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Approved on July 25, 2013 by
The Municipal Facilities Committee

July 25, 2013

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

Attention: Michael Espinosa, Legislative Assistant

REQUEST TO NEGOTIATE AND EXECUTE A LEASE RENEWAL FOR THE LOS ANGELES POLICE DEPARTMENT EVIDENCE WAREHOUSE

The Department of General Services (GSD) requests authority to negotiate and execute a warehouse lease renewal for use by the Los Angeles Police Department (LAPD) as an evidence warehouse.

BACKGROUND

The City has leased warehouse space at 620 Commercial Street, Los Angeles, California, for use by the LAPD as an evidence warehouse since July 1, 1990. The lease expired on January 31, 2008 and the City has been in month-to-month holdover since that time. The landlord had previously been unwilling to extend the lease beyond 2008 but has been willing to allow the City continued use of the space.

Because the need for an evidence warehouse for LAPD is long term, GSD is working with LAPD to identify either a building or land upon which a building could be built for the City to purchase. Owning an evidence warehouse for LAPD's continued use is consistent with the Council-approved 2009 Los Angeles Strategic Real Estate Plan which states that long-term needs should be satisfied by City ownership rather than leasing.

Several buildings and/or sites are currently being reviewed for consideration as a long-term solution. To assure continued use of the existing leased facility at 620 Commercial Street until such time as a permanent solution can be achieved, the landlord has offered a lease renewal to the City. The lease renewal would be for a 12-month period with five

(5) one-year options to renew. Because the landlord is considering alternate uses for this property on a long-term basis, the lease is subject to a unilateral termination right by the landlord after the initial 12-month term. To provide greater flexibility for the City, month-to-month terms beyond the initial 12-month period or any 12-month extensions may be included in the terms of the lease.

Terms and conditions of the proposed lease are as follows:

TERMS AND CONDITIONS

LOCATION: 620 Commercial Street, California
LESSOR: PBR Realty LLC
USE: Evidence Warehouse for LAPD
SQUARE FEET: 42,500 square feet, including space for 139 cars on the roof
TERM: Twelve (12) months, with five (5) one-year options to renew
RENTAL RATE: \$.62 per square foot, triple net; annual CPI increases
LANDLORD
TERMINATION
RIGHT: Each option to renew is subject to a unilateral landlord termination right

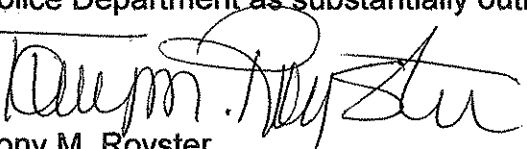
FISCAL IMPACT

The rent for the initial 12-month term is the same as is currently being paid. The landlord has been adding an annual CPI each year even during the City's month-to-month tenancy and this will continue upon exercise of each of the five (5) options to renew. The City will continue to pay insurance and taxes as well as all maintenance per the triple net terms of the ongoing lease.

There are sufficient funds in the 6030 Leasing Account in Fiscal Year 2013-14 to pay for this lease renewal.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to negotiate and execute a lease for an evidence warehouse for use by the Los Angeles Police Department as substantially outlined above.


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General Manager