

GOVERNMENT OPERATIONS COMMITTEE REPORT relative to authorizing the Department of General Services (GSD) to negotiate and execute a parking lease amendment with 888 Vermont Avenue, LLC, for the Los Angeles Department of Transportation (LADOT) at 888 South Vermont Avenue.

Recommendation for Council action:

AUTHORIZE the Department of General Services (GSD) to negotiate and execute a lease amendment based on the revised terms and conditions with 888 Vermont Avenue, LLC for LADOT use of property located on 888 Vermont Avenue Los Angeles, CA 90005 under the terms and conditions as substantially outlined in the March 3, 2026 Municipal Facilities Committee (MFC) report, attached to the Council File.

Fiscal Impact Statement: The MFC reports that there is no anticipated General Fund impact. Based on the projections provided by the GSD, there is sufficient savings within the Citywide Leasing Account to fund the leasing costs.

Community Impact Statement: None submitted.

Summary:

On March 27, 2026, your Committee considered a March 3, 2026 MFC report relative to authorizing the GSD to negotiate and execute a parking lease amendment with 888 Vermont Avenue, LLC, for the LADWP at 888 South Vermont Avenue. According to the MFC, on July 1, 2020, Council approved a ten-year lease (Contract No. C-137165) for LADOT at 888 Vermont Ave. for LADOT's Parking Enforcement and Traffic Control Unit (PETCU) that serves the Hollywood Enforcement Area Division. The current facility, which includes office and parking, is strategically located within a three-mile service area that includes Hollywood, Koreatown, Wilshire Center, and MacArthur Park. The need to remain within the Hollywood service area has presented significant challenges in locating suitable lease space within a high-density real estate area due to low vacancy rates, limited parking availability and relatively high rental rates.

The lease expires January 2032 and includes two, five-year options to extend. The LADOT requested additional parking spaces for their operations. However, negotiations with the Landlord have been ongoing due to limitations on site and other tenants' needs resulting in this proposed amendment. Per the lease, the City was able to utilize up to 118 parking spaces, at no charge, with an option for an additional 10-20 spaces allowed at \$150 per space per month. Since 2020, the LADOT has been utilizing up to 35 additional parking spaces, which is 15 more than the 20 additional spaces allowed under the lease. However, those additional spaces were not included in the rental payments due to a misunderstanding between the Landlord and the City.

In order to resolve the outstanding payment issue, GSD negotiated with the Landlord for a one-time payment of \$65,000. The initial balance due was more than \$100,000. The Landlord previously advised that the City may use additional parking spaces temporarily while the lease amendments were being finalized. With a new anchor retail tenant recently moving in, the Landlord advised the City of his need to align its parking commitments to all the tenants at the project. For clarity, this proposed amendment does not amend or affect the office lease portion of the agreement. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendation contained in the MFC report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

COUNCILMEMBER VOTE

PADILLA: YES

LEE: YES

JURADO: YES

ARL

3/27/26

-NOT OFFICIAL UNTIL COUNCIL ACTS-