

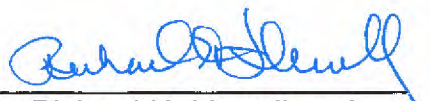
0150-11375-0000

**TRANSMITTAL**

TO Council	DATE  06-04-19	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT

At its meeting held on May 30, 2019, 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 recommendation would authorize GSD to execute a new retail lease agreement, on behalf of the Department of Transportation, between the City and David Hopp, M.D. for a Medical Spa ground floor retail space located at 123 South Robertson Boulevard, Suite B. There is no impact on the General Fund.

The rent receivables from the lease of this space will generate revenue to the Special Parking Revenue Fund in the amount of \$63,687 annually, adjusted for three percent annual escalations for the term of the contract.

  
Richard H. Llewellyn, Jr.  
City Administrative Officer

RHL:MC:051900170

# CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

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May 30, 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

**REQUEST AUTHORIZATION TO NEGOTIATE  
AND EXECUTE A NEW LEASE AGREEMENT WITH  
DAVID HOPP, M.D. AT 123 SOUTH ROBERTSON AVENUE, SUITE B**

At the request of the Department of Transportation (LADOT), the Department of General Services (GSD) requests authorization to negotiate and execute a lease agreement -with David Hopp, M.D., CEO and Manager of YouthFill MD XIX, LLC (YouthFill MD) dba Express Skincare, for the City-owned property located at 123 South Robertson Avenue, Suite B – (Robertson Parking Garage), Los Angeles, CA 90048 for use as a Med Spa.

David Hopp, MD is a world renowned attending surgeon at Cedars-Sinai Medical Center and has been an attending surgeon for over 20 years. The Med Spa will provide medical grade skincare in a comfortable, safe and pleasant setting. All treatment is provided with physician oversight. All skin care products will be limited to medical grade only. The cost of express medical grade services will range from \$35 to \$700. The medical grade products will range in price from \$25 to \$250. A range of skin related services will be offered including Botox, Dysport, XEOMIN, Cortisone Treatment, Belotero, Juvederm, Radiesse, Restylane, Asclera Vein Therapy, Kybella®, GoToxNow, Express Promise, Vitamin 812, and Dermal Fillers.

The operating hours will be Monday-Saturday 11:00 A.M. to 7:00P.M. and Sunday 10:00AM-6:00P.M. The proposed services are complimentary to such retail businesses as the adjacent salon in Suite A of the Robertson Parking Garage.

### BACKGROUND

The Robertson Parking Garage is owned by the City and operated by LADOT. This garage contains two ground level retail spaces (Suite A and Suite B). It provides convenient public parking to support surrounding business and commercial uses, especially during the holiday shopping season.



On February 2, 2017, LADOT issued a Request for Proposal (RFP) to parties interested in leasing the ground level retail spaces A and B. The RFP (ID # 34323) is still open and available on the Los Angeles Business Assistance Virtual Network (LABAVN) website. Instructions to proposers, required forms, details regarding the subject properties and City requirements are included in the RFP. Proposers are responsible for understanding the requirements and responding in the format requested.

Suite B has 923 rentable square feet, a ceiling height of 13 feet with a potential drop ceiling height of ten feet, gas and water access, and one individual handicap bathroom.

LADOT received two proposals and evaluated both proposals based on the criteria outlined in the RFP. The criteria for review, evaluation and scoring considered under the RFP were as follows: proposed use of the space; performance under other lease(s), contracts, etc., i.e. number of years in business; proposed operating and marketing plans; proposed rent; proposer's statement of qualifications and background. The accepted proposal, submitted by YouthFill MD for Suite B, met all of the requirements after a full review, evaluation & scoring based on the criteria mentioned above.

#### TERMS AND CONDITIONS

The proposed lease agreement will contain the following:

LOCATION:	123 South Robertson Avenue, Suite B, Los Angeles, CA 90048
LANDLORD:	City of Los Angeles
USE:	Med Spa
SQUARE FEET:	923
TERM	5 Years
OPTION TERM:	One 5-year option
HOLDOVER OPTION:	Lease option to allow for month-to-month holdover including CPI increase on lease anniversary date
RENTAL RATE:	\$63,687/Year (\$5.75/sq. ft.)
ADDITIONAL RENT:	The tenant will pay utilities, maintenance of the HVAC, public area maintenance and security, etc., as detailed in the RFP.
ANNUAL INCREASES:	+3%
SECURITY DEPOSIT:	One month's rent (\$5,307.25)
INSURANCE:	Lessee shall furnish the City with evidence of general liability insurance from insurers acceptable to the City; Tenant agrees to include the City, its boards, officers, agents and employees as additional insured.

**UTILITIES:** All utilities will be paid by Tenant.

**PARKING:** The City will provide one free parking space in the parking facility.

**TENANT IMPROVEMENTS:** All tenant improvements will be at the sole cost of the Tenant. LADOT must approve all tenant improvements before permits are applied for and construction begins. Tenant is responsible for obtaining and paying for all permits necessary for the construction of all tenant improvements.

**CUSTODIAL SERVICE:** All custodial services will be at the sole cost of the Tenant.  
**MAINTENANCE:** All maintenance to the Premises will be at the sole cost of the Tenant.

**MARKET ANALYSIS**

The estimated market rental value is in line with the tenant proposal of \$5.75/sq. ft./mo. The rate of \$5.75/sq. ft. will result in an annual rental rate of \$63,687/yr. (\$5,307.25/mo.). A total of nine comparable properties in the near vicinity were used in determining rental value per square foot. See chart below.

Address	Floor	Use	Space Type	SF Avail	Fir Contig	Rent/SF/mo	Services	Occupancy
111 S Robertson Blvd	P 1	Retail	Direct	2500	2500	\$ 7.50	NNN	8/1/2019
112-122 S Robertson Blvd	P 1	Retail	Direct	1200	1200	\$ 7.00	NNN	Vacant
112-122 S Robertson Blvd	P 2	Office	Direct	750 - 2,065	2065	\$ 4.95	FS	Vacant
112-122 S Robertson Blvd	P 2	Office	Direct	1,315 - 2,065	2065	\$ 4.95	FS	Vacant
154-156 S Robertson Blvd	P 1	Retail	Direct	2500	5250	\$ 6.00	NNN	Vacant
154-156 S Robertson Blvd	P 1	Retail	Direct	2750	5250	\$ 6.00	NNN	30 Days
154-156 S Robertson Blvd	E 2	Retail	Direct	1800	1800	\$ 6.00	NNN	30 Days
141-145 S Robertson Blvd	P 1	Retail	Direct	2150	2150	\$ 5.50	FS	Vacant
315 S Robertson Blvd	P 1	Retail	Direct	4962	4962	\$ 4.70	NNN	7/1/2019
<b>Average:</b>						<b>\$ 5.84</b>	<b>Rent/SF/mo</b>	

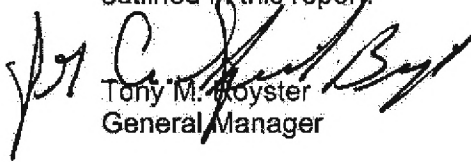
The market study conducted by GSD utilized the CoStar multiple listing service to determine estimated market rates for this location.

**FISCAL IMPACT**

There will be no impact to the General Fund. Rental revenues totaling \$63,687 will be deposited in the Special Parking Revenue Fund.

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a new lease agreement with David Hopp, M.D., CEO and Manager of YouthFill MD XIX, LLC (YouthFill MD) dba Express Skincare, under the terms and conditions as substantially outlined in this report.

  
Tony M. Koyster  
General Manager