


## TRANSMITTAL

0150-11745-0001

TO Council	DATE 10-26-23	COUNCIL FILE NO. 14-0718
FROM Municipal Facilities Committee		COUNCIL DISTRICT 8

At its special meeting held on September 12, 2023, the Municipal Facilities Committee (MFC) approved the recommendation of the attached Department of General Services report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a lease amendment between the City and 1609 Westwood & Company for continued use as a Department of Transportation adjudication office located at 1575 Westwood Boulevard. The amendment would extend the current lease, which is currently in holdover status, for an additional two years through two one-year extensions, to expire in March 2025. Additionally, the lease terms and conditions will be amended to reflect a full service gross lease.

There is no anticipated current-year impact on the General Fund. Based on projections provided by GSD, there appears to be sufficient savings within the Citywide Leasing Account to offset an estimated shortfall of \$8,794 for this lease. A reconciliation of the Citywide Leasing Account will be provided to the MFC as part of a subsequent Citywide Leasing Quarterly Status Report, with any potential year-end shortfalls to be reported to Council through the Financial Status Report.

  
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  
GENERAL SERVICES  
ROOM 701  
CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
(213) 928-9555  
FAX No. (213) 928-9515

September 12, 2023

Honorable City Council  
City of Los Angeles  
c/o City Clerk  
Room 305, City Hall  
Los Angeles, CA. 90012

Attention: Mandy Morales, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE  
AMENDMENT WITH 1609 WESTWOOD & COMPANY FOR THE  
DEPARTMENT OF TRANSPORTATION LOCATED AT 1575 WESTWOOD BLVD**

The Department of General Services (GSD) requests authority to negotiate and execute a lease amendment with 1609 Westwood & Company (Landlord), a California corporation, for the Department of Transportation's (LADOT) West Los Angeles (WLA) Adjudication Office located at 1575 Westwood Blvd. #100A, Los Angeles, CA 90024 (Westwood).

**BACKGROUND**

On June 24, 2014 City Council approved a new lease (CF 14-0718) which commenced April 1, 2015 and expired on March 31, 2023. LADOT currently occupies 2,500 square feet (sf) on the second floor of the office space at Westwood on a month-to-month holdover status.

LADOT's Adjudication Office allows citizens to contest parking citations and appeal determinations that were rendered during initial administrative review. Hearing officers meet with the public, review evidence, receive testimony, and send written decisions to contestants. LADOT has three hearing offices located strategically throughout the City to benefit customer access. The office at Westwood serves the West LA constituency and is an ideal location due to its proximity to public transportation and access to major freeways along with its ground floor location. LADOT is requesting a short-term lease extension while they determine their long-term office needs. Furthermore, the Landlord is only willing to renew on a short-term basis.

The current lease terms and conditions will be amended to reflect changes to the rental rate in exchange for eliminating janitorial and electrical costs which will be handled by the Landlord on an all-inclusive rate as full-service gross under this amendment.



**TERMS AND CONDITIONS**

General terms are for a two-year lease extension commencing on April 1, 2023, with two, one-year extensions for 2,500 sf of space. The landlord is including the custodial and electrical utility costs as part of the rent. A complete set of terms and conditions are outlined on the attached term sheet.

**MARKET ANALYSIS**

A current market analysis revealed that the price per sf for this type of space ranges from \$3.50 to \$4.25 per sf plus common area maintenance expenses or triple net charges. These triple net charges average an additional cost of \$.25 - .60 per sf to the rental cost. The per sf cost for this lease renewal is \$4.24 per sf for a full-service gross lease. The following table represents other comparable rates that are currently available in the marketplace.

Address of Comparable Prop.	Property Type	Monthly Rent (PSF)
1334 Westwood	Office	\$3.81 + CAM
1460 Westwood	Office	\$3.50 + CAM
2116 Westwood	Retail	\$4.25 + NET

**FISCAL IMPACT**

The Citywide Leasing Account is estimated to have a shortage of \$8,794 for Fiscal Year 2024 for this lease. This includes rent, utilities, janitorial and parking of approximately \$10,622 per month with a 3% escalation due in April 2024. The current available funding for the Fiscal Year 2024 is \$119,626. Furthermore, the City will have a difference of approximately \$3,716.00 for the current rent and the back rent that is owed, as the term commences on April 1, 2023. GSD will manage the projected shortfall within the Citywide Leasing Account. There is no additional impact to the General Fund at this time.

	Monthly Proposed Costs	2023-24 Estimated Expense	2023-24 Available Funding	2023-24 Estimated shortage
Rent (w/3% esc in April)	\$ 10,622	\$ 128,420		
Parking	Included	\$ -		
CAM	Included	\$ -		
Tenant Improvement	N/A	\$ -		
TOTAL	\$ 10,622	\$ 128,420	\$ 119,626	\$ 8,794

**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 lease amendment with 1609 Westwood & Company, Inc. for office space for the Department of Transportation at 1575 Westwood Blvd., under the terms and conditions substantially outlined in this request.

A handwritten signature in black ink, appearing to read "Tony M. Royster".

Tony M. Royster  
General Manager

Attachment: Leasing Term Sheet

## LEASING TERM SHEET

MFC DATE 09/12/2023

LANDLORD 1609 Westwood and Company, a CA Corporation

ADDRESS 1575 Westwood Blvd., Suite 103-C LA, CA 90024

TENANT City of Los Angeles - GSD

ADDRESS 111 E. 2nd St. LA, CA 90012

LOCATION 1575 Westwood Blvd. 100A

AGREEMENT TYPE Lease

USE Office

SQUARE FEET 2,500 RSF


TERM 24 months

RENT START DATE 04/01/23

LEASE START DATE 04/01/23

OPTION TERM 2 -1 YR option at max 3% increase

HOLDOVER None

SUBLET/  
ASSIGNMENT Right to Sublease - Landlord approval 

TERMINATION None

RENTAL RATE \$10,622.00/mo.

ESCALATION 3%

RENTAL ABATEMENT None

ADDITIONAL RENT None

PROPERTY TAX None

OPEX Included in Rental Rate

CAM Included in Rental Rate

OTHER	<div></div>
SECURITY DEPOSIT	<div>None</div>
MAINTENANCE/ REPAIR	<div>Landlord</div> <div></div>
MAINTENANCE/ REPAIR DETAILS	<div>Full Service Gross Lease - LL's shall maintain and repair</div>
TENANT IMPROVEMENTS	<div>None.</div>
PARKING	<div>Included in Base Rent</div>
UTILITIES	<div>Included in Base Rent</div>
CUSTODIAL	<div>Included in Base Rent</div>
SECURITY	<div>Landlord shall provide security measures for the project</div>
PROP 13 PROTECTION	<div>Landlord will NOT provide Prop 13 protection.</div> <div></div>
INSURANCE (City)	<div>CITY shall indemnify and hold harmless Landlord</div>
OTHER:	<div></div>

Print:

Signature: