to vacate and remove billboard structure at the lessee's sole costs.
DIGITAL CONVERSION OPTION:	Pursuant to any changes and/or updates to the City's Billboard Ordinance allowing static billboard conversion to digital billboard, the City will consider an amendment to the lease, subject to Council approval, converting the monthly rental rate to a fair market value digital billboard rate(s).

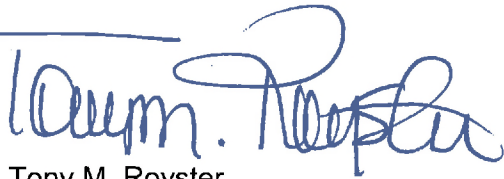
Under the current lease terms, the tenant pays an annual rent of \$360 (\$30/month).

FISCAL IMPACT

The annual base revenue generated to the General Fund from this billboard will be \$2,520 (\$210/month). This results in an initial annual increase of \$2,160 over the current lease.

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a lease with The Lamar Companies, located at 1901 North Highland Ave, Los Angeles, California 90068, to operate a single-sided advertising billboard under the terms and conditions substantially as outlined in this report.

A handwritten signature in blue ink, appearing to read "Tony M. Royster". The signature is written in a cursive style with a long horizontal line extending to the left.

Tony M. Royster
General Manager