

## CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



KAREN BASS  
MAYOR

DEPARTMENT OF  
GENERAL SERVICES  
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April 11, 2024

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

Attention: Jason Lopez, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A  
LEASE AMENDMENT WITH 1000 VERMONT AVENUE SPE, LLC AT  
1000 VERMONT AVENUE NW SUITE 250 FOR THE OFFICE OF THE MAYOR**

The Department of General Services (GSD) requests authority to negotiate and execute a lease amendment for an extension with 1000 Vermont Avenue SPE, LLC a Delaware limited liability company (Landlord) for an existing office lease for space within a privately-owned building located at 1000 Vermont Avenue NW, Washington DC, currently being utilized by the Office of the Mayor.

**BACKGROUND**

Under the Mayor's Office direction and approval, GSD has negotiated favorable terms for a lease amendment to extend the occupancy for the office space at 1000 Vermont Avenue, NW, which is located in the heart of Washington DC's Midtown market. The lease for this 1,454 square foot (sf) office is expiring April 30, 2024. Due to current market conditions, the City has not elected to exercise the existing option to extend, but rather negotiate an amendment which will result in a new rate of \$4.33 per sf compared to the current rate of \$5.01 per sf.

**TERMS AND CONDITIONS**

The proposed lease amendment will extend the lease for an additional two years and seven and a half months. The new proposed base rent is an aggregate rate of \$4.33 per sf, or \$6,295.82 per month. The current monthly rent and operating expenses are approximately \$5.01 per sf or \$7,285.29 per month. The City negotiated a lower rate resulting in a Full Service Gross Lease without a Base Year and no expenses. A complete set of terms and conditions are provided on the attached term sheet.



**FISCAL IMPACT**

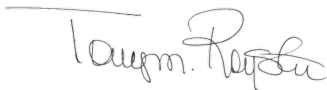
The Mayor’s Office lease is covered by the general funded Citywide Leasing Account budget for the current monthly rent and operating expenses of \$7,285.29. The budget for this lease was facing a shortfall of approximately \$6,618 prior to renegotiating the terms. The new monthly rent of \$6,295.82 beginning in May, with rent abatement in June 2024, will result in a savings of \$1,655.99 this fiscal year. The fiscal impact to the general fund is estimated to be reduced for the FY 2024-25 budget request by \$4,636.77 compared to the current year.

<b>Proposed Lease Expenses - 1000 Vermont Ave., Washington D.C.</b>					
	Monthly Proposed Costs	2023-24 *Estimated Expense	2023-24 Budget Funding	2023-24 Estimated Savings	2024-25 Projected Expense
Rent	\$6,295.82	\$78,530.62			\$75,549.84
<b>TOTAL</b>	<b>\$6,295.82</b>	<b>\$78,530.62</b>	<b>\$80,186.61</b>	<b>\$1,655.99</b>	<b>\$75,549.84</b>

\*Includes rent paid to date this FY, 1 month at new rate, and 1 month rent abatement.

**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 1000 Vermont Avenue SPE, LLC a Delaware limited liability company and to extend the existing office lease at 1000 Vermont Avenue Washington, DC, Suite 250 DC 20005, under the terms and conditions set forth in this report.



Tony M. Royster  
General Manager

Attachment: Leasing Term Sheet

## LEASING TERM SHEET

MFC DATE	April 11, 2024
LANDLORD	1000 Vermont Avenue SPE, LLC a Delaware limited liability company
ADDRESS	1000 Vermont Avenue NW DC 20005
TENANT	City of Los Angeles - GSD
ADDRESS	111 East 1 <sup>st</sup> Street, Los Angeles, CA 90012
LOCATION	1000 Vermont NW Ste. 250, Washington, DC
AGREEMENT TYPE	Lease Extension - Amendment - Full Service Gross
USE	Office Space
SQUARE FEET	Approximately 1,454 RSF
TERM	2 years and 7.5 months
RENT START DATE	05/01/24
LEASE START DATE	05/01/24 - 12/11/26
OPTION TERM	None
HOLDOVER	MTM at 150%
SUBLET/ ASSIGNMENT	Right to Sublease with Landlord's approval
TERMINATION	Landlord and City has no right to terminate
RENTAL RATE	\$4.33/PSF
ESCALATION	3.5% Annual Increase
RENTAL ABATEMENT	One Month - (Month two)
ADDITIONAL RENT	None - Full Service Gross Lease

PROPERTY TAX	None
OPEX	None
CAM	None
OTHER	None
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Landlord is responsible for repairs and maintenance
MAINTENANCE/ REPAIR DETAILS	City has no repair or maintenance obligation.
TENANT IMPROVEMENTS	None
PARKING	As Available on site
UTILITIES	Landlord
CUSTODIAL	Landlord
SECURITY	Landlord
PROP 13 PROTECTION	None
INSURANCE (City)	City shall indemnify and hold harmless the City subject to Risk Management's Approval
PRINT:	
SIGNATURE:	