

ARTS, PARKS, AND CITY FACILITIES COMMITTEE REPORT relative to a lease agreement with In 2 Hair, Inc., doing business as (dba) Sager French for Hair, for a City-owned retail space located at 123 South Robertson Boulevard, Suite A, in Council District Five (CD 5).

Recommendations for Council action:

1. FIND, pursuant to Los Angeles City Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that competitive bidding is undesirable and impractical for this contract. In 2 Hair, Inc., dba Sager French For Hair (Tenant), has operated continuously at this location since 2017 following its selection through a competitive Request for Proposals process administered by the Department of Transportation (DOT). The Tenant has established a successful and reputable business at the premises, providing professional hair salon services to the surrounding community. The Tenant's familiarity with the site, investment in tenant improvements, and demonstrated operational stability make it uniquely qualified to continue occupancy. Re-bidding the space at this time would not provide a measurable benefit to the City and could result in vacancy, loss of revenue, and additional costs associated with tenant turnover. Retaining the existing Tenant ensures continuity of operations and stable revenue generation for the City.
2. AUTHORIZE the General Services Department (GSD) to negotiate and execute a lease agreement with In 2 Hair, Inc. dba Sager French For Hair, for a hair studio located at 123 South Robertson Boulevard, Suite A, Los Angeles, California 90048, under the terms and conditions substantially outlined in the Municipal Facilities Committee (MFC) report dated August 7, 2026, attached to the Council file.

Fiscal Impact Statement: The MFC reports that the retail space is located within a parking structure operated by the DOT. The rent receivables in the amount of \$46,920 will be deposited into the DOT's Special Parking Revenue Fund in Fiscal Year 2026-27.

Community Impact Statement: None submitted

SUMMARY

At its meeting held on September 16, 2026, your Arts, Parks, and City Facilities Committee considered the MFC report, dated August 7, 2026, relative to authorizing the GSD to negotiate and execute a lease agreement with In 2 Hair, Inc., dba Sager French For Hair, for a City-owned retail space within a DOT-operated parking structure located at 123 South Robertson Boulevard, Suite A, in CD 5. The term of the proposed lease agreement is for 61 months commencing retroactively on April 1, 2026 through April 30, 2031, with one option to extend the term for an additional five years (Option Term). The retroactive commencement date is intended for the continuity of occupancy and operations during City's lease negotiation, review, and approval process. The initial monthly base rent starts at \$4,430.62, and shall increase annually by three percent throughout the initial lease term. During the Option Term, the monthly base rent shall not be less than 105 percent of the monthly base rent in effect at the expiration of the initial term, and shall increase annually by three percent throughout the Option Term. The lease agreement will permit a month-to-month holdover tenancy, subject to the lease terms and conditions. The monthly base rent during the holdover period shall be 125 percent of the then-current base rent in effect at the time the initial or Option Term expires. The Tenant shall be responsible for maintaining the premises and all non-structural elements within the premises at its sole cost and expense; and, shall be responsible for all utilities serving the premises. The City shall be responsible for structural repairs and maintenance of the City-owned building. After an opportunity for public comment was held, the Committee moved to approve the recommendations contained in the MFC report, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ARTS, PARKS, AND CITY FACILITIES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
NAZARIAN:	YES
YAROSLAVSKY:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-