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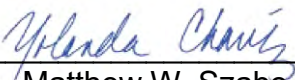
TRANSMITTAL

TO The City Council	DATE 06-03-25	COUNCIL FILE NO. 18-0534-S1
FROM Municipal Facilities Committee	COUNCIL DISTRICT 13	

At its meeting held on May 29, 2025, the Municipal Facilities Committee (MFC) approved 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 non-profit lease agreement with Hollywood Partnership Ventures, doing business as Hollywood Partnership Community Trust (HPCT), to operate a public restroom and a visitor center at 1627 Vine Street. The term for the lease agreement is coterminous with the Hollywood Entertainment District Contract No. C-132196, in effect through December 31, 2028. The lease agreement will be consistent with any extension or termination of the said contract.

The MFC amended the report to instruct GSD to include a provision for HPCT to submit a formal extension request to allow GSD to review the status of the project prior to extending the lease in lieu of an automatic lease extension.

Fiscal Impact: There is no General Fund impact as this is a no-cost lease agreement.


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

MWS:AW:05250168

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

May 29, 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 TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH HOLLYWOOD PARTNERSHIP VENTURES FOR THE CITY-OWNED RETAIL SPACE LOCATED AT 1627 VINE STREET, HOLLYWOOD, CA 90028

The Department of General Services (GSD) requests authority to negotiate and execute a new lease agreement with Hollywood Partnership Ventures dba Hollywood Partnership Community Trust, a 501(c)(3) nonprofit corporation (HPCT) for the City-owned retail space located at 1627 Vine Street, Hollywood, CA 90028 in Council District 13 (CD13). This site will be developed into a visitor information center and public restrooms known as the Hollywood Walk of Fame Public Amenities Project (Project).

BACKGROUND

The City of Los Angeles owns a public parking structure located at 1627 Vine Street in Hollywood, which is operated by the Los Angeles Department of Transportation (LADOT). This facility includes a vacant ground-level retail space that has remained unoccupied for several years. In 2017, the City issued a Request for Proposals (RFP) to activate the space, however, no responses were received. In 2018, an unsolicited offer was presented for a one-year lease, but the proposed tenancy did not materialize.

The Hollywood Walk of Fame, which is adjacent to this site, serves as an internationally recognized cultural landmark and attracts millions of visitors annually. Despite its significance as a major tourist destination, the area lacks easily accessible and clean public restrooms, which is a critical amenity for visitors and an essential resource for addressing the basic needs of unhoused individuals in the community. Local stakeholders, including social service providers, residents, businesses, and property owners, have expressed strong support for the development of public restroom facilities at this location.



HPCT, a nonprofit affiliate of the Hollywood Property Owners Alliance and the managing entity of the Hollywood Entertainment District (HED) business improvement district, proposed a solution to address this longstanding need.

HPCT's mission is to enhance the vibrancy and well-being of the Hollywood community. It achieves this by aggregating funds through donor contributions, grants, sponsorships, service contracts, and enterprise programs. These funds are invested in projects that align with strategic plans aimed at improving public safety, cleanliness, beautification, economic development, and community engagement within the Hollywood community.

In response to the community need and the nonprofit's proposal, City Council approved motion (CF#18-0534-S1) on March 5, 2023 to authorize GSD, with the assistance of the Department of Transportation, to negotiate a lease agreement with Hollywood Partnership Ventures for the use of the space.

TERMS AND CONDITIONS

The proposed agreement with HPCT is a zero-cost lease based on the community-serving nature of the project, the public benefits provided, and the organization's role and responsibilities in designing and constructing the project, as well as staffing and operating the facility.

HPCT will assume responsibility for all costs for design and construction of the proposed facility as well as ongoing operation and maintenance through various funding sources. Their responsibilities will include:

- Design, construct, and operation of public-serving restrooms and a concierge visitor information center within this space.
- Upon completion of the Project, provide staffing during public operating hours by cleaning and safety ambassadors to ensure a safe and welcoming environment.

The proposed lease will be co-terminous with the term of the Hollywood Entertainment District BID (Contract No. C-132196), currently in effect through December 31, 2028. Should the BID be extended, the lease term will automatically be extended to align with the new BID term. Conversely, if the BID expires or is terminated, the lease agreement will terminate automatically to avoid the City holding a lease with no underlying operational structure or funding mechanism.

A complete set of terms and conditions are in the attached term sheet.

COMMUNITY BENEFIT ANALYSIS

The City Administrative Office (CAO) completed the attached Community Benefit Analysis (CBA) which supports the recommendation for approval of the proposed terms and conditions. See attached CBA.

CONSTRUCTION OF THE PROJECT

As HPCT is responsible for all costs related to the construction of the Project, the resulting lease agreement shall include Project Development Milestones to ensure the timely completion of the Project. These milestones will be developed collaboratively by the LADOT, Economic and Workforce Development Department (EWDD), Department of General Services (GSD), and Hollywood Partnership Community Trust (HPCT). This collaborative approach will help ensure that the Project is advanced in a coordinated manner, reflecting the requirements of all relevant City agencies. The milestones will serve to hold HPCT accountable for diligently pursuing project development and will be incorporated as enforceable conditions of the lease.

A Project Manager, to be retained by GSD and paid with bond funds, will act as the City's representative to oversee construction, certify milestone completion, approve progress payments, and coordinate with HPCT and City departments to ensure timely and compliant project delivery. This includes but is not limited to: Securing all required permits and approvals, compliance with LADBS Building Codes, Environmental Compliance (CEQA), and Adherence to Project Timelines.

In addition, the Bureau of Contract Administration (BCA) will require that the project comply with all applicable labor compliance regulations. As part of this process, the selected contractor will be required to participate in an introductory meeting with BCA regarding labor compliance procedures, including requirements related to prevailing wages, certified payroll reporting, and other applicable regulations. Ongoing coordination between BCA and the contractor will be necessary throughout the construction period to ensure compliance. The City's Project Manager will serve as the primary liaison between BCA and the contractor and will be responsible for facilitating communication, monitoring compliance activities, and assisting with resolution of any labor-related issues that may arise during the course of the project.

This independent oversight framework ensures that public funds are safeguarded, project timelines are enforced, and the public-serving facility is delivered on schedule and in accordance with City expectations and applicable ordinances.

The Bureau of Engineering will be submitting a California Environmental Quality Act (CEQA) Notice of Exemption for the Hollywood Walk of Fame Public Amenities Project, confirming that the project qualifies for a categorical exemption under State CEQA Guidelines Section 15301(a) and City CEQA Guidelines Article III, Section 1, Class 1, Category 1 for existing facilities. The project consists of minor interior improvements to a City-owned retail space within an existing public parking structure, with no expansion of use. No exceptions under CEQA Guidelines Section 15300.2 are anticipated to apply.

MAINTENANCE/UTILITIES/LANDSCAPING

Under the terms of the proposed lease agreement, HPCT will assume full responsibility for the operation, and upkeep of the premises. The City will have no responsibility or financial obligation for the maintenance, utilities, or landscaping associated with the leased premises. HPCT shall be solely responsible for all of the following:

- Utilities: Payment of all utility services to the premises, including but not limited to electricity, water, gas, sewer, trash collection, internet, and communications.
- Janitorial and Cleaning Services: Daily janitorial services to maintain cleanliness of all interior spaces. Regular cleaning and sanitation of restroom facilities in accordance with public health and safety standards. Graffiti removal and prompt response to vandalism or damage.
- Repairs and Maintenance: Routine and preventative maintenance of all interior and exterior building systems and fixtures. Repairs and replacements necessary to keep the premises in good working condition, including plumbing, lighting, flooring, and finishes. Maintenance of all signage, displays, and visitor information components within the leased premises.
- Landscaping and Exterior Grounds: Maintenance of any landscaping features within or adjacent to the premises (if applicable), including irrigation, weeding, pruning, and general upkeep to ensure a clean and attractive appearance. Litter and debris removal from exterior areas within HPCT's designated use area.
- Security and Safety: Provision of on-site staff or ambassadors during all hours of operation to monitor public safety and provide assistance to visitors. Implementation of security measures to safeguard the facility and ensure safe use of the public restrooms.

By assuming these responsibilities, HPCT will ensure that the premises are maintained in a clean, safe, and serviceable condition at all times without cost to the City.

FUNDING

CRA/LA Excess Bond Proceeds - \$1Million

A total of \$1 Million is being funded through the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) Excess Bond Proceeds and will be administered through the General Services Department (GSD) through this proposed lease.

The former CRA/LA was established to eliminate blight, promote economic development, and improve public infrastructure within designated redevelopment project areas throughout the City. The Hollywood Redevelopment Project Area, adopted in 1986, was among these key areas, with objectives that included revitalization of commercial corridors, support for tourism and the entertainment industry, and enhancement of public facilities to foster economic and community development.

In 2012, CRA/LA was dissolved by action of the California Legislature and Governor under Assembly Bill X1-26 (Redevelopment Dissolution Act). CRA/LA transitioned into a successor agency tasked with winding down its obligations. In 2012, Assembly Bill 1484 established mechanisms that authorized successor agencies with a "finding of completion" to utilize pre-2011 tax allocation bond proceeds—known as Excess Bond

Proceeds—for new, bond-eligible projects within the original redevelopment project areas, provided they complied with bond covenants and served public purposes.

The proposed Project, located within the boundaries of the Hollywood Redevelopment Project Area, is consistent with these objectives. The project will activate long-vacant City-owned space adjacent to the Hollywood Walk of Fame and provide much-needed public-serving amenities including restrooms, visitor information services, and public safety staffing. These uses align with the CRA bond program's emphasis on improving the public realm, promoting tourism, supporting economic development, and addressing community needs, which were identified priorities in the original redevelopment plan.

In response, in January 2024, the City Council amended the original project budget through a Council Motion (CF 14-1174-S40) to redirect \$1 million of the previously allocated CRA/LA Excess Bond Proceeds specifically for the Hollywood Walk of Fame Public Amenities Project. This effort focuses on establishing public restrooms and a visitor information center within the vacant, City-owned retail space located at 1627 Vine Street, a parking structure operated by LADOT.

State of California \$500,000

In addition to the City's allocation of \$1 million in CRA/LA Excess Bond Proceeds for the Hollywood Walk of Fame Public Amenities Project, HPCT has secured an additional \$500,000 in funding from the State of California to support the design and construction of the proposed project. These State funds have been approved, disbursed, and are currently held by HPCT for this purpose.

The availability of these guaranteed matching funds, in combination with the City's contribution, ensures the delivery of a high-quality, public-serving facility that will enhance the visitor experience in Hollywood and support the district's broader economic development and public realm objectives.

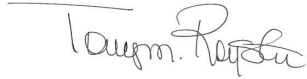
FISCAL IMPACT

While the proposed lease agreement establishes zero rent and therefore does not impact the City's General Fund, there is an anticipated fiscal impact to LADOT's Special Parking Revenue Fund (SPRF).

The subject property is currently under the jurisdiction of LADOT and leasing the space at no cost will result in loss of potential revenue to SPRF. Based on market conditions, the estimated value of the rent-free use of the premises is approximately \$66,000 per year, subject to annual rental escalations. The SPRF is a special fund that supports parking operations, maintenance, capital improvements related to parking, and debt service obligations tied to parking revenue bonds. Therefore, any reduction in revenue may affect the availability of funds for these purposes.

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 Hollywood Partnership Ventures for the City-owned location at 1627 Vine Street, Hollywood, CA 90028 under the terms and conditions substantially outlined in this report.

A handwritten signature in black ink, appearing to read "Tony M. Royster".

Tony M. Royster
General Manager

Attachments: Term Sheet
Community Benefit Analysis

LEASING TERM SHEET

MFC DATE

May 29, 2025

LANDLORD

City of Los Angeles GSD (LADOT)

ADDRESS

111 East 1st Street, Los Angeles, CA 90012

TENANT

Hollywood Partnership Ventures (dba Hollywood Partnership Community Trust), 501(c)(3) non-profit corporation

ADDRESS

6922 Hollywood Boulevard, Suite 925
Hollywood, CA 90028

LOCATION

1627 Vine Street, Hollywood, CA 90028

AGREEMENT TYPE

Triple Net (NNN)

USE

Civic/Public Benefit Use Restrooms & Visitor Center

SQUARE FEET

Approximately 2,200 Square Feet

TERM

The proposed lease will be co-terminous with the term of the Hollywood Entertainment District BID (Contract No. C-132196), currently in effect through December 31, 2028. Should the BID be extended, the lease term will automatically be extended to align with the new BID term.

Conversely, if the BID expires or is terminated, the lease agreement will terminate automatically to avoid the City holding a lease with no underlying operational structure or funding mechanism.

RENT START DATE

N/A

LEASE START DATE

Upon issuance of Certificate of Occupancy TBD - est. January 1, 2026

OPTION TERM

N/A

HOLDOVER

None

SUBLET/
ASSIGNMENT

N/A

TERMINATION

N/A

RENTAL RATE	\$0.00 Zero Cost
ESCALATION	N/A
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	N/A
PROPERTY TAX	N/A
OPEX	N/A
CAM	N/A
OTHER	
SECURITY DEPOSIT	None
TENANT MAINTENANCE/ REPAIR	HPCT will assume full responsibility for the maintenance, operation, and upkeep of the premises located at 1627 Vine Street. The City will have no responsibility or financial obligation for the maintenance, utilities, or landscaping associated with the leased premises. HPCT shall be solely responsible for all of the following: • Utilities: Payment of all utility services to the premises, including but not limited to electricity, water, gas, sewer, trash collection, internet, and communications. • Janitorial and Cleaning Services: Daily janitorial services to maintain cleanliness of all interior spaces. Regular cleaning and sanitation of restroom facilities in accordance with public health and safety standards. Graffiti removal and prompt response to vandalism or damage. • Repairs and Maintenance: Routine and preventative maintenance of all interior and exterior building systems and fixtures. Repairs and replacements necessary to keep the premises in good working condition, including plumbing, lighting, flooring, and finishes. Maintenance of all signage, displays, and visitor information components within the leased premises. • Landscaping and Exterior Grounds: Maintenance of any landscaping features within or adjacent to the premises (if applicable), including irrigation, weeding, pruning, and general upkeep to ensure a clean and attractive appearance. Litter and debris removal from exterior areas within HPCT's designated use area. • Security and Safety: Provision of on-site staff or ambassadors during all hours of operation to monitor public safety and provide assistance to visitors. Implementation of security measures to safeguard the facility and ensure safe use of the public restrooms.

TENANT
IMPROVEMENTS

By assuming these responsibilities, HPCT will ensure that the premises are maintained in a clean, safe, and serviceable condition at all times without cost to the City. The City shall not be liable for any expenses associated with utilities, janitorial services, repairs, maintenance, landscaping, or security for the duration of the lease term.

HPCT will be responsible for the design and construction of public restrooms, which will include gender-inclusive stalls, as well as a visitor center.

In addition, HPCT will complete tenant improvements and furnish the visitor center with guest amenities, and implement site enhancements that may include landscaping, public art, ambient and security lighting, ambient sound, signage, and site furnishings.

The lease agreement shall include Project Development Milestones to ensure the timely completion of the Project. These milestones will be developed collaboratively by the Los Angeles Department of Transportation (LADOT), Economic and Workforce Development Department (EWDD), Department of General Services (GSD), and Hollywood Partnership Community Trust (HPCT). This collaborative approach will help ensure that the Project is advanced in a coordinated manner, reflecting the requirements of all relevant City agencies. The milestones will serve to hold HPCT accountable for diligently pursuing project development and will be incorporated as enforceable conditions of the lease.

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PARKING

TBD

UTILITIES

Tenant

CUSTODIAL

Tenant

SECURITY

Tenant

PROP 13
PROTECTION

N/A

INSURANCE

To be further defined in lease agreement

OTHER:

The City will have no responsibility or financial obligation for the maintenance, utilities, or landscaping associated with the leased premises.

PRINT:

Steven Welliver, Executive Director

SIGNATURE:

DocuSigned by:
Steven Welliver
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**Report from
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Community Benefits Analysis for Proposed Non-Profit Lease**

I. Proposed Lease Terms and Conditions	
Facility Location:	1627 Vine Street, Hollywood, CA 90028 in Council District 13 (LADOT Lot 702 – Street-Level Retail Store Front)
Lessee:	Hollywood Partnership Ventures DBA Hollywood Partnership Community Trust (HPCT)
Council File Reference:	CF#18-0534-S1 (Motion adopted by City Council on May 5, 2023)
Space Assignment:	Approximately 2,200 square feet (APN# 5546-009-904)
Term & Renewal Option:	Initial term commences upon City Clerk’s Attestation and expires on December 31, 2028, with two five-year options to extend co-terminus with the Hollywood Entertainment District BID (Contract No. C-132196).
Market Rate:	\$2.50 per square foot or \$66,000 annually
Proposed Rental Rate:	\$0.00 during the initial term, and rates subject to re-negotiation at the discretion of the City.
Clean-up and Associated Cost:	Lessee shall be financially responsible for all clean up, construction, and associated costs for the premises.
Tenant Improvements:	Lessee shall be financially responsible for construction and operation of the public service amenities – a visitor information center with public restrooms – in the existing retail space in the parking structure.
II. History and Current Services	
Mission:	The mission of Hollywood Partnership Ventures is to enhance the appeal, vitality, and well-being of the Hollywood community from the ground up. The mission of HPCT is to strengthen the vibrancy of the Hollywood neighborhood as a bastion of community life and commerce through elevated place making, beautification, and economic development projects.
Vision:	The vision of the Hollywood Partnership Ventures is a Hollywood where experiences exceed expectations.

**Report from
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Community Benefits Analysis for Proposed Non-Profit Lease**

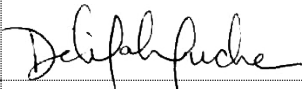
Background / History:	The Hollywood Partnership Ventures is the non-profit managing entity for the Hollywood Entertainment District, a property-based business improvement district authorized by the City of Los Angeles. Its affiliate organization, HPCT, aggregates additional funding from contributions, grants, sponsorships, contracts for service, and enterprise programs to accelerate the implementation of the organizations' shared strategic plan for improvements to the Hollywood community. Included in the strategic plan are two objectives relevant to the proposed leasehold. First is to facilitate the development of public restrooms in key locations as an amenity and benefit for all people, ensuring they are always monitored and maintained. Second is to explore development of a permanent visitor center to serve as a concierge for information about local monuments, attractions and business offerings. As private businesses have increasingly curtailed access by the public to restroom facilities, accessible facilities to serve a large tourist population as well as a large number of individuals experiencing homelessness have become an acute need for the Hollywood community. Lot 702 at 1627 Vine Street contains a street-level retail storefront of approximately 2,200 square feet on its Vine Street façade. Despite releasing multiple Requests for Proposals for use of the space, the Department of Transportation has been unable to secure a market-rate tenant for the space and it has remained vacant since the parking garage was constructed.
Current Services:	The Hollywood Partnership Ventures and HPCT deliver a wide array of projects, programs, and initiatives for the Hollywood neighborhood in the areas of cleaning, public safety, beautification, marketing, events, advocacy, and economic development. One such project is the Hollywood Partnership Ambassador program, which employs approximately 80 full-time equivalents across safety, cleaning, and hospitality teams to deliver services to the Hollywood community. Each of the three teams will be responsible for providing a portion of the services to be delivered with the visitor center and public restrooms. The organizations currently manage small visitor information kiosks deployed to the Hollywood & Highland and Hollywood & Vine LA Metro stations on peak weekend days. The organizations do not currently manage any public restroom facilities.

Report from
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Community Benefits Analysis for Proposed Non-Profit Lease

III. Community Benefits Analysis			
Value of Direct Services:	A. <u>Value of Dedicated Staff</u> : \$1,156,938.60		
	Staff	Rate	Annual Cost
	Director of Visitor Experience	\$165,000 for a full-time salary	\$165,000.00
	Safety Staffing	\$39.92/hour for 18 hours daily*	262,274.40
	Custodial Staffing	\$37.02/hour for 18 hours daily*	243,221.40
	Hospitality Staffing	\$37.02/hour for 18 hours daily for 2 staffs each shift*	\$486,442.80
		Total	\$1,156,938.60
	<i>*The hourly rate for all position includes wages, benefits, and overhead cost (training, uniforms, profit margin for the vendor, etc.) for eligible employees. The hours listed are total number of daily hours per type of position staffed by multiple individuals. The annual cost is calculated on a 365-day basis as HPCT plans to operate the Visitor Center 365 days a year.</i>		
	B. <u>Value of Services to Participants</u> : \$25,000.00 An annually rotating public art program is valued at \$25,000 a year.		
Value of Operational Budget:	C. <u>Value of Operational Budget</u> : \$374,000.00		
	Item	Rate	Annual Cost
	Electricity, Water, Telecommunications, and Trash	\$1,600/month	\$19,200.00
	Restroom Supplies	\$4,000/ month	48,000.00
	Visitor Center Materials	\$2,500/month	30,000.00
	Office Supplies	\$150/month	1,800.00
	Visitor Center Advertising**	\$275,000/year	\$275,000.00
		Total	\$374,000.00
	<i>** If selected by Visit California to serve as an official California Welcome Center the facility will receive advertising annually as an in-kind service.</i>		
Additional Offsets / In-Kind Services:	D. <u>Value of Additional Offsets</u> : \$0.00		
Total Community Benefits:	\$1,555,938.60 annually (=A+B+C+D above)		
Market Value for Leased Space	\$66,000.00 annually		

**Report from
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Community Benefits Analysis for Proposed Non-Profit Lease**

Benefits Finding & Recommended Action.	Community benefits estimated at \$ <u>1,555,938.60</u> annually exceed the market value of \$ <u>66,000.00</u> for the leased space by \$ <u>1,489,938.60</u>. Approval of the proposed lease terms are recommended on the basis that the value of the community benefits exceed the market value of the leased space.
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0220 - 05479 – 0050	Aira Wada		
Work Assignment Number	Analyst	Chief	Assistant CAO

YC/AW/05250010

Release Date: 09-12-24