

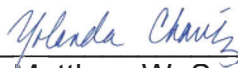
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TRANSMITTAL

TO The City Council	DATE 04-11-2025	COUNCIL FILE NO. 23-1307
FROM Municipal Facilities Committee	COUNCIL DISTRICT 14	

At its meeting held on April 10, 2025, the Municipal Facilities Committee (MFC) approved 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 license amendment with CVFI-444 S Flower, LP, for 50 additional parking spaces for the Los Angeles Housing Department (LAHD) at 444 South Flower Street. On March 27, 2025, the MFC approved a GSD report for LAHD space assignment at 444 South Flower Street, increasing the occupancy from 387 to 511 work stations. The attached report will accommodate the aforementioned additional LAHD staff.

Fiscal Impact: There is no General Fund impact. Additional parking spaces for LAHD will be funded through LAHD's various special funds.


for Matthew W. Szabo
City Administrative Officer
Chair, Municipal Facilities Committee

MWS:AW:05250142

CAO 649-d

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



KAREN BASS
MAYOR

DEPARTMENT OF
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LOS ANGELES, CA 90012
(213) 928-9555
FAX No. (213) 928-9515

April 10, 2025

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

Attention: Adam Lid, Legislative Assistant

**REQUEST AUTHORITY TO AMEND A LICENSE AGREEMENT WITH
CVFI-444 S FLOWER, LP FOR EMPLOYEE PARKING AT
444 SOUTH FLOWER STREET, LOS ANGELES, CA 90071**

The Department of General Services (GSD) requests authority to negotiate and execute a license agreement amendment (Amendment) with CVFI-444 S Flower, LP (Owner) for up to 225 on-site parking spaces in the building located at 444 South Flower Street, Los Angeles, CA 90071 (Building) to maintain on-site employee parking for several City departments that currently occupy temporary co-working office space in the Building.

BACKGROUND

On January 14, 2025, the City Council adopted a motion (C.F. 23-1307) to authorize GSD to negotiate and execute an amendment to extend the term of the license agreement for co-working office space located at 444 South Flower Street, Los Angeles, CA 90071 (Industrious) for up to 24 months which was fully executed and effective as of January 20, 2025. In addition, the motion authorized GSD to negotiate and execute an Amendment to the license agreement for on-site parking spaces with CVFI-444 S Flower, LP with a concurrent up to 24-month term (Amended Term) with the Industrious amendment at the same terms and conditions as the original parking license agreement (Agreement).

Under the current Agreement, the City has the right to lease up to 175 on-site parking spaces, including up to 15 City fleet vehicles, for a 12-month term at a fixed monthly rate of \$320, which includes City Parking Occupancy Tax. The City also has the right to rent less than the full 175 spaces on 30 days' notice. The initial term of the Agreement ended on January 19, 2025, and the City exercised its option to extend it on a month-to-month basis under the same terms and conditions, which currently remains in effect. The City currently rents all 175 parking spaces.



After the City Council approved the extension to the Industrious license agreement, which included the City's near-term plan to reduce seats for the five City departments occupying the Industrious space, the Los Angeles Housing Department (LAHD) decided to fill the seats relinquished by the other departments. As a result, LAHD requires approximately 50 additional parking spaces for additional staff who will begin working in the Industrious space, which is not addressed in the current parking license Agreement.

TERMS AND CONDITIONS

The proposed license Amendment is for an additional 24-month term with holdover rights thereafter on a month-to-month basis. The amended term is retroactive to the expiration of the prior license Agreement, January 20, 2025, and expiring on January 31, 2027, unless terminated earlier by the City or the Owner in accordance with the terms of the Amendment.

The City has the right to rent up to 175 unreserved parking stalls, including 15 for Fleet vehicles (Initial Maximum Spaces), but in no event less than 30 spaces (including 15 Fleet vehicles) (Must-Take Spaces), with an option to add 50 more spaces (Expansion Spaces), with 30 days' prior notice, for a maximum of 225 unreserved parking spaces.

The monthly rate is \$320 per stall, which includes the Parking Occupancy Tax. A \$15 per card, one-time card activation fee is also payable for any additional City parking garage access cards (up to 50 additional cards) required by the City. A full set of terms and conditions are included in the attached term sheet.

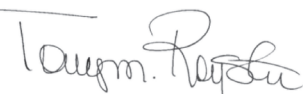
FISCAL IMPACT

Funding for this parking license was included in the Fiscal Year 2024-25 General Funded Municipal Leasing Account in the amount of \$497,419. This FY General Fund expenses are projected to be \$619,600, resulting in a funding shortfall of \$122,181 which was included in the 3rd Quarterly Status Report Citywide Leasing Program. Special Funds from LAHD, EWDD, and CIFI are projected to contribute \$52,480 this FY. For FY 2025-26 the General Fund is projected to cover \$472,320 and the Special Funds are projected to cover \$391,680. There is no additional impact to the General Fund at this time.

Proposed 444 S. Flower Parking Costs with Increase in Parking Spaces by 50					
FUND	DEPT.	Proposed Parking Spaces @\$320	Proposed Maximum Monthly Cost	FY 2024-25 Projected Costs	FY 2025-26 Proposed Maximum Cost
GENERAL FUND	OOF	116	\$37,120		\$445,440
	YDD	1	\$320		\$3,840
	LAHD CIFD, YDD PERS	1	\$320		\$3,840
	CIFD 34%	5	\$1,600		\$19,200
	SUB TOTAL	123	\$39,360	\$619,600	\$472,320
SPECIAL FUND	EWDD + PERS	33	\$10,560		\$126,720
	CIFD 66%	10	\$3,200		\$38,400
	LAHD	59	\$18,880		\$226,560
	SUB TOTAL	102	\$32,640	\$52,480	\$391,680
TOTAL		225	\$72,000	\$672,080	\$864,000

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate and execute an amendment to the parking license agreement with CVFI-444 S Flower, LP for the property located at 444 South Flower Street (Industrious) to provide on-site employee parking at the Industrious temporary co-working office space under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachment: Term Sheet

LEASING TERM SHEET

MFC DATE	April 10, 2025
LANDLORD	CVFI-444 S Flower, LP
ADDRESS	444 South Flower Street, Suite 610, Los Angeles, CA 90071
TENANT	Los Angeles Housing Department (LAHD), Economic and Workforce Development Department (EWDD), Community Investment for Families Department (CIFD), Office of Finance (OOF), and Youth Development Department (YDD)
ADDRESS	444 South Flower Street, Los Angeles, CA 90071
LOCATION	FourFortyFour South Flower, 444 South Flower Street, Los Angeles, CA 90071
AGREEMENT TYPE	License Amendment
USE	Parking
SQUARE FEET	N/A
TERM	Amended Term - 24 Months, commencing retroactive to the expiration of the prior license Agreement on January 20, 2025, and expiring on January 31, 2027 (Amended Term), unless terminated earlier by the City or the Owner in accordance with the terms of the Amendment.
EARLY POSSESSION	N/A
RENT START DATE	01/20/2025 (currently month-to-month, retroactive to 1/20/2025)
LEASE START DATE	01/20/2025 (currently month-to-month, retroactive to 1/20/2025)
OPTION TERM	None
HOLDOVER	Month-to-Month
SUBLET/ ASSIGNMENT	N/A
TERMINATION	01/31/2027 Subject to City and Owner termination rights
RENTAL RATE	\$320 Per parking pass per month, including Parking Occupancy Tax

ESCALATION	None
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	\$15 Per additional parking card activation (up to 50)
PROPERTY TAX	N/A
OPEX	N/A
CAM	N/A
OTHER	N/A
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	Landlord is responsible per the current Agreement.
MAINTENANCE/ REPAIR DETAILS	N/A
TENANT IMPROVEMENTS	N/A
PARKING	Up to 175 unreserved spaces, including 15 fleet vehicles (Maximum Spaces), but in no event less than 30 spaces (including 15 fleet vehicles) (Must-Take Spaces). City expansion option for up to 50 additional unreserved spaces for LAHD exercisable on 30 days' notice at the same terms and conditions (Expansion Spaces) for a maximum of 225 unreserved parking spaces.
UTILITIES	N/A
CUSTODIAL	N/A
SECURITY	Landlord is responsible per the current Agreement.
PROP 13 PROTECTION	N/A
INSURANCE (City)	City is Self-Insured – per current Agreement.
OTHER:	<p>All remaining terms and conditions not specially mentioned in Amendment to License Agreement Term Sheet will remain unchanged from the Agreement dated 12/15/2023.</p> <p>City Partial and Full Termination Rights – Any time prior to January 20, 2026 (i.e., during months 1-12 of the Amended Term), City shall have a continuing right to terminate spaces on no less than 90 days' prior notice to</p>

Owner). Commencing on August 20, 2025 (i.e., 5 months prior to commencement of month 13 of the Amendment Term), the City shall have the continuing right to provide Owner the good faith estimated date that it intends to terminate the Amendment delivered, it at all, at least 5 months prior to the date City intends to terminate the entirety of the spaces (City Intention to Terminate Notice). Following the later of January 20, 2026 (i.e., the beginning of month 13 of the Amended Term), and 5 months following City's delivery of the Intention to Terminate Notice, City shall have the right to terminate its use of spaces in their entirety upon 90 days' prior written notice to Owner.

Owner One-Time Termination Right - In the event City has not delivered its City Intention to Terminate Notice prior to February 20, 2026 (i.e., 5 months prior to commencement of month 19 of the Amended Term), Owner shall have a one-time right to provide to City notice on or before February 19, 2026 that it intends to terminate the Amendment for all or a portion of the City's non-Must-Take spaces on July 19, 2026 (Owner Intention to Terminate Notice). Following the Owner's delivery of the Intention to Terminate Notice, Owner shall have the right to terminate City's use of the non-Must-Take spaces upon 90 days' prior written notice to City, which termination shall be effective on July 19, 2026. Following the Owner's delivery of the Intention to Terminate Notice, City shall have the continuing right to terminate the Must-Take spaces on no less than 90 days' prior notice to Owner.

PRINT:

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SIGNATURE:

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