

ITEM No. 51-A

MOTION

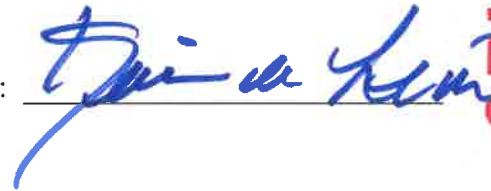
I MOVE that the matter of the communication from the Municipal Facilities Committee relative to license agreements with Industrious LA 444 South Flower Street, LLC and LAZ Parking Ltd, LLC, for temporary co-working office space and onsite staff parking for five City departments, for the property located at 444 South Flower Street in Council District 14, Item No. 51 on today's agenda (C.F. No 23-1307) BE AMENDED to authorize GSD to negotiate and execute license agreements with LA 444 South Flower Street LLC and LAZ Parking Ltd., LLC based on the attached revised term sheet, in order to increase the number of seats being leased to 507 from 300 and make other related adjustments, based on the updated needs of the five impacted City departments.

PRESENTED BY:



IMELDA PADILLA
Councilmember, 6th District

SECONDED BY:



jwd

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ORIGINAL

November 28, 2023

LICENSE AGREEMENT TERM SHEET

MFC DATE	11/16/23
LANDLORD	Industrious LA 444 South Flower LLC
ADDRESS	444 S. Flower Street, Los Angeles, CA 90071
TENANT	Los Angeles Housing Department (LAHD), Economic and Workforce Development Department (EWDD), Community Investment for Families Department (CIFD), Los Angeles Office of Finance (Finance), and Youth Development Department (YDD)
ADDRESS	444 S. Flower Street, Los Angeles, CA 90071
LOCATION	Four Forty Four South Flower, 444 S. Flower Street, Los Angeles, CA 90071
AGREEMENT TYPE	License Agreement
USE	Temporary administrative office space for the Departments located at 1200 W. Seventh Street.
SQUARE FEET	The co-working Office Space has a total of 507 seats, consisting of the 13 th and 14 th floors of the building totaling 43,789 RSF, which include conference rooms and common areas. The City shall have exclusive use of the entire facility. The seats are located in a combination of small, medium, large, and extra-large offices, all with multiple seats, and in executive suite spaces.
TERM	Twelve (12) months.
RENT START DATE	1/15/24 (estimated) The first Monday (or business day if Monday is a holiday) following the later of: (i) thirty-five calendar days following the City's execution and delivery of the License Agreement, and (iii) Industrious' delivery of the entire Office Space to the City.
LICENSE START DATE	1/15/24 (estimated)
OPTION TERM	None
HOLDOVER	Month-to-month basis at the same terms and conditions as the initial Term of the Agreement on sixty (60) days prior notice by City, subject to City's unlimited, continuous full and partial termination rights for all or any portion of the Office Space on a seat-by-seat basis at no cost to City on sixty (60) days prior notice, with termination effective dates commencing on 1/16/24 onwards.
SUBLET/ ASSIGNMENT	None
TERMINATION	1/15/25 (estimated)

MONTHLY LICENSING

FEE	\$278,850 per Month (Five Hundred Seven (507) seats at \$550.00 per Seat on a fixed Monthly Licensing Fee basis)	
ESCALATION	None	
RENTAL ABATEMENT	None	
ADDITIONAL RENT	None (Included in Monthly Licensing Fee)	
PROPERTY TAX	None (Included in Monthly Licensing Fee)	
OPEX	None (Included in Monthly Licensing Fee)	
CAM		
OTHER	Dedicated internet (100% fiber, 200 Mbps) at the City's cost of \$1,100 per month.	
SECURITY DEPOSIT	\$100,000 (payable upon execution of the Agreement)	
MAINTENANCE/ REPAIR	Landlord and Industrious	
MAINTENANCE/ REPAIR		
DETAILS	Building maintenance and repair is included in the Monthly Licensing Fee	
TENANT		
IMPROVEMENTS	AS-IS. Use of furnished workspaces, workstations, desk chairs, and conference rooms, and common areas included. No phone service or phone devices will be provided (City employees will use existing Mobile Remote Program devices).	
PARKING	City right to lease up to one hundred thirty-one (131) unreserved parking passes located on-site, at \$320.00 per pass per month. Additional off-site parking monthly unreserved parking is available in the vicinity of the Building on a month-to-month, availability basis to be secured by the City as needed:	
	<u>Current Quoted Rates</u>	
	1) World Trade Center Garage 350 S Figueroa St (0.17 miles – 4 min walk):	\$245.00 per pass per month
	2) CalEdison DTLA Garage 601 W 5 th St (0.08 miles – 2 min walk):	\$270.00 per pass per month
	3) City National Plaza J-2 Garage (YMCA) St (0.05 miles – 1 min walk):	\$320.00 per pass per month
	4) West Lawn Garage 524 S Flower St (0.07 miles – 2 min walk):	\$352.00 per pass per month
UTILITIES	Included in Monthly Licensing Fee	
CUSTODIAL	Included in Monthly Licensing Fee	
SECURITY	Included in Monthly Licensing Fee	
PROP 13		
PROTECTION	Yes (included in Monthly Licensing Fee). There is no provision for pass-throughs for property tax escalations.	

INSURANCE
(City)

City right to self-insure (still under negotiation)

OTHER:

Co-working space all inclusive service includes:

- Daily breakfast and snacks
- Coffee and soft drinks available all day
- Onsite experience manager at front desk
- Printing
- Wellness and focus rooms
- Phone booths
- Conference rooms and technology
- Desks and chairs provided in every office
- Breakout areas
- Kitchen area

Restoration – No City obligation to demolish standard office improvements or data cabling upon lease expiration or termination.

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Heating, Ventilation & Air Conditioning - Monday through Friday, 8:00 am to 6:00 pm, and Saturday, 9:00 am to 1:00 pm, except for nationally and locally recognized holidays.

Janitorial - Five (5) days per week at Landlord's cost.

Security – On-site building security at Landlord's cost.

The building has two large conference rooms available for tenant use (30 and 48-seat capacity), offered on a reserved, availability basis.