

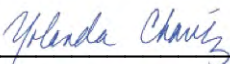
0150-12969-0000

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

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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CITY HALL SOUTH
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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 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.

Rental Market Analysis				
Locations in surrounding area in Long Beach	Property Type	Rent Rate PSF	Rentable SF	Lease Type
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
Average Rental Rate		\$2.82		

**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.

<i>FY 2024-25 Proposed Amount 100 Oceangate, Suite 510</i>						
	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		
TOTAL	\$12,742	\$5,130	\$125,395	\$130,525	\$170,521	\$39,996

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 1st 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:	