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this matter, please refer to the
Council File No.: [18-0339](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

May 4, 2018

Council File No.: [18-0339](#)

Council Meeting Date: May 02, 2018

Agenda Item No.: 15

Agenda Description: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to a lease agreement with Olive/Hill Street Partners, LLC, for office space for use by the Bureau of Sanitation.

Council Action: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT - ADOPTED

Council Vote:

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
ABSENT	GILBERT A. CEDILLO
YES	MITCHELL ENGLANDER
ABSENT	MARQUEECE HARRIS-DAWSON
ABSENT	JOSE HUIZAR
ABSENT	PAUL KORETZ
ABSENT	PAUL KREKORIAN
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
YES	CURREN D. PRICE
YES	MONICA RODRIGUEZ
YES	DAVID RYU
YES	HERB WESSON

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INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to a lease agreement with Olive/Hill Street Partners, LLC, for office space for use by the Bureau of Sanitation.

Recommendation for Council action:

AUTHORIZE the Department of General Services (GSD), on behalf of the Bureau of Sanitation, to negotiate and execute a new lease with Olive/Hill Street Partners, LLC, under the terms and conditions outlined in the GSD report dated April 17, 2018, for office space at the South Park Center located at 1149 South Hill Street, 10th floor, for a term of ten years with one five-year option to renew at the rental rate of \$83,844 per month.

Fiscal Impact Statement: The GSD reports that this action will not impact the General Fund. The Bureau of Sanitation will use Special Funds, Sewer Capital Funds and Solid Waste Resource Funds 50 percent each for this expense. Monthly rent is \$83,844.00 with a 3 percent annual escalation. Parking for 42 unreserved spaces is \$8,190.00 per year. This lease was negotiated to include both free rent for seven months or a total of \$586,908. Also, the Bureau of Sanitation has a Tenant Improvement Allowance of \$1.8 million.

Community Impact Statement: None submitted.

SUMMARY

In a report to Council dated April 17, 2018, GSD requests authority to negotiate and execute a lease with Olive/Hill Street Partners, for office space for use by the Bureau of Sanitation. GSD reports that Sanitation needs additional space for 110 employees due to space limitations at the Public Works Building. Five Divisions (Regulatory Affairs, Community Affairs, Solid Resources Processing and Control, Financial Management, and Administrative Support) will be relocated from the Public Works Building. These employees will be backfilled with new hires, reorganization, and relocation of staff from other sites.

The leased space will contain 81 cubicles, offices for division managers and supervisors, one large and two small conference rooms, a storage room, and a lunch room. GSD goes on to report that the Civic Center Master Plan may not accommodate all Bureau staff. GSD's market analysis determined the proposed lease agreement rate of \$3 per square foot is comparable to area office rental rates of \$2.50 - \$6.73 per square foot.

On April 17, 2018, the Municipal Facilities Committee (MFC) approved GSD's request to execute the proposed lease.

At its meeting held April 24, 2018, the Information, Technology, and General Services Committee discussed this matter with representatives of GSD and the Bureau of Sanitation. The GSD representative stated the lease is highly favorable and includes desirable amenities. Unlike other area potential locations, this site is located entirely on one office floor. Committee recommended that Council approve the proposed lease, as recommended by the MFC.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
BLUMENFIELD:	YES
O'FARRELL:	ABSENT

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-