

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
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AND
CITY PURCHASING AGENT



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March 25, 2021

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

Attention: Michael Espinosa, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE
A NEW LICENSE AGREEMENT WITH JUDICIAL COUNCIL OF CALIFORNIA FOR
HOLLYWOOD COURTHOUSE SPACE AT 5925 HOLLYWOOD BLVD, LOS ANGELES**

The Department of General Services (GSD) requests authority to negotiate and execute a new license agreement with the Judicial Council of California (State) for approximately 215 square feet (sf) of space at the Hollywood Courthouse located at 5925 Hollywood Blvd, Los Angeles, CA, 90028 for use by the Office of the City Attorney (City Attorney).

BACKGROUND

The proposed Hollywood courthouse license is a new agreement requested by the Office of the City Attorney. The State allowed them to occupy this space in December 2019 with the understanding that a new agreement was being executed. However, rent for this space is only retroactive to July 1, 2020. Also, consistent with other courthouse license agreements, custodial payments which amount to approximately 25% of license costs will be paid directly to the Los Angeles County Superior Court under a separate Memorandum of Understanding (MOU). Authority to enter into this MOU will be requested in a separate report.

TERMS AND CONDITIONS

The new proposed license includes 215 sf of office space with a monthly rent, without custodial of \$462.25. The additional custodial charge of 25% of total rent or \$115.56 monthly, will result in a total rent amount of \$577.81 monthly effective retroactively starting July 1, 2020.



Any increase or decrease in square footage will result in an increase or reduction in rent with a 30-day notice to the landlord based on the current cost per square foot rate.

Complete terms and conditions are included in the attached Term Sheet. The City will enter into a separate MOU agreement with the Los Angeles County Superior Courts to pay custodial costs.

MARKET ANALYSIS

Several lease comparables for each location are included for comparison. Note: each comparable is within one mile of each courthouse and from 2019 to present.

Hollywood 5925 Hollywood Blvd, Los Angeles	Monthly Rent (per square foot)
5815-5825 W Sunset Blvd	\$3.25
1601 N Gower	\$3.25
6515 W Sunset Blvd	\$4.25
Total Average	\$3.58
Proposed State Rent*	\$2.15

*Proposed State Rent is lower than average comparables

FISCAL IMPACT

The Leasing Account is not funded for this license in FY 2020-21, thus resulting in a funding shortfall of \$6,933.75.

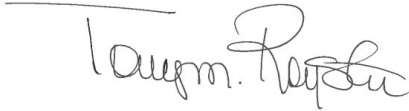
Rent includes 215 sf of office space and a monthly fee for custodial service. The base rent is \$462.25 monthly and the new monthly custodial fee is approximately \$115.56. These new costs are retroactive to July 2020.

Please note the first year of this new General Fund lease including custodial will cost \$577.81 monthly, or \$6,933.75 annually, with annual increases of 3%. There is an unfunded amount of \$6,933.75 for FY 2020-21 as detailed in the chart below.

FY 20-21 Funding- 5925 Hollywood Blvd, Courthouse					
	Monthly Proposed Costs	One-Time Costs	2020-21 Estimated Expense	2020-21 Available Funding	2020-21 Estimated Balance
Rent	\$462.25		\$5,547.00		
Custodial	\$115.56		\$1,386.75		
TOTAL	\$577.81	\$0	\$6,933.75		(\$6,933.75)

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a license agreement with the Judicial Council of California for the continued use of office space at Hollywood courthouse, located at 5925 Hollywood Blvd, CA 90028 for City Attorney use under the terms and conditions substantially outlined in this report.

A handwritten signature in black ink, appearing to read "Tony M. Royster". The signature is written in a cursive style with a horizontal line above the first few letters.

Tony M. Royster
General Manager

Attachment: Term Sheet

LEASING TERM SHEET

MFC DATE

LANDLORD

ADDRESS

TENANT

ADDRESS

LOCATION

AGREEMENT TYPE

USE

SQUARE FEET

TERM

RENT START DATE

LEASE START DATE

OPTION TERM

HOLDOVER

SUBLET/
ASSIGNMENT

TERMINATION

RENTAL RATE

ESCALATION

RENTAL ABATEMENT

ADDITIONAL RENT

PROPERTY TAX

OPEX

CAM

OTHER	Late fee \$50 or 5% of license fee whichever is greater
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Landlord
MAINTENANCE/ REPAIR DETAILS	Landlord fixes all common areas and general maintenance of site
TENANT IMPROVEMENTS	N/A
PARKING	As needed by tenant
UTILITIES	Tenant pays
CUSTODIAL	Custodial up to 25% of rent-approximately \$115.56 monthly, \$1,386.75 annually
SECURITY	None
PROP 13 PROTECTION	City is Exempt
INSURANCE	City shall indemnify and hold harmless Landlord
OTHER:	Total rent including custodial is approximately \$577.81 monthly or \$6,933.72 yearly \$462.25 monthly plus \$115.56 monthly(approximate Custodial) = \$577.81 approximate rent City Attorney Room 201-1st floor 215 sq feet Overall Total 215 sq feet