


0150-12517-0000

T R A N S M I T T A L

TO Council	DATE 10-30-23	COUNCIL FILE NO. 15-0190-S3
FROM Municipal Facilities Committee	COUNCIL DISTRICT 15	

At its meeting held on October 26, 2023, the Municipal Facilities Committee (MFC) approved the recommendation of the attached Department of General Services (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a non-profit lease agreement between the City and Congresswoman Nannette Diaz Barragan of the California 44th Congressional District for office space in the San Pedro City Hall located at 638 South Beacon Street, Suite 551. The term of the lease agreement is for two years with two four-year options to extend at the City's sole discretion. The lease agreement is coterminous with the Congresswoman's elected term which currently ends on January 3, 2025, subject to re-election as detailed in the attached report.

There is no General Fund impact as there is no revenue generated from this lease. The non-profit lessee will be responsible for maintaining their office space including any necessary improvements, alterations, maintenance, and repairs. The City will be responsible for overall maintenance of the building, custodial services, heating ventilation and air conditioning, and utilities.


for Matthew W. Szabo
Chair, Municipal Facilities Committee

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



KAREN BASS
MAYOR

DEPARTMENT OF
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CITY HALL SOUTH
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(213) 928-9555
FAX No. (213) 928-9515

October 26, 2023

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

Attention: Mandy Morales, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NEW LEASE FOR
CONGRESSWOMAN NANETTE BARRAGAN
AT 638 S. BEACON STREET, SUITE 551 SAN PEDRO, CALIFORNIA 90731**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease agreement between the City of Los Angeles (City-Landlord) and Congresswoman Nanette Diaz Barragan of the California 44th Congressional District (Tenant) for 571 square feet of the office space available in suite 551 at the San Pedro City Hall (SPCH) located at 638 S. Beacon Street, San Pedro, CA 90731 in Council District 15 (CD 15).

BACKGROUND

On March 24, 2023, the City Council approved a Motion (C.F. 15-0190-S3) introduced by CD15 directing GSD to negotiate a lease with Congresswoman Nanette Diaz Barragan to establish a local field office in the Harbor Area. The SPCH is a seven-story municipal City facility and currently houses several City departments including Fire Department, Building and Safety, Public Works, LAFD Fire Department Museum, as well as Councilmember Tim McOsker's District Office.

The proposed lease with Congresswoman Nanette Barragan continues the effort to activate the building with elected officials to provide local services to the Harbor community.

TERMS AND CONDITIONS

The proposed lease agreement is for zero rent for a two-year term lease agreement with two, four-year options to renew at the City's sole discretion. In the event that the Congresswoman is not re-elected as the Representative to the 44th District, the lease agreement shall, without any notice or action, automatically terminate. Complete terms and conditions are outlined on the attached term sheet.



BUILDING MAINTENANCE/UTILITIES/PARKING

The City shall be responsible for the overall maintenance of the building which includes, but is not limited to, the common areas custodial services, HVAC, utilities, as well as other related building maintenance.

Congresswoman Nanette Diaz Barragan will be responsible to maintain their office space, including but not limited to the interior walls, floors, ceilings, doors, fixtures, lighting, cleaning et al. There is no supplemental HVAC as the office space is not separately zoned/metered. Congresswoman Barragan shall also promptly remove all trash and waste generated from its operations to an appropriate trash dumpster as designated by the City. Any repairs, alterations or other improvements required from the specific use of their portion of the office space shall be performed by Tenant at their sole cost and expense.

Custodial costs will be borne by the City as the cleaning contract includes the entire building's footprint; therefore Congresswoman Barragan will have no additional charges for custodial costs.

There is a City-owned parking lot located at the corner of Beacon and 7th Street which is made available for the tenants of the building on a first-come first-serve basis at no cost.

PUBLIC BENEFIT

The SPCH is an integral City asset that currently houses other City departments. This location is anticipated to be a hub of elected officials at several government levels to enable constituents from Harbor communities to access representation at the same facility. Benefits to the public would include the convenience of reduced travel and wait time to access the elected offices as well as the receipt of coordinated services that are responsive to the needs of local constituents.

MARKET ANALYSIS

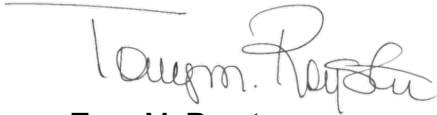
The monthly value of the leased space at market rate is estimated between \$1.21-\$1.90 per square foot (sf) for similar office space and size. This lease is at no cost as Council directed, (CF 15-0190-S3), in order to provide a public benefit as described above.

FISCAL IMPACT

There is no anticipated impact on the General Fund as the license agreement contains zero rent.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate and execute a no-cost lease with Congresswoman Nanette Diaz Barragan at 638 S. Beacon Street, Suite 551, San Pedro, California 90731 for office space under the terms and conditions substantially outlined in this report.

A handwritten signature in dark ink, appearing to read "Tony M. Royster", is written over a horizontal line.

Tony M. Royster
General Manager

Attachment:
Term Sheet

LEASING TERM SHEET

MFC DATE

10/26/2023

LANDLORD

City of Los Angeles

ADDRESS

111 East First Street, 2nd Floor, Los Angeles, CA 90012

TENANT

United States Congresswoman Nanette Barragan

ADDRESS

638 S. Beacon Street, Suite 551, San Pedro, CA 90731

LOCATION

San Pedro Municipal Building

AGREEMENT TYPE

No Cost Lease Agreement

USE

Office Space

SQUARE FEET

Approximately 571 square feet

TERM

Two (2) years

RENT START DATE

N/A

LEASE START DATE

Upon City Clerk's Attestation

OPTION TERM

Two (2) four (4) year options at City's sole discretion

HOLDOVER

Month to month

SUBLET/
ASSIGNMENT

Right to sublease/assign with Landlord approval

RENTAL RATE	\$0.00
TERMINATION	<p>90 day written notice to terminate by either party.</p> <p>Lease agreement to be coterminous with Congresswoman's elected term which currently ends on January 3, 2025. In the event that the Congresswoman is not re-elected as the Representative to the 44th District, the lease agreement shall without any notice or action automatically terminate.</p>
ESCALATION	N/A
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	N/A
PROPERTY TAX	N/A
OPEX	N/A
CAM	N/A
OTHER	Tenant is responsible for phones/internet/connectivity
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	<p>Tenant shall maintain their portion of the site in good and sanitary condition. City has no repair and maintenance obligation within their premises.</p>
MAINTENANCE/ REPAIR DETAILS	
TENANT IMPROVEMENTS	<p>Tenant taking possession in "As-Is" condition. Any repairs, alterations or other improvements required by the specific use of their portion of the office space shall be performed by the Tenant at their sole cost and expense. Subject to City's approval.</p>
PARKING	<p>Municipal owned parking lot available for tenants of the building at 7th & Beacon Street available on a first-come first-serve basis at no cost.</p>

UTILITIES

City

CUSTODIAL

City

SECURITY

Tenant responsible for own security for office premises

PROP 13
PROTECTION

City is exempt

INSURANCE
(City)

Tenant shall indemnify and hold harmless the City

OTHER:

Appropriate insurance coverage to be determined by the City's Risk Management Division.

PRINT:

SIGNATURE: