

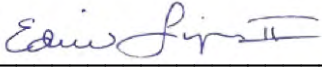
0150-13239-0000

TRANSMITTAL

TO The City Council	DATE 08-07-26	COUNCIL FILE NO. -
FROM Municipal Facilities Committee		COUNCIL DISTRICT 5

At its meeting held on July 30, 2026, the Municipal Facilities Committee 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 lease agreement with In 2 Hair, Inc., doing business as Sager French Salon, for a City-owned retail space at 123 South Robertson Boulevard, Suite A. The term for the license agreement is 61 months from April 1, 2026 to April 30, 2031, with one five-year option to extend.

Fiscal Impact: The retail space is located within a parking structure operated by the Los Angeles Department of Transportation (LADOT). The rent receivables in the amount of \$46,920 will be deposited into LADOT's Special Parking Revenue Fund in Fiscal Year 2026-27.



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

MWS:ACG:05270006

CAO 649-d

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

July 30, 2026

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 AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE
WITH IN 2 HAIR, INC. DBA SAGER FRENCH FOR HAIR AT
123 SOUTH ROBERTSON BOULEVARD, SUITE A, LOS ANGELES, CA 90048**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease agreement between the City of Los Angeles and In 2 Hair, Inc. dba Sager French For Hair for use as a hair salon located at 123 South Robertson Boulevard, Suite A, Los Angeles, CA 90048 in Council District 5 (CD5).

BACKGROUND

The City owns a public parking structure located at 123 South Robertson Boulevard (Lot 703) in Council District 5. The facility is operated by the Los Angeles Department of Transportation (LADOT) and includes two ground-floor retail spaces (Suite A and Suite B). Lot 703 provides convenient public parking that supports surrounding commercial activity.

Sager French For Hair is a boutique hair salon located within the DOT-owned retail space at this location. The business operates under the DBA name Sager French For Hair and has been serving clients at the site since 2017 after being selected as the successful proposer through LADOT's 2017 Request for Proposals process.

The salon is owned and operated by master stylist Nathan Sager and master colorist Cynthia French and provides professional hair cutting and coloring services. Nathan Sager has received recognition within the Los Angeles hair industry, including features in national beauty publications, and has developed a clientele that includes high-profile individuals.

In 2 Hair, Inc. is requesting to renew its lease at this location to continue providing services and maintain its established business presence within the community. Council District 5 has expressed support for the proposed lease. Additionally, LADOT along with CD 5 has been actively engaged throughout the process and has reviewed and approved the proposed lease terms, supporting the continuation of the tenancy at this location.



TERMS AND CONDITIONS

The premises consist of approximately 1,441 rentable square feet of ground-floor retail space. The proposed lease is for a sixty-one (61) month term, commencing April 1, 2026, and expiring April 30, 2031. The retroactive commencement date is intended to ensure continuity of occupancy and operations while the lease proceeds through the City's negotiation, review, and approval process.

The initial monthly base rent is \$4,430.62 and shall increase by three percent (3%) annually throughout the initial lease term, providing for incremental rental adjustments over the duration of the agreement. There is also one and half months of rent abatement as part of the extension. Tenant has been seeking some tenant improvement dollars to repair the main door along with other needed improvements.

The lease includes one (1) option to extend the term for an additional five (5) years. During the option term, the monthly base rent shall not be less than one hundred five percent (105%) of the monthly base rent in effect at the expiration of the initial term and shall thereafter increase by three percent (3%) annually throughout the option term. The option rent during the term creates a minimum floor for the base rent.

The agreement will permit a month-to-month holdover tenancy, subject to the terms and conditions set forth in the lease agreement. During any holdover period, the monthly Base Rent shall be one hundred twenty-five percent (125%) of the then-current base rent in effect at the time the initial or option term expires.

The security deposit in the amount of \$3,602.50 has been verified by LADOT as currently held on account.

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

MARKET ANALYSIS

Based on a recent market analysis, comparable retail rental rates range from approximately \$3.00 to \$3.95 per square foot per month, with a weighted average of \$3.32 per square foot per month. The proposed rental rate of \$3.07 per square foot per month falls within the observed market range and appropriately reflects the subject property's location, visibility, functional utility, and competitive position. Accordingly, the proposed rate is market-supported, reasonable, and consistent with prevailing market conditions. Current market conditions indicate relatively stable leasing activity with flat to modest rental growth, making tenant retention and occupancy important considerations.

Retail Rental Comparables - Robertson Blvd/Pico-Robertson Submarket				
Location	Property Type	SF	Rent Rate/SF/Mo	Lease Type
8500 W. Olympic	Retail	2,219 SF	\$3.25	NNN
854 S. Robertson	Retail	1,750 SF	\$3.95	NNN
1428 S. Robertson	Retail	2,270 SF	\$3.10	NNN
1147 S. Robertson	Retail	1,482 SF	\$3.00	NNN
Average Rental Rate			\$3.32/SF/Mo	

MAINTENANCE/ UTILITIES/ LANDSCAPING

The tenant shall be responsible, at its sole cost and expense, for maintaining the premises in a safe, clean, and sanitary condition, including routine maintenance, janitorial services, trash removal, pest control, and upkeep of all interior areas. The tenant is also responsible for maintaining all non-structural elements within the premises, including lighting, fixtures, and any tenant-installed improvements.

The Tenant shall be responsible for all utilities serving the Premises, including electricity, telephone, and any other services, as well as any associated taxes.

The City, as Landlord, shall be responsible for structural repairs and maintenance of the Building, including major building systems such as plumbing from the main only, main electrical, roof, and common areas of the parking facility.

There are no landscaped areas included in the leased Premises.

FISCAL IMPACT

There is no impact to the General Fund. Rental revenue from the new lease agreement totaling \$53,167.44 annually will be deposited into LADOT's Special Parking Revenue Fund (SPRF). Additional operating expense revenue and any annual escalations over the course of the lease term will also be credited to the SPRF.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor:

1. FIND, pursuant to Los Angeles City Charter Section 371(e)(10) and Administrative Code Section 10.15(a)(10), that competitive bidding is undesirable and impractical for this contract. In 2 Hair, Inc., doing business as Sager French For Hair, has operated continuously at this location since 2017 following its selection through a competitive Request for Proposals process administered by the Los Angeles Department of Transportation. The Tenant has established a successful and reputable business at the Premises, providing professional hair salon services to the surrounding community. In 2 Hair'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 Department of General Services 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, CA 90048 under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachment: Term Sheet

LEASING TERM SHEET

DATE

July 30, 2026

LANDLORD

City of Los Angeles - GSD

ADDRESS

111 East First Street, Room 201, Los Angeles, CA 90012

TENANT

In 2 Hair, Inc. dba Sager French Salon

ADDRESS

3341 Beverly Ranch Road, Beverly Hills, CA 90210

LOCATION ADDRESS

123 South Robertson Avenue, Suite A, Los Angeles, CA 90048

USE

Hair Salon

SQUARE FEET

Suite A - 1,441 square feet

EARLY POSSESSION

N/A

TERM

Sixty one (61) months

LEASE
COMMENCEMENT
DATE

April 1, 2026

LEASE EXPIRATION
DATE

April 30, 2031

RENT START DATE

April 1, 2026

RENT

Monthly Rent - \$4,430.62

AGREEMENT TYPE

Retail

RENT INCREASES

Annual 3% Increases

HOLDOVER

Month to month - 125%

SUBLET/ ASSIGNMENT	With Landlord approval. Landlord's consent to assignment or sublease shall not be unreasonably withheld or delayed.
RENEWAL OPTION	
OPTION	One (1) Five (5) year option to extend
DATES	May 1, 2031 through April 30, 2036
OPTION RENT / ESCALATION	The monthly base rent for the option term shall be adjusted to an amount not less than one hundred five percent (105%) of the monthly base rent in effect at the expiration of the initial term with 3% annual increases.
OPTION RENT - RENT SCHEDULE	None
RENT ABATEMENT	One (1.5) months abated - August 1, 2026 and half of September 2026
OPEX - CAM	None
LATE FEE	10%
PROPERTY TAX	Tenant shall be responsible for the payment of any and all taxes assessed upon Tenant's personal property, equipment, fixtures, and improvements located on the Premises, as well as any possessory interest taxes or other taxes levied by any applicable taxing authority arising from Tenant's use and occupancy of the Premises.
PROPERTY INS.	To Be Determined by CAO Risk Management Division
ADDITIONAL RENT	N/A
PARKING - NUMBER OF PASSES	N/A, subject to availability with LADOT.
MONTHLY PARKING COST	Tenant shall be provided with two (2) parking spaces at no cost
SECURITY DEPOSIT	\$3,602.50 - Currently on file
MAINTENANCE/ REPAIR: LANDLORD	The City, as Landlord, shall be responsible, at its expense, for maintaining and repairing the Building's structural components and common systems, including plumbing from the main,, electrical systems from main power, roof and to be further defined in the Lease.

MAINTENANCE/
REPAIR: TENANT

The Tenant shall be responsible for all ongoing maintenance during the term of the lease, as well as any additional improvements, including utility connections, plumbing, and electrical upgrades necessary to support its existing hair salon operations. The Tenant shall also be responsible for all applicable utility, custodial, and security costs.

TENANT
IMPROVEMENTS:
ALLOWANCE/SCOPE

N/A

UTILITIES

All utilities to be paid by Tenant

CUSTODIAL /
LANDSCAPING

Tenant

SECURITY

Tenant Security Measures — Tenant, at its sole cost and expense, shall provide security at the Property at a level reasonably necessary to ensure the safety of participants and the security of items stored on the Property.

PROP 13

Landlord will not provide Prop 13 protection

INSURANCE
(TENANT)

Tenant shall indemnify and hold harmless the City. To be further defined in the agreement. The Tenant shall maintain appropriate insurance coverage as determined by the City's Risk Management Division.

OTHER:

Finalized on 7/8/2026 @ 5:30pm

PRINT:

Cynthia R. French

SIGNATURE:

