

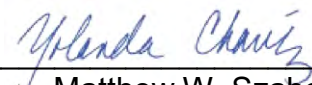
0150-12173-0001

T R A N S M I T T A L

TO Council	DATE 11-16-22	COUNCIL FILE NO. 12-1791
FROM Municipal Facilities Committee	COUNCIL DISTRICT 8	

At its meeting held on October 27, 2022, 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 revise the Second Lease Amendment for Contract No. 122349, with the new property owner HAAS BHCP Property Owners, LLC, for the continued use of the property located at 4125 Crenshaw Boulevard, Unit 193, by the Los Angeles Police Department, South Traffic Division, with the addition of the following terms: 1) a three percent rent escalation for the first 6-month option; and, 2) adding a termination clause following the initial 18-month term, whereby the landlord has the right to terminate the lease by providing a 5-month or a 150-day notice to terminate. All other terms and conditions remain the same, as previously approved as part of the MFC action taken at its meeting held on August 25, 2022.

There is no additional General Fund impact anticipated at this time beyond monies budgeted for the Citywide Leasing Fund (No. 100/64) and any incremental impact to address the three percent annual cost escalation will be addressed through the 2023-24 City Budget process.


 for Matthew W. Szabo
 Chair, Municipal Facilities Committee

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
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

October 27, 2022

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

Attention: Michael Espinosa, Legislative Assistant

**REQUEST FOR AUTHORIZATION TO NEGOTIATE AND EXECUTE
A SECOND AMENDMENT TO LEASE (C-122349) AT 4125 CRENSHAW BLVD
FOR THE LOS ANGELES POLICE DEPARTMENT SOUTH TRAFFIC DIVISION**

The Department of General Services (GSD) requests authority to negotiate and execute a second amendment to lease C-122349 for the Los Angeles Police Department, South Traffic Division (STD-LAPD) located at 4125 Crenshaw Blvd, Unit 193, at the Baldwin Hills Crenshaw Plaza Shopping Center in Council District 8. This amendment will be with the new property owners - HAAS BHCP Property Owners, LLC, a Delaware limited liability company, who acquired the property and assumed this lease as of August 2021.

BACKGROUND

On August 20, 2021, the interests of the Baldwin Hills Crenshaw Plaza Shopping Center were transferred from Capri Urban Baldwin, LLC, a Delaware limited liability company to HAAS BHCP Property Owners, LLC. The STD-LAPD has occupied the Baldwin Hills Crenshaw Plaza Shopping Center since 1989. However, between 1989 and 2012, the City had been paying \$1 per year in lease costs. After considerable renovation to the complex the landlord was no longer able to provide the space at \$1 per year.

On June 17, 2013, a new payable (5) five-year lease was executed. The First Amendment to this contract, dated August 30, 2017, provided a three-year term with two (2) one-year options that expires September 30, 2022. This Second Amendment will be effective retroactively and will afford GSD Leasing ample time to find a replacement site for STD-LAPD within the same designated radius of STD-LAPD operations.

TERMS AND CONDITIONS

The proposed Second Amendment will be for 18 months with three (3) six-month options to extend for approximately 21,413 rentable square feet. The current monthly rental amount is \$32,688.48. The new negotiated rate includes a 3% increase for a total of \$33,669.13. The new owners require a security deposit of one month's rent that will be refundable upon expiration of the term. There



will be a 3% rent escalation on the first (6) month option only. The Landlord shall have the right to terminate the lease by providing a (5) month or 150-day notice to termination after the initial 18-month term. The extended term and new rental payment amount will be retroactive and commence on October 1, 2022, and expire on March 31, 2024. A complete set of terms and conditions are outlined on the attached leasing term sheet.

MARKET ANALYSIS

The price per square foot (PSF) current market analysis for this type of rental space ranged from \$1.85 to \$5.00. The PSF for this Second Amendment lease is \$1.57. This is considered below market rate as compared to properties currently available that are listed below with relatively similar square footage and location.


<u>Locations</u>	<u>Property Type</u>	<u>Rental PSF</u>	<u>Rentable Sq. Ft</u>
4125 Crenshaw Blvd	Retail/Office	\$1.57	21,413
3631 Crenshaw Blvd	Live/work/Office	\$1.85	15,751
3868-3876 Crenshaw Blvd	Retail/Office	\$3.00	29,856
2611-2619 Exposition Blvd	Retail/Office	\$3.65	20,150
4299 Leimert Blvd	Retail/Office	\$2.50	11,709
3991 S. Western Ave	Retail/Office	\$5.00	25,000
3900 W. Jefferson Blvd	Office	\$4.15 - \$5.00	31,360
4030-4044 S. Western Ave	Office	\$1.90 - \$2.40	33,008

FISCAL IMPACT

The rental increase for this second amendment is \$980.65, and equates to a 3% increase from \$32,688.48 per month to \$33,669.13 per month. There is sufficient funding in the 6030 Leasing Account to cover the cost for this lease inclusive of the security deposit.

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 second amendment to C-122349 with HAAS BHCP Property Owners, LLC, for the continued use of property located at 4125 Crenshaw Blvd, Los Angeles, CA 90043 under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet
Letter of Intent
First Amendment to Lease C-122349

LEASING TERM SHEET

MFC DATE 10/27/2022

LANDLORD HAAS BHCP PROPERTY OWNER, LLC

ADDRESS 3650 W. Martin Luther King Jr. Blvd, Los Angeles, CA 90008

TENANT City of Los Angeles - LAPD

ADDRESS 111 E. 1st Street, Los Angeles CA, 90012

LOCATION 4125 Crenshaw Blvd, Los Angeles, CA 90008

AGREEMENT TYPE Lease Amendment

USE Office/Parking

SQUARE FEET 21,413


TERM 18 months

RENT START DATE Upon Executed Amendment

LEASE START DATE Upon Executed Amendment

OPTION TERM Three (3) six month options - 3% increase on the 1st (6) Month option only

HOLDOVER Yes

SUBLET/
ASSIGNMENT Right to Sublease/Assign - Landlord approval 

TERMINATION The Landlord has the right to terminate the lease (5) month or 150-day.

RENTAL RATE \$33,669.13

ESCALATION YES - 1st (6) month option period

RENTAL ABATEMENT N/A

ADDITIONAL RENT YES

PROPERTY TAX N/A

OPEX N/A

CAM N/A

OTHER	N/A
SECURITY DEPOSIT	\$33,669.13
MAINTENANCE/ REPAIR	<div>Tenant</div> <div></div>
MAINTENANCE/ REPAIR DETAILS	Tenant
TENANT IMPROVEMENTS	N/A
PARKING	Yes
UTILITIES	Tenant
CUSTODIAL	Tenant
SECURITY	Tenant
PROP 13 PROTECTION	<div>Landlord will NOT provide Prop 13 protection.</div> <div></div>
INSURANCE (City)	City shall indemnify and hold harmless Landlord
OTHER:	<p>This is a 2nd Amendment for 18 months w/ (3) six-month options to extend for a grand total of potentially a three (3) years term. The 1st option will have a 3% rate increase.</p> <p>The Landlord shall have the right to terminate the lease by providing a (5) month or 150-day notice to termination after the initial 18-month term.</p>



Alexander Bazley
General Manager
Real Estate Management Services

CBRE, Inc.

3650 W. Martin Luther King Jr Blvd
Suite 243
Los Angeles, CA 90008

332 290 4214 Direct

Alexander.Bazley@CBRE.com

September 30, 2022

Re: LAPD Traffic Division at Baldwin Hills Crenshaw LOI - REVISED

Dear Paul Burke:

This term sheet (the "**Term Sheet**") sets forth the basic terms for the lease of space at Baldwin Hills Crenshaw ("**Project**") to the City of Los Angeles ("**Tenant**"). This Term Sheet is submitted in order to permit Landlord and Tenant to engage in open and informed discussions of potential lease terms as the basis for a definitive amendment to the existing lease agreement with Tenant (the "**Lease**"), and is not intended as and shall not constitute an offer, an acceptance or a contract.

- 1. Landlord:** HAAS BHCP Property Owner, LLC.
- 2. Tenant:** City of Los Angeles, a municipal corporation, acting by and through its Department of General Services.
- 3. Premises:** Approximately 21,413 square feet of ground floor office space and adjacent exterior parking. The exact location and area of the Premises shall be subject to reasonable change as the retail center may be redesigned and reconfigured from time to time.
- 4. Term:** Eighteen (18) month term with three (3) 6-month extension options.
10/01/2022-03/31/2024

- 5. Base Rent:** Rent shall be based on approximately 21,493 SF.

<u>Months</u>	<u>Monthly Rent PSF</u>	<u>Monthly Base Rent</u>
18	\$1.57	\$33,618.41

First 6-Month Extension Option:

<u>Months</u>	<u>Monthly Rent PSF</u>	<u>Monthly Base Rent</u>
6	\$1.62	\$34,986.06

Second 6-Month Extension Option:

<u>Months</u>	<u>Monthly Rent PSF</u>	<u>Monthly Base Rent</u>
6	\$1.62	\$34,986.06

Third 6-Month Extension Option:

<u>Months</u>	<u>Monthly Rent PSF</u>	<u>Monthly Base Rent</u>
6	\$1.62	\$34,986.06

- 6. Operating Expenses:** As outlined in the original Lease. Tenant shall pay all direct expenses, including but not limited to all utilities serving the Premises.

- 7. Termination:** After the initial 18-month term, Landlord shall have the right to terminate the lease with one hundred fifty (150) day notice to the Tenant.
- 8. Security Deposit:** One (1) month, fully refundable, \$33,618.41 due upon amendment execution.
- 9. Confidentiality:** Neither party nor the real estate brokers for either party will disclose the terms and conditions of this Term Sheet or any other confidential and propriety information of the other party to any third party except representatives or agents who have a need to know and who commit to maintain the confidentiality required hereunder.

This Term Sheet expresses the intent of Landlord and Tenant and shall not be deemed a legally binding agreement, except with regard to the confidentiality provisions of Paragraph 23, above, Landlord and Tenant hereby acknowledge that such confidentiality provisions shall be binding. Landlord and Tenant hereby disclaim any legal rights or reliance hereunder, including any obligation to negotiate in good faith, and expressly acknowledge that either party may terminate negotiations at any time for any reason or no reason. Excepting the above-referenced confidentiality provisions, neither party may rely on the contents in or the existence of this Term Sheet in any manner or for any reason, and any such purported reliance shall be deemed contrary to the intent of the parties and unreasonable. Anything herein to the contrary notwithstanding, except for Paragraph 23, a legally binding agreement shall arise only when, if and to the extent Landlord and Tenant execute a definitive Lease, which Lease shall supersede this Term Sheet in its entirety. Landlord shall prepare the initial draft of the Lease for Tenant's review.

If the provisions of this Term Sheet are acceptable to you, please so indicate by causing the enclosed duplicate original counterpart hereof to be executed by an appropriate signatory of Tenant and return to the attention of the undersigned on or before five (5) business days after receipt.

Sincerely,



Alexander Bazley
General Manager
As Agent for HAAS BHCP Property Owner, LLC

AGREED TO AND ACCEPTED BY:

Tenant: City of Los Angeles

By: _____

Its: _____

Title: _____

Date: _____

CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,
COUNCIL/PUBLIC SERVICES DIVISION
ROOM 395, CITY HALL

DATE: August 30, 2017

(PLEASE DO NOT STAPLE THE CONTRACT FOR THE CLERK'S FILE)

FORM MUST BE TYPEWRITTEN

FROM (DEPARTMENT): General Services Department - Real Estate Services.

CONTACT PERSON: Paul A. Burke PHONE: 213-922-8554

CONTRACT NO.: C-122349 COUNCIL FILE NO.: 12-1791

ADOPTED BY COUNCIL: 6/27/2017
DATE

APPROVED BY BPW: _____
DATE

NEW CONTRACT _____
AMENDED AND RESTATED _____
ADDENDUM NO. _____
SUPPLEMENTAL NO. _____
CHANGE ORDER NO. _____
AMENDMENT 1st

CONTRACTOR NAME: Capri Urban Baldwin, LLC

TERM OF CONTRACT: October 1, 2017 THROUGH: September 30, 2020

TOTAL AMOUNT: Base Rent \$29,043.29, Parking included & \$10,000 Tenant Impro. allowance.

PURPOSE OF CONTRACT:

The Los Angeles Police Department - South Traffic (LAPD), has a current lease that commenced on 10/1/2012 and will expire 9/30/2017. The above 1st Amendment, will commence 10/1/2017 through 9/30/2020. This is a 321 Term - (Three years w/ Two - One year options).

NOTE: CONTRACTS ARE PUBLIC RECORDS - SCANNED AND UPLOADED TO THE INTERNET

*

BALDWIN HILLS CRENSHAW PLAZA

FIRST AMENDMENT TO LEASE

This **FIRST AMENDMENT TO LEASE** ("**Amendment**"), effective as of _____, 2017 (the "**Effective Date**"), is entered into by and between **CAPRI URBAN BALDWIN, LLC**, a Delaware limited liability company ("**Landlord**") and **CITY OF LOS ANGELES**, a municipal corporation, acting by and through its Department Of General Services ("**Tenant**").

RECITAL:

A. Landlord and Tenant are parties to that certain Office Lease dated June 17, 2013 (the "**Original Lease**"). Initially capitalized terms used herein, but not otherwise defined herein, shall have the meaning set forth in the Original Lease. The Original Lease, as amended hereby, is referred to herein as the "**Lease**."

B. Pursuant to the Original Lease, Tenant leases from Landlord those certain premises (the "**Premises**") consisting of approximately 21,413 square feet of office space, commonly referred to as Unit 193 and located in BALDWIN HILLS CRENSHAW PLAZA (the "**Shopping Center**") in the City of Los Angeles, State of California, as more particularly shown on Exhibit A to the Original Lease.

C. The parties wish to extend the term of the Lease, all subject to and in accordance with the terms and conditions hereof.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Extended Term**. The Term is hereby extended for a period of three (3) years, commencing on October 1, 2017, and extending through and including September 30, 2020 (the "**Extended Term**"). From and after the date hereof, all references to the "**Term**" in the Original Lease or this Amendment shall be deemed references to the Term as extended by this Amendment, and all references to the "**Lease Termination Date**" shall be deemed references to September 30, 2020. Tenant's lease of the Premises during the Extended Term shall be subject to all terms and conditions of the Lease, including without limitation, Tenant's obligation to pay monthly Base Rent in accordance with Article 6 of the Original Lease, subject to annual increases in accordance with Article 7 of the Original Lease. Without limiting the generality of the foregoing, it is acknowledged that Tenant's monthly Base Rent for the first year of the

Extended Term is \$29,043.29 per month. Thereafter, such Base Rent amount payable shall increase by 3% in accordance with Article 7 of the Original Lease.

2. **Condition of the Premises.**

(a) **No Landlord Obligation.** Landlord shall have no obligation to construct leasehold improvements for Tenant or to repair or refurbish any portion of the Premises. Tenant confirms that (i) it has accepted the Premises and will continue to occupy such space "AS-IS", (ii) the Premises are suited for the use intended by Tenant, and (iii) the Premises are in good and satisfactory condition.

(b) **Required Accessibility Disclosure.** Landlord hereby advises Tenant that the Shopping Center has not undergone an inspection by a certified access specialist, and except to the extent expressly set forth in the Lease, Landlord shall have no liability or responsibility to make any repairs or modifications to the Premises or the Shopping Center in order to comply with accessibility standards. The following disclosure is hereby made pursuant to applicable California law:

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." [Cal. Civ. Code Section 1938(e)].

Any CASp inspection shall be conducted in compliance with reasonable rules in effect at the Shopping Center with regard to such inspections and shall be subject to Landlord's prior written consent.

3. **OPTION TO EXTEND.**

(a) Tenant shall have two (2) options (collectively, the "**Extension Options**", each, an "**Extension Option**") to extend the Term of the Lease for one (1) year periods each (each, an "**Option Term**"). The exercise of each Extension Option shall operate to extend the Lease upon the same terms and conditions except for the amount of Base Rent which shall increase by 3% upon the commencement of each Option Term in accordance with Article 7 of the Original Lease. Tenant must exercise each Extension Option, if at all, by sending written notice thereof to Landlord on or before the date that is one hundred twenty (120) days before either (i) the Lease Termination Date, as modified in Section 1 above, or (ii) the last day of the first Option Term, as applicable.



(b) Tenant shall have no right to exercise an Extension Option (A) during the period commencing with the giving of any notice of default under Article 20 of the Original Lease and continuing until the noticed default is cured, or (B) during the period of time any monetary obligation due Landlord from Tenant is unpaid (without regard to whether notice thereof is given to Tenant), or (C) during the time Tenant is in breach of the Lease (beyond any applicable notice and cure period), or (D) in the event Landlord has given to Tenant three (3) or more notices of separate defaults under Article 20 of the Original Lease during the twelve (12) month period immediately preceding the exercise of an Option, whether or not the defaults are cured. The period of time within which an Extension Option may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise an Extension Option because of the provisions of this Section 3(b).

(c) All the terms and conditions of the Lease during an Option Term shall apply, except as otherwise specifically provided.

4. ALLOWANCE. Landlord shall provide Tenant with a one-time improvement allowance up to \$10,000.00 (the "**Allowance**") to apply towards the cost of improvements and alterations in the Leased Premises (the "**Work**") carried out by Tenant or on Tenant's behalf at Tenant's sole cost and expense, subject to reimbursement out of the Allowance. Prior to commencing any Work, Tenant will submit plans and specifications to Landlord detailing Tenant's proposed Work for Landlord's review and approval, which approval will not be unreasonably withheld, conditioned or delayed. The Work shall be (i) completed in accordance with the plans and specifications approved by Landlord and otherwise in compliance with the terms of Article 11 (Alterations and Improvements) of the Original Lease and this Section 4, (ii) carried out in a good and workmanlike manner, (iii) constructed in compliance with all applicable laws, rules, codes and regulations, and (iv) subject to Landlord's supervision. Tenant shall give Landlord at least fifteen (15) days' prior written notice of the commencement of any work in the Leased Premises, including the Work. Landlord will reimburse Tenant for its actual costs and expenses incurred in connection with the Work up to the full amount of the Allowance after (i) Tenant has provided Landlord with invoices and receipts evidencing the amounts paid by Tenant to complete the Work for which Tenant is requesting reimbursement; (ii) Tenant's providing Landlord with a final lien waiver from Tenant's general contractor, and each of its sub-contractors, materialmen and suppliers for labor and materials relating to the Work, (iii) Tenant has scheduled a final inspection with Landlord for verifying the completion of the Work pursuant to the terms and conditions of the Lease (including, without limitation, Article 11 (Alterations and Improvements) of the Original Lease), and (iv) Tenant has provided Landlord with a copy of its signed construction contract with its contractor. Failure to satisfy all of the foregoing requirements by December 31, 2018, shall cause Tenant to forfeit the Allowance. Notwithstanding anything to the contrary herein, Landlord shall not be obligated to reimburse Tenant for the Work out of the Allowance prior to January 1, 2018.

5. NOTICE ADDRESSES. Effective as of the Effective Date (and notwithstanding anything to the contrary contained in the Lease), the parties hereby confirm and agree that all notices under the Lease shall be delivered to Landlord and Tenant at the following addresses (or such other address as either party may from time to time designate by notice to the other party):



If to Tenant:

City of Los Angeles
c/o Department Of General Services
Asset Management Division
Suite 201, City Hall South
111 East First Street
Los Angeles, California 90012
Telephone: (213) 922-8521
Telecopier: (213) 922-8511

With a copy to:

Office of the City Attorney
Real Property/Environmental
Division
700 City Hall East
200 North Main Street
Los Angeles, California 90012
Telephone: (213) 978-8177
Telecopier: (213) 978-8090

If to Landlord:

Capri Urban Baldwin, LLC
c/o Capri Capital Partners, LLC
875 North Michigan Ave, Suite 3430
Chicago, IL 60611
Attn: Chairman

With a copy to:

Baldwin Hills Crenshaw
c/o Capri Retail Services, LLC
3650 W Martin Luther King Jr Blvd,
Suite 243
Los Angeles, CA 90008
Attn: General Manager

All notices shall otherwise be delivered in accordance with the terms of Article 2 of the Original Lease.

6. **Brokers**. Each party represents to the other that it has dealt with no broker in connection with the negotiation and/or execution of this Amendment other than Selcer Realty, Inc. representing Landlord (Steve Selcer) (the "**Broker**"). Each party shall defend, indemnify and hold the other harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by such party of this representation and such obligations shall survive the expiration or sooner termination of the Lease, as amended hereby. To the extent Landlord has a separate written agreement with the Broker, Landlord agrees to pay the commission due pursuant to such written agreement.

7. **Continuing Effectiveness**. Except as herein modified or amended, the provisions, conditions and terms of the Original Lease shall remain unchanged and in full force and effect.



All references in the Original Lease and this Amendment to “**Lease**” shall be deemed to be references to the Original Lease as amended by this Amendment.

8. **Entire Agreement.** This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements.

9. **Governing Document.** In the case of any inconsistency between the provisions of the Original Lease and this Amendment, the provisions of this Amendment shall govern and control.

10. **Execution and Delivery.** Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

11. **Counterparts.** This Amendment may be executed in counterparts, each of which shall constitute an original, and all of which, together, shall constitute one document.

12. **Authorization.** The individuals signing on behalf of Tenant each hereby represents and warrants that he or she has the capacity set forth on the signature pages hereof and has full power and authority to bind Tenant to the terms hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date of the attestation by the City Clerk.

“Tenant”:

“Landlord”:

CITY OF LOS ANGELES,
a municipal corporation acting by and
through its Department Of General Services

By: [Signature]
Name: Tony M. Royster
Its: General Manager
Date: 8/24/17

APPROVED AS TO FORM:

MICHAEL FEURER,
City Attorney

By: [Signature]
Name: Tim McWilliams
Its: Assistant City Attorney

ATTEST:

HOLLY WOLCOTT,
City Clerk

By: [Signature]
Name: Juan Urdano
Its: DEPUTY
Date: 8/30/17



CAPRI URBAN BALDWIN, LLC,
a Delaware limited liability company

By: Capri Retail Services, LLC,
a Delaware limited liability company
its Authorized Agent

By: [Signature]
Name: Rachel Freeman
Its: General Manager

Date: Aug 21, 2017



HOLLY L. WOLCOTT
CITY CLERK

SHANNON D. HOPPE
EXECUTIVE OFFICER

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

Council and Public Services Division

200 N. SPRING STREET, ROOM 395
LOS ANGELES, CA 90012
GENERAL INFORMATION - (213) 978-1133
FAX: (213) 978-1040

BRIAN E. WALTERS
DIVISION CHIEF

CLERK.LACITY.ORG

When making inquiries relative to
this matter, please refer to the
Council File No.: [12-1791](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

June 28, 2017

Council File No.: [12-1791](#)

Council Meeting Date: June 27, 2017

Agenda Item No.: 44

Agenda Description: ENTERTAINMENT AND FACILITIES COMMITTEE REPORT relative to a lease amendment for Los Angeles Police Department's South Traffic Division with Capri Urban Baldwin, LLC for office/mall space located at 4125 Crenshaw Boulevard, Unit 193.

Council Action: ENTERTAINMENT AND FACILITIES COMMITTEE REPORT - ADOPTED

Council Vote:	YES	BOB BLUMENFIELD
	YES	MIKE BONIN
	YES	JOE BUSCAINO
	ABSENT	GILBERT A. CEDILLO
	YES	MITCHELL ENGLANDER
	ABSENT	MARQUEECE HARRIS-DAWSON
	YES	JOSE HUIZAR
	YES	PAUL KORETZ
	ABSENT	PAUL KREKORIAN
	YES	NURY MARTINEZ
	YES	MITCH O'FARRELL
	YES	CURREN D. PRICE
	YES	DAVID RYU
	YES	HERB WESSON

HOLLY L. WOLCOTT
CITY CLERK

7
6/29

File No. 12-1791

ENTERTAINMENT AND FACILITIES COMMITTEE REPORT relative to a lease amendment for Los Angeles Police Department's (LAPD) South Traffic Division with Capri Urban Baldwin, LLC for office/mall space located at 4125 Crenshaw Boulevard, Unit 193.

Recommendation for Council action:

AUTHORIZE the Department of General Services (GSD) to negotiate and execute the amendment with Capri Urban Baldwin, LLC, for office/mall space located at 4125 Crenshaw Boulevard, Unit 193, under the terms and conditions substantially as outlined in the GSD report dated May 25, 2017, attached to the Council file.

Fiscal Impact Statement: The GSD reports that the rent increase for this second amendment is \$846, raising the rent from \$28,197 per month to \$29,043 per month. There is sufficient funding in the 6030 Leasing Account to cover the cost for this lease.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on June 13, 2017, your Entertainment and Facilities Committee considered a MFC report relative to negotiating and executing a lease amendment for LAPD's South Traffic Division with Capri Urban Baldwin, LLC for office/mall space located at 4125 Crenshaw Boulevard, Unit 193. The GSD reports that the LAPD South Traffic Division has occupied the Baldwin Hills Crenshaw Plaza Shopping Center since June 17, 2013. This amendment will be for three years with two one-year options for approximately 21,413 rentable square feet. The term of the lease is currently set to expire on September 30, 2017. This new amendment will extend the term of the lease for a period of 36 months. The extended term will commence on October 1, 2017, and expire on September 30, 2020. The price per square foot (PSF) current market analysis for this type of rental space ranged from \$1.34 to \$3.50. The PSF for this lease amendment is \$1.35. GSD successfully negotiated a Tenant Improvement allowance of approximately \$10,000 which will be used for paint, carpet and minor upgrades. After an opportunity for public comment was held, the Committee moved to approve the recommendation presented in the MFC transmittal, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ENTERTAINMENT AND FACILITIES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
O'FARRELL:	YES
KREKORIAN:	ABSENT

BUSCAINO: YES

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-

TRANSMITTAL

TO
Council

DATE
06-02-17

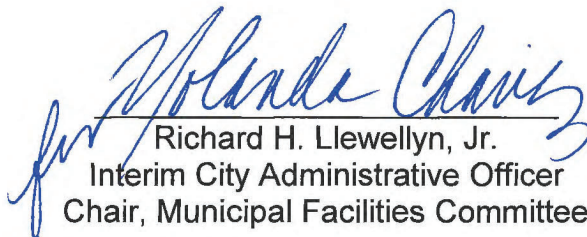
COUNCIL FILE NO.

FROM
Municipal Facilities Committee

COUNCIL DISTRICT
8

At its meeting of May 25, 2017, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached Department of General Services (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize GSD to negotiate and execute a lease amendment with Capri Urban Baldwin, LLC, for office/mall space located at 4125 Crenshaw Blvd, Unit 193.

There is no additional impact on the General Fund, as there is sufficient funding in GSD's leasing account to fund the cost of this lease.


Richard H. Llewellyn, Jr.
Interim City Administrative Officer
Chair, Municipal Facilities Committee

RHL:ACG:05170127

CITY OF LOS ANGELES

CALIFORNIA

Agenda Item No.6

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
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

May 25, 2017

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

Attention: Eric Villanueva, Legislative Assistant

REQUEST FOR AUTHORIZATION TO NEGOTIATE AND EXECUTE A LEASE AMENDMENT AT 4125 CRENSHAW BOULEVARD FOR THE LOS ANGELES POLICE DEPARTMENT

The Department of General Services (GSD) requests authority to negotiate and execute a lease amendment for the Los Angeles Police Department, South Traffic Division (LAPD) for mall and office space located at 4125 Crenshaw Blvd, Unit 193, Baldwin Hills Crenshaw Plaza Shopping Center.

BACKGROUND

The LAPD South Traffic Division has occupied the Baldwin Hills Crenshaw Plaza Shopping Center since June 17, 2013. This amendment will be for three years with two one-year options for approximately 21,413 rentable square feet. The term of the lease is currently set to expire on September 30, 2017. This new amendment will extend the term of the lease for a period of 36 months. The extended term will commence on October 1, 2017, and expire on September 30, 2020. The price per square foot (PSF) current market analysis for this type of rental space ranged from \$1.34 to \$3.50. The PSF for this lease amendment is \$1.35. GSD successfully negotiated a Tenant Improvement (TI) allowance of approximately \$10,000 which will be used for paint, carpet and minor upgrades.

The lease amendment will contain the following:

TERMS AND CONDITIONS

LOCATION: 4125 Crenshaw Blvd, Unit 193
Los Angeles, CA 90008

LANDLORD: Capri Urban Baldwin, LLC

USE: Mall & Office space

SQUARE FEET: Approximately 21,413

TERM: Three years (36 months), September 30, 2020

RENTAL RATE: \$29,043.29 (\$1.35 per sq.ft.)

ESCALATIONS: 3% annually

ADDITIONAL RENT: N/A

SECURITY DEPOSIT: N/A

OPTION TERM: N/A

PARKING: Free parking

TENANT
IMPROVEMENT: TI allowance of approximately (\$10,000).

FISCAL IMPACT

The rent increase for this second amendment is \$846, raising the rent from \$28,197 per month to \$29,043 per month. There is sufficient funding in the 6030 Leasing Account to cover the cost for this lease.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to negotiate and execute the amendment with Capri Urban Baldwin, LLC, for office/mall space located at 4125 Crenshaw Blvd, Unit 193, under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager

Attachments

LAPD

SUBJECT:

425 CRENSHAW BLVD, LA

21,413 SQ FT

@ \$1.17
Owned \$1.35

Address	City	Property Type	Property Size	Space Avail	Rent/SF/Mo
325 W 23rd St	Los Angeles	Class A Multi-Family/Apartments	1,106,774 SF	27,386 SF	\$2.00-\$3.00
120 E 25th St	Los Angeles	Specialty/Religious Facility	10,000 SF	10,000 SF	\$1.25
229 W 31st St	Los Angeles	Class C Industrial/Manufacturing	8,426 SF	4,750 SF	\$1.70
3808 W 54th St	Los Angeles	Specialty	8,894 SF	4,000 SF	\$1.88
4874 Adams Blvd	Los Angeles	Retail/Storefront Retail/Residential	3,427 SF	625 SF	\$3.00
650 W Adams Blvd	Los Angeles	Class B Office	128,768 SF	57,800 SF	\$2.25
1746-1752 W Adams Blvd	Los Angeles	Retail/Storefront Retail/Office	14,974 SF	2,550 SF	\$1.37-\$1.38
4470-4472 W Adams Blvd	Los Angeles	Retail/Storefront Retail/Office	8,500 SF	1,600 SF	\$2.24
5242 W Adams Blvd	Los Angeles	Class B Office	16,000 SF	16,000 SF	\$2.50-\$3.50
6002 Alvarado Ave	Los Angeles	Retail/Storefront Retail/Residential	3,702 SF	1,651 SF	\$1.34
5300-5328 Avalon Blvd	Los Angeles	Class C Industrial/Service	13,735 SF	2,000 SF	\$1.40-\$1.80
5860-5862 Avalon Blvd	Los Angeles	Class C Office	14,000 SF	7,800 SF	\$2.25
1933 S Broadway	Los Angeles	Class B Office	793,158 SF	216,465 SF	\$2.35-\$2.85
2821-2825 Crenshaw Blvd	Los Angeles	Retail/Storefront	4,620 SF	2,500 SF	\$2.45
3870-3876 Crenshaw Blvd	Los Angeles	Retail/Storefront Retail/Office (Neighborhood Center)	29,856 SF	8,000 SF	\$2.00-\$3.00
4064 Crenshaw Blvd	Los Angeles	Retail/Storefront	6,578 SF	6,578 SF	\$2.00
6111 S Gramercy Pl	Los Angeles	Class C Industrial/Warehouse	37,152 SF	5,280 SF	\$1.32-\$1.54
2114 S Hill St	Los Angeles	Class C Office	5,043 SF	800 SF	\$2.50
3501 W Jefferson Blvd	Los Angeles	Class C Office/Strip Center	12,089 SF	5,436 SF	\$2.50
4128 W Jefferson Blvd	Los Angeles	Class C Flex	3,600 SF	3,600 SF	\$2.85
5500 W Jefferson Blvd	Los Angeles	Class B Office/Loft/Creative Space	85,000 SF	85,000 SF	\$3.75
808-808 N La Brea Ave	Inglewood	Class C Flex	32,400 SF	1,450 SF	\$1.43
1406-1410 N La Brea Ave	Inglewood	Class C Office	3,005 SF	658 SF	\$1.60
3431-3499 S Main St	Los Angeles	Class C Industrial/Manufacturing	76,240 SF	16,747 SF	\$0.88-\$2.25
3781 Stocker St	Los Angeles	Class B Office/Medical	19,936 SF	2,708 SF	\$2.50