

0150-12969-0000

**TRANSMITTAL**

TO The City Council	DATE 04/11/25	COUNCIL FILE NO. -
FROM Municipal Facilities Committee		COUNCIL DISTRICT -

At its meeting held on April 10, 2025, the Municipal Facilities Committee 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 lease agreement with 100 Oceangate, LLC, for office space and parking passes for the Office of the City Attorney at 100 Oceangate, Suite 510, Long Beach. The term for the lease agreement is five years, with one five-year option to extend, effective April 1, 2025.

**Fiscal Impact:** There is no General Fund impact. Funding for this purpose is authorized as part of the 2024-25 Citywide Leasing Account budget.

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

MWS:AW:05250141

# 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

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 NEGOTIATE AND EXECUTE A LEASE AGREEMENT  
FOR CITY ATTORNEY OFFICE SPACE  
AT 100 OCEANGATE, SUITE 510, LONG BEACH, CA 90802**

---

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement with 100 Oceangate LLC (Oceangate) to allow the ongoing use of office space and parking for the Office of the City Attorney (CA) located at 100 Oceangate, Suite 510, Long Beach, CA 90802.

## **BACKGROUND**

The City of Los Angeles has occupied the Oceangate Tower since March 2014 as the City Attorney's Long Beach Satellite Office, housing approximately 16-20 staff including Criminal Branch prosecutors, supervisors, hearing officers, support staff, and LAPD liaison officers. The current lease is on holdover, which expired on July 31, 2024, requiring an agreement to ensure operational continuity. The City Attorney's Office considers this location the most efficient and effective for fulfilling its Charter-mandated duties.

There is no available space within the Long Beach Courthouse for this requirement. The current space at Oceangate is 0.25 miles from the Courthouse making it a vital location for staff who need to appear at that Courthouse for cases.

## **TERMS AND CONDITIONS**

The proposed amendment is a 60-month full service gross lease with a 2025 base year for 4,086 square feet of office space effective April 1, 2025 with a base rent of \$11,032.20 per month (\$2.70 PSF monthly / \$32.40 PSF annually), subject to 3% annual increases. The lease includes three (3) months of rent abatement for months two, three, and four.



In addition to the base rent, the City will be responsible for its proportionate share of any increase in the Building's operating and tax expenses ("Operating Expenses") beyond those incurred during the 2025 Base Year. However, there will be no increases for the first 12 months of the lease term. A complete set of terms and conditions are outlined on the attached term sheet.

### **TENANT IMPROVEMENTS**

The City shall continue to utilize the improvements in the premises in their current "As Is" condition with all systems in normal working order. Oceangate shall provide an Improvement Allowance of \$15 per rentable square foot to repaint, steam clean or re-carpet and improve the office space as needed.

The City shall be responsible for any costs in excess of said allowance. Any unused allowance, up to one half of the allowance, may be utilized as additional base rent credit.

### **MARKET ANALYSIS**

Based on a recent market analysis, the monthly rate for similar locations of office space ranges from \$2.40 per square foot to \$3.25 per square foot. The proposed base rate of \$2.70 per square foot for rent reflects a Full-Service Gross lease, with a base 2025 year and is within the acceptable range for comparable office space in the area.

<b>Rental Market Analysis</b>				
<b>Locations in surrounding area in Long Beach</b>	<b>Property Type</b>	<b>Rent Rate PSF</b>	<b>Rentable SF</b>	<b>Lease Type</b>
1 World Trade Ctr	Office	\$3.25	4,499 SF	FSG
180 E Ocean Blvd	Office	\$2.95	4,272 SF	FSG
249 E Ocean Blvd	Office	\$2.40	3,974 SF	FSG
444 W Ocean Blvd	Office	\$2.70	4,068 SF	FSG
<b>Average Rental Rate</b>		<b>\$2.82</b>		

*\*Note: Proposed base rent of \$2.70 is 2.96% less than the average rent for comparable space in the immediate area.*

### **MAINTENANCE/UTILITIES/LANDSCAPING**

As under the current lease in holdover, the proposed lease terms also has Oceangate responsible for the maintenance, repair, and replacement of all portions of the building structure, common areas, and public areas, except when damage is caused by the City. This includes, but is not limited to:

- Building foundation, floor/ceiling slabs, roof, curtain wall, exterior glass, and mullions
- Columns, beams, shafts (including elevator shafts), stairs, stairwells, parking garage, escalators, and elevator cabs
- Plazas, artwork, sculptures, washrooms, mechanical, electrical, and telephone closets

The City agrees to pay additional rent for the actual cost of maintenance and repairs only in cases where damage is caused by the City's misconduct, neglect, fault, or omission of any duty, including that of its agents, employees, or invitees.

Oceangate will remain responsible for:

- Utility costs (HVAC, electricity, and water)
- Janitorial services
- Regular trash removal and pest control
- Exterior landscaping

Additionally, the City is currently utilizing 16 unreserved parking passes in the public parking lot at an initial rate of \$90 per parking pass per month, as designated in the heldover lease. Under this proposed agreement, Oceangate will allow up to 19 parking passes total at the same rate, with a 10% annual cap increase on the monthly parking cost.

**FISCAL IMPACT**

The Citywide Leasing Account for Fiscal Year 2024-25 Budget includes \$170,521 of funding for this lease agreement. New monthly rent is projected at \$11,032 (\$33,097 for three months), less \$33,097 (three months) of rent abatement. Additional rent is estimated at \$1,710 per month for parking. Total lease costs this Fiscal Year are projected to be \$130,525 providing \$39,996 in savings. There is no negative impact to the General Fund. Future fiscal year costs will be requested through the budget process.

<b><i>FY 2024-25 Proposed Amount 100 Oceangate, Suite 510</i></b>						
	Monthly Proposed Costs	2024-25 Estimated Proposed (3 mos)	2024-25 Current (9 mos)	2024-25 Total Expenses (12 mos)	2024-25 Budgeted Funding	2024-25 Estimated Funding Surplus/ (Deficit)
Proposed Rent	\$11,032	\$33,097	\$100,156	\$133,253		
Rent Abatement (3 month)		-\$33,097		-\$33,097		
Operating Expenses			\$12,279	\$12,279		
Parking	\$1,710	\$5,130	\$12,960	\$18,090		
<b>TOTAL</b>	<b>\$12,742</b>	<b>\$5,130</b>	<b>\$125,395</b>	<b>\$130,525</b>	<b>\$170,521</b>	<b>\$39,996</b>

**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 agreement with 100 Oceangate LLC for the office space located at 100 Oceangate, Long Beach, CA 90802 under the terms and conditions substantially outlined in this report.

 for

Tony M. Royster  
General Manager

Attachment: Term Sheet

## LEASING TERM SHEET

MFC DATE	April 10, 2025
LANDLORD	100 Oceangate, LLC
ADDRESS	659 North Robertson Blvd, West Hollywood, CA 90069
TENANT	City of Los Angeles - GSD
ADDRESS	111 East 1 <sup>st</sup> Street, Los Angeles, CA 90012
LOCATION	100 Oceangate, Long Beach, CA 90802
AGREEMENT TYPE	Full Service Gross Office Lease with Base Year
USE	Office Use
SQUARE FEET	4,086 SF (1.79%) pro rata share of the project
TERM	Sixty (60) months
RENT START DATE	04/01/25
LEASE START DATE	04/01/25
OPTION TERM	One 5-Year option at Market Rate
HOLDOVER	None
SUBLET/ ASSIGNMENT	City may transfer with consent and approval
TERMINATION	None
RENTAL RATE	\$11,032.20/mo. / \$2.70PSF
ESCALATION	3% annual increase
RENTAL ABATEMENT	3 months (periods 2, 3, and 4)
ADDITIONAL RENT	None

PROPERTY TAX	None
OPEX	None
CAM	2025 Base year: NO OPEX for first 12 months with a 10% annual cap on controllable expenses
OTHER	None
SECURITY DEPOSIT	None
LANDLORD MAINTENANCE/ REPAIR	No change-Currently, LL responsible for Building Structure unless Tenant is the cause of damage.  -Tenant not responsible unless for direct requested expenses
TENANT IMPROVEMENTS	\$15/PSF allowance, unused allowance one half may be used as rent credit towards base rent
PARKING	Landlord will allow up to 19 spaces in the parking lot surrounding the Premises at \$90 per space with a 10% cap annually.
UTILITIES	Landlord responsible - electrical, water, and other utilities for the Premises except internet.
CUSTODIAL	Landlord
SECURITY	Landlord shall be responsible for building security. City responsible for security systems within leased premises.
PROP 13 PROTECTION	N/A
INSURANCE	City is self-insured. The landlord shall also provide insurance. To be further defined in the lease agreement per Risk Management.
OTHER:	
PRINT:	
SIGNATURE:	