

GOVERNMENT OPERATIONS COMMITTEE REPORT relative to a new Lease Agreement with Gregg Williams, Receiver for Maguire Properties-555 West Fifth, LLC, for office space located at 555 West 5th Street.

Recommendations for Council action:

1. AUTHORIZE the Department of General Services (GSD) to negotiate and execute a new lease agreement between the City and Gregg Williams, Receiver for Maguire Properties-555 West Fifth, LLC, for office space located at 555 West 5th Street, to relocate five City departments currently occupying space at 1200 West 7th Street (Garland Building), under the terms and conditions substantially outlined in the Municipal Facilities Committee (MFC) report, attached to the Council file, as amended in Recommendation no. 2 below. The term of the lease agreement is for fifteen (15) years with one option to extend for an additional five (5) years, subject to approval of the Mayor and Council.
2. AMEND the term sheet as follows, as it relates to Parking:
Throughout the Lease Term, Landlord will provide validations for up to two hundred (200) visitor vehicles per week in the Building's on-site parking garage the rate of \$1.00 per ten (10) minute period, for the first ninety (90) minutes including City parking taxes (subject to annual 3% increase), and at the Building's posted rates thereafter, which are currently \$4.75 each ten (10) minute period, with a maximum daily rate of \$45.40 per vehicle (under 10 hours).

Fiscal Impact Statement: The Municipal Facilities Committee reports that the General Funded Citywide Leasing Account impact for 2023-24 has a projected budget shortfall of \$74,394 for this lease. The shortfall may be addressed through the Lease Optimization Report which helps reassess lease expenses periodically throughout the fiscal year. Special Funding from the Los Angeles Housing Department (LAHD) and Economic and Workforce Development Department (EWDD) may also need to be addressed through the City Administrative Officer Financial Status Report process in the event of a shortfall.

Community Impact Statement: None submitted

TIME LIMIT FILE – AUGUST 7, 2023

(LAST DAY FOR COUNCIL ACTION – AUGUST 4, 2023)

SUMMARY

At its regular meeting held on June 13, 2023, your Government Operations Committee considered an MFC report, dated June 8, 2023, relative to authorizing GSD to negotiate and execute a new Lease Agreement with Gregg Williams, Receiver for Maguire Properties-555 West Fifth, LLC, for office space located at 555 West 5th Street, to relocate five City departments currently occupying space at 1200 West 7th Street (Garland Building).

The lease term at the Garland Building ends in February 2024. Currently, five City departments occupy 228,539 sf of space at the Garland Building over six floors. These departments consist of the LAHD, EWDD, Office of Finance, Community Investment for Families Department, and Youth Development Department. The City initially leased 88,233 sf in the Garland Building in 2004, subsequently expanded in the building in 2008 and 2010, and from there on has substantially leased the current 228,539 sf.

After an opportunity for public comment was held, the Committee moved to approve the recommendation in the MFC report as amended, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

GOVERNMENT OPERATIONS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
HARRIS-DAWSON:	ABSENT
HERNANDEZ:	YES
HUTT:	YES

MM 23-0604_rpt_GO_6-13-23

-NOT OFFICIAL UNTIL COUNCIL ACTS-