

TRANSMITTAL

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|--|------------------|------------------------|
| TO Council | DATE 02/22/18 | COUNCIL FILE NO. |
| FROM Municipal Facilities Committee | | COUNCIL DISTRICT 14 |

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 Eastlake Juvenile Courthouse located at 1601 Eastlake Avenue for continued use by the Los Angeles Police Department (LAPD) to facilitate interrogations and as a waiting room for officers preparing to testify. On an annual basis, the total annual leasing costs are \$49,320, which reflects an increase of \$25,860 above the current level that is subject to three percent annual escalations. The proposed lease will add approximately \$8,620 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. 5d

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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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 EASTLAKE JUVENILE COURTHOUSE**

The Department of General Services (GSD) requests approval of a license for approximately 1,419 rentable square feet of floor space at the Eastlake Juvenile Courthouse, Rooms P and Q located at 1601 Eastlake Avenue, Los Angeles, California for use by the Los Angeles Police Department (LAPD).

BACKGROUND

Under contract C-120606, the Eastlake Juvenile Courthouse license commenced on August 1, 2010 under a month to month license agreement with a 270 day written notice to vacate by either party. The license also includes 38 parking spaces. The State wishes to renew the license agreement under the same terms and conditions.

LAPD is currently using space at the Courthouse to facilitate interrogations and to use as a waiting room when preparing to testify at court. 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. LAPD has been paying for this space since August 2010.

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 at \$2.00 for most of their court space primarily to provide consistency across their courthouse leases. For the Eastlake Juvenile Courthouse, this translates to \$2,838 per month for the 1,419 square foot office.

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 Eastlake Juvenile courthouse, the State proposes \$1,272 per month. When the rent and custodial are combined, the cost of \$2.90 per square foot is higher than the market average for the Los Angeles sample area and equates to \$4,110 per month and \$49,320 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: 1601 Eastlake Ave., Los Angeles California, 90033, Rooms P and Q
- 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: \$49,320 per year for rent and custodial service
SQUARE FEET: 1,419 rentable square feet
ESCALATIONS: Up to 3% annual rate increases and up to 5% annual custodial increases
UTILITIES: N/A
PARKING: Includes 38 parking spaces

FISCAL IMPACT

Currently, the City is paying \$1,955 per month or \$23,460 annually without custodial service or common Area Maintenance charges. The new proposed license will increase costs by \$2,155 per month or \$25,860 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 Eastlake Juvenile Courthouse located at 1601 Eastlake Avenue, Los Angeles, California 90033.


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 | 657 | \$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 | 6300-6326 Avalon Blvd | Los Angeles | 1st | 1,000 | \$1.45 NNN | Asking | |
| | Dec 2017 | Dec 2017 | 7412-7422 Pacific Blvd | Huntington Park | 1st | 360 | \$2.38 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 | |