

South Bay Cities Council of Governments

May 13, 2019

TO: SBCCOG Steering Committee

FROM: Jacki Bacharach, SBCCOG Executive Director

RE: SBCCOG Office Space/Relocation Status Update

Adherence to Strategic Plan:

GOAL D: Organizational Stability. Be a high performing organization with a clear path to long-term financial health, staffing continuity, and sustained board commitment.

BACKGROUND

Over the past six months, South Bay Cities Council of Governments (SBCCOG) staff has been working with real estate brokers from Colliers International to identify potential SBCCOG office space locations in anticipation of our current lease ending November 30, 2019. Staff has reviewed over 20 different locations and visited 10 of those. The list was reduced to four sites based on current program levels and needed resources, meeting areas, parking availability, centralized location, and lease price among other factors.

Volunteers for a Board Committee were requested during the March 2019 Steering Committee meeting to assist in narrowing down sites that were initially visited by staff. On April 22nd, the Board Committee, consisting of Board Member Franklin and Vice-Chair Horvath, visited the following sites:

- 222 W. 6th Street, San Pedro (“The Topaz”)
- 19191 S. Vermont Avenue, Torrance (“Pacific Gateway II”)
- 1515 W. 190th Street, Gardena (“South Bay Centre”)
- 1411 W. 190th Street, Gardena (“The 1411”)

After viewing the available spaces that generally meet the SBCCOG’s requirements, the Board Committee narrowed down the options to the following three sites (Exhibit A):

1. Pacific Gateway II
2. South Bay Centre
3. The 1411

Based on direction from the SBCCOG Board at their April 25, 2019 meeting, letters of interest have been submitted to the owners of each property as the beginning to more in-depth negotiations. The letters of interest request below market rates for each building in addition to a variety of concessions such as free rent and “turnkey” tenant improvements. Staff is expecting to have responses from the property owners available at the Steering Committee meeting for discussion. Upon receipt of responses, the next steps include working with the Colliers broker and space planners from each of the properties to determine possible office configurations for final lease negotiations.

Site selection must be completed in the next few weeks in order to allow time for lease negotiations and suite buildout. Due to these time constraints, the SBCCOG Board of Directors at its April 2019 meeting, authorized the Steering Committee to select a final site.

RECOMMENDATION

SBCCOG Steering Committee direct staff to conduct negotiations with Colliers broker to secure the best office space to meet current needs and potential program growth and return with a final contract to be approved and executed.

SBCCOG Board Committee Office Space Recommendations based on 4/22/19 site visits

Building Name/Address	City	Suite	Sq Ft	Advertised Price/Sq Ft	Advertised Monthly Rent	Initial Offer Price/Sq Ft (for year 1, w/3% annual increase thereafter)	Initial Offer Monthly Rent	Parking	Meeting Room(s)	Comments/Notes
Maritz 20285 S. Western Avenue Torrance, CA 90501	Torrance	100	5817	\$2.15	\$12,506.55	N/A	N/A	Free surface lot parking	Client Theater (Shared Space) Large Conference Room (In-Unit) Medium Conference Room (In-Unit)	Current office space.
Pacific Gateway II 19191 S. Vermont Ave Torrance, CA 90502 (Vermont Ave/190th St)	Torrance	250	4000	\$2.85	\$11,400.00	\$2.60	\$10,400.00	Free surface lot parking	Approx. 1000sf conference room would be built in-suite	Suite 250 is a 17,000sf open space that could be divided into a smaller 4,000sf unit. This site likely offers the greatest flexibility to design to SBCCOG needs due to it being empty. Freeway close: Yes, accessible via I-405 Vermont Ave exit or Torrance Blvd exit off I-110 SCAG equipment: Will be housed in conference room Stoplight Access: No, but is at corner of Vermont/190th with easy access Elevator close: Yes
South Bay Centre 1515 W. 190th St Gardena, CA 90248 (190th between Western Ave & Harborgate Way)	Gardena	550	3518	\$2.45	\$8,619.10	\$2.30	\$8,091.40	Free surface lot parking and structure parking	Approx. 1000sf conference room would be built in-suite	Possibility for in-suite conference room. Freeway close: Yes, between Normandie and Western Avenue exits on I-405 SCAG equipment: Will be housed in conference room Stoplight Access: No, mid-block between Harborgate Way and Western Ave Elevator close: Yes
1411 W. 190th St Gardena, CA 90248 (190th between Western Ave & Harborgate Way)	Gardena	600	3922	\$2.60	\$10,197.20	\$2.35	\$9,216.70	Free surface lot parking and structure parking	Approx. 1000sf conference room would be built in-suite	Large area could be built out for a large conference room area that could be partitioned into two smaller meeting rooms as needed. Even with in-suite conference room, there is likely adequate space for sharable offices. Freeway close: Yes, between Normandie and Western Avenue exits on I-405 SCAG equipment: Will be housed in conference room Stoplight Access: Yes, stoplight at Harborgate Way Elevator close: Yes