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COUNTY OF LOS ANGELES

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"To Enrich Lives Through Effective and Caring Service"

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

June 03, 2025

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

30 June 3, 2025

Dear Supervisors:

EDWARD YEN
EXECUTIVE OFFICER

**AMENDMENT TO GROUND LEASE
THE NORWALK CIVIC CENTER PARKING GARAGE
12720 NORWALK BOULEVARD, NORWALK
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed Amendment to the Ground Lease for the Norwalk Civic Center Parking Garage located at 12720 Norwalk Boulevard, Norwalk.

IT IS RECOMMENDED THAT THE BOARD:

1. Acting as a responsible agency for the City-approved Norwalk Entertainment District Civic Center Specific Plan (Project) which covers the proposed First Amendment (Amendment) to amend the Ground Lease No. 68090 (Lease) for the Norwalk Civic Center Parking Garage located at 12720 Norwalk Boulevard, Norwalk: consider the Final Environmental Impact Report (EIR) prepared and certified by the City of Norwalk (City) as a lead agency which covers the proposed Amendment; certify that the Board has independently reviewed and considered the information contained in the EIR; and determine that the significant adverse effects of the Project have been either reduced to an acceptable level or are outweighed by the specific considerations of the Project, as outlined in the Environmental Findings of Fact and Statement of Overriding Considerations, which findings and statement are adopted and incorporated herein by reference as applicable.
2. Authorize and direct the Chief Executive Officer, or her designee, to execute the proposed Amendment to the Lease for the Norwalk Civic Center Parking Garage, which would (i) recognize the City's exercise of the second option to extend the term of the Lease through May 8, 2094, (ii) reduce the County's parking allocation for the parking garage from 900 to 750 spaces in exchange for a

monthly parking rent of \$30 for each space reduced for a total of \$4,500, from the City to the County, and (iii) to remove early rights to terminate the Lease.

3. Authorize the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed Amendment, and to take actions necessary and appropriate to implement the proposed Amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to amend the Lease to recognize the City's exercise of the second option to extend its term through May 8, 2094, reduce the County's parking allocation for the parking garage for a fee, and to remove early rights to terminate the Lease. The parking spaces provided under the proposed Amendment is a component of the City's Project and is within the scope of the EIR prepared by the City, as lead agency under the California Environmental Quality Act (CEQA). The Project is a mixed-use development, on city-owned land adjacent to the City Hall, that will include approximately 350 residential units, 100,000 square feet of commercial retail spaces and 100,000 square feet of open space.

In 1995, the County and the City entered into the Lease, in which the County leased to the City a portion of the land located at 12720 Norwalk Boulevard, for the purpose of the City constructing and operating a multilevel parking garage containing approximately 1,050 parking spaces. The Lease included an initial term of 35 years, which commenced May 8, 1995, with two additional renewal options of 30 and 34 years, respectively, of which the first option was exercised by the City in June 1995. The current term of the Lease is set to expire on May 8, 2060. As consideration for the Lease, the County received the right to use 900 parking spaces at all times when the parking garage is in operation plus 50 percent of net operating income from the parking garage, which has not been realized since the commencement of the Lease.

The County has agreed to amend the Lease in support of the Project. The County would reduce its parking allocation for the parking garage from 900 to 750 parking spaces. In exchange, the City would pay a parking rent of \$4,500 per month to the County, \$30 per space for the additional 150 parking spaces the County is providing to the City, with a 10 percent rent increase every five years. The reduction in parking spaces would not impact the County's parking usage at the Norwalk Civic Center, including the courthouse parking.

In addition, the City would elect to exercise the second renewal option for an additional 34 years upon expiration of the first option on May 8, 2060. The new expiration date of the Lease would be May 8, 2094. Finally, the proposed Amendment will remove early rights to terminate the lease. The County and the City have agreed to forego the early right to terminate for the City to complete its development.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 1 – "Make Investments That Transform Lives" – provides that LA County is a highly responsive organization investing in solutions that address our most complex societal challenges (health, jobs, housing, food insecurity, and recidivism) affecting our most vulnerable communities – one person at a time.

The proposed Amendment is also consistent with Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions and Key Objective No. 3. – Optimize Real Estate Portfolio.

The proposed Amendment supports the above goal and objective by supporting the City's proposed Project that will include affordable housing and open space program at the Norwalk Civic Center. The reduction in parking will not impact the County's parking usage nor the County's operation at the Norwalk Civic Center. The Project will utilize surplus parking available inside the parking garage.

FISCAL IMPACT/FINANCING

As consideration, the City will pay a parking rent of \$4,500, per month to the County, \$30 per parking space, for the use of 150 parking spaces located within the parking garage. A rent escalation of 10 percent every five years is included in the proposed Amendment. In total, the County will collect approximately \$7.2 million in parking fees from the City through the end of the Lease term, May 8, 2094, as a result of the proposed Amendment. Based upon a review of available Courts parking data, it has been established that the monthly parking rate for a comparable parking space is between \$70 and \$80 per space. The \$30 per parking space, per month, is reflective of the County and the City's existing arrangement of splitting net operating income and extending the Lease through 2094.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel has reviewed the proposed Amendment and approved it as to form. The proposed Amendment is authorized by Government Code Section 25521, which allows the County to enter into a lease that's for a period of up to 99 years.

ENVIRONMENTAL DOCUMENTATION

The City, as lead agency for the Project, certified an EIR on October 4, 2022. The County, acting as responsible agency for the Project, is the lessor of the Norwalk Civic Center Parking Garage that is leased to and managed by the City. Environmental impacts of the proposed Amendment are within the scope of the City's EIR. No further findings are necessary under CEQA. The Findings and Mitigation Monitoring and Reporting Program adopted by the City are adopted as applicable to the County's actions.

The location of documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter is the Chief Executive Office Real Estate Division and can be found at the following link:

https://norwalkca.gov/departments_services/community_development/entertainment_district.php.

The custodian of documents and materials in this matter is the Chief Executive Office, Real Estate Division located at the Hall of Records 320 West Temple Street 7th Floor, Los Angeles, CA 90012.

Upon the Board's approval of the recommended actions, a Notice of Determination will be filed with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Governor's Office of Planning and Research and will be posted to the County's website, pursuant to section 21092.2.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on current services.

The Honorable Board of Supervisors

6/3/2025

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fesia A. Davenport', with a stylized, flowing script.

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC:JLC

HD:MGR:MJC:gb

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

**FIRST AMENDMENT TO GROUND LEASE AGREEMENT
NORWALK CIVIC CENTER PARKING GARAGE**

This First Amendment to Ground Lease Agreement (this “**Amendment**”), dated as of _____, 2025 (the “**Effective Date**”), is entered into by and between the County of Los Angeles, a body corporate and politic (“**County**”) and the City of Norwalk, a municipal corporation (“**City**”). Each of County and City are occasionally referred to herein as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. County and City are parties to that certain Ground Lease Agreement dated March 30, 1995, a copy of which is attached hereto as Exhibit A (the “**Original Agreement**”), pursuant to which County leases to City certain real property in the City of Norwalk, County of Los Angeles, State of California, as more particularly described on Exhibit B attached hereto (the “**County Premises**”). The Original Agreement, as amended by this Amendment, shall be referred to herein as the “**Lease Agreement**.” Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Original Agreement.

B. Section 2 of the Original Agreement provides the City with two (2) consecutive options (each, an “**Option**”) to renew the initial term of the Original Agreement (as may be extended, the “**Term**”) for an additional term, the first of thirty (30) years and, provided that the first Option has been exercised, the second of thirty-four (34) years.

C. Pursuant to that certain Notice of Exercise of Option to Extend Lease dated June 13, 1995, the City exercised the first Option to extend the Term for a period of thirty (30) years and confirmed that the Original Agreement commenced on May 9, 1995, and, as extended, is currently set to expire on May 8, 2060.

D. Pursuant to the Original Agreement, City constructed, and continues to operate, a multilevel parking structure on the County Premises (the “**Parking Structure**”).

E. City is the fee owner of certain land located in the City of Norwalk, County of Los Angeles, State of California, as more particularly described on Exhibit C attached hereto (the “**City Property**”), which is adjacent to the Parking Structure.

F. Pursuant to that certain Ground Lease dated December 19, 2022 (the “**Project Ground Lease**”), entered into by and between City and Primestor Norwalk Entertainment, LLC, a Delaware limited liability company (“**Primestor**”), City leases a portion of City Property, including but not limited to the Surface Parking Area, as more particularly described on Exhibit F (the “**Project Parcel**”) to Primestor for the development and construction of a mixed use development (the “**Mixed-Use Project**”) consisting of (i) up to three hundred fifty (350) residential units, (ii) up to one hundred ten thousand (110,000) square feet of commercial uses, which may include, but not be limited to, food and beverage establishments, retail, health and wellness facilities, and grocery or supermarket uses, and (iii) approximately one hundred thousand (100,000) square feet of ground-floor open space/plaza area that is publicly accessible but privately maintained and operated. The Mixed-Use Project, which will be developed in phases by one or more affiliates of Primestor (together with Primestor, “**Primestor Parties**”), is anticipated to

provide not less than the minimum number of vehicle parking spaces as required by the Norwalk Entertainment District – Civic Center Specific Plan.

G. Section 6.A. of the Original Agreement provided County with the exclusive right to use four hundred fifty (450) parking spaces within the parking structure between the hours of 7:30 a.m. and 5:30 p.m. on non-holiday weekdays and a non-exclusive right to use an additional four hundred fifty (450) parking spaces within the parking structure between the hours of 7:30 a.m. and 5:30 p.m. on non-holiday weekdays.

H. In order to provide vehicle parking spaces to users of the Project, County has agreed to relinquish its exclusive rights to use one hundred (100) vehicle parking spaces and its non-exclusive rights to use fifty (50) vehicle parking spaces in the Parking Structure (collectively, the “**Relinquished Spaces**”) and its rights to early terminate the Lease Agreement as set forth in this Amendment.

I. The Parties now desire to amend and modify certain terms of the Original Agreement, subject to and in accordance with the terms of this Amendment, in order to: (1) extend the term of the of the Lease Agreement; (2) revise County’s rights to use vehicle parking spaces in the Parking Structure; (3) eliminate early termination rights by County and City; and (4) make such other modifications and amendments to the Original Agreement as are expressly set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above, which are hereby incorporated herein by reference, and the mutual covenants and conditions contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and the City agree as follows:

1. Term. The City hereby elects to exercise the second Option upon expiration of the first Option on May 8, 2060 to extend the Term, and County hereby acknowledges such election and agrees that (a) the Term shall be extended for an additional period of thirty-four (34) years, and (b) that the Lease Agreement will expire on May 8, 2094.

2. Consideration.

2.1 Section 6.A of the Original Agreement shall be amended to add the following to the end thereof:

6.A. In order to accommodate City’s desire for a project on an adjacent site, City will need, and County will relinquish its exclusive rights to use one hundred (100) vehicle parking spaces and its non-exclusive rights to use fifty (50) vehicle parking spaces in the Parking Structure (the “**Relinquished Spaces**”) on the date (the “**Relinquish Date**”) that is the earlier of (i) the date on which City elects to commence payment of the Parking Fee, and (ii) the date on which the City issues a Temporary Certificate of Occupancy to Primestor for its project on an adjacent site. Until the Relinquish Date, County shall at all times when the Parking

Structure is in operation, continue to have the non-exclusive right to use all 900 original parking spaces. On and after the Relinquish Date, County will have the exclusive right to use up to three hundred fifty (350) vehicle parking spaces within the Parking Structure between the hours of 7:30 a.m. and 5:30 p.m. on non-holiday weekdays, and the non-exclusive right to use an additional four (400) vehicle parking spaces within the Parking Structure between the hours of 7:30 a.m. and 5:30 p.m. on non-holiday weekdays, both at no expense to County other than as provided herein. On and after the Relinquish Date, County shall at all times when the parking structure is in operation, have the non-exclusive right to use 750 parking spaces.

2.2 A new Section 6.D shall be added to the Lease Agreement, as follows:

6.D. Commencing on the Relinquish Date, the City shall pay County as further additional consideration for the Relinquished Spaces, a monthly payment (the “**Parking Fee**”) in the amount of thirty dollars (\$30) per Relinquished Space, for a total of four thousand five hundred dollars (\$4,500) per month. The Parking Fee shall be made to the County as follows:

County of Los Angeles
Auditor-Controller, Administrative Services
500 West Temple Street, Room 410
Los Angeles, California 90012
Attn: Franchise / Concessions Section

A rent escalation in the amount of ten percent (10%) every five (5) years shall be applied to the Parking Fee through the expiration of the Lease Agreement.

3. Early Termination. Section 7.B of the Original Agreement shall be deleted in its entirety.

4. Ratification. Except as amended by the provisions of this Amendment, the terms and provisions of the Agreement remain in full force and effect. County and Owner ratify and affirm the Agreement as amended by this Amendment.

5. Choice of Law. The terms and provisions of this Amendment shall be construed in accordance with, and governed by, the laws of the State of California without application of any choice of laws provisions.

6. Entire Agreement and Modification. The Agreement as modified by this Amendment constitutes the final, complete and exclusive statement of the terms of the agreement of County and Owner and is binding on and inures to the benefit of the respective heirs, representatives, successors and assigns of County and Owner. This Amendment shall be deemed to be incorporated into the Agreement and made a part thereof. All references to the Agreement in any other document shall be deemed to refer to the Agreement as modified by this Amendment.

Except as modified by this Amendment, all of the terms and conditions of the Agreement shall remain in full force and effect. In the event that the terms of this Amendment conflict with the terms of the Agreement and its schedules, the terms of this Amendment shall control. Neither County nor Owner has been induced to enter into this Amendment by, nor is County or Owner relying upon, any representation or warranty other than those set forth in this Amendment. Any agreement made after the date of this Amendment shall be ineffective to amend this Amendment, in whole or in part, unless such agreement is in writing, is signed by County and Owner, and specifically states that the agreement amends or modifies this Amendment (or the Agreement, as amended by this Amendment).

7. No Drafting Presumption. The doctrine or rule of construction that ambiguities in a written instrument or agreement shall be construed against the party drafting the same shall not be employed in connection with this Amendment.

8. Partial Invalidity. If any term, covenant or provision of this Amendment is, to any extent, held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Amendment, or the application of that term, covenant or provision to persons or circumstances other than those as to which it is held to be invalid or unenforceable, will not be affected by such invalidity or unenforceability, and all other terms, covenants and conditions of this Amendment will be valid and enforceable to the fullest extent permitted by law.

9. Construction. Unless the context clearly requires otherwise, in this Amendment: (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine and neuter genders shall each be deemed to include the others; (c) “shall,” “will,” “must,” “agrees,” and “covenants” are each mandatory; (d) “may” is permissive; (e) “or” is not exclusive; and (f) “includes” and “including” are not limiting. Each covenant, agreement, obligation, or other provision of this Amendment shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not dependent on any other provision of this Amendment, unless otherwise expressly provided in this Amendment.

10. Capitalized Terms; Paragraph References. Capitalized terms used herein without definition (including in the recitals hereto), have the meanings given to such terms in the Agreement, unless otherwise defined in this Amendment. Unless otherwise noted, section references in this Amendment refer to sections in Agreement, as amended by this Amendment.

11. Captions. The captions to the sections in this Amendment are included for convenience of reference only and do not modify or define any of the provisions of this Amendment.

12. Counterparts. This Amendment may be executed in separate counterparts, each of which shall constitute an original and all of which together shall constitute one and the same document. The parties contemplate that they may be executing counterparts of this Amendment transmitted by facsimile or email in PDF format and agree and intend that a signature by either facsimile machine or email in PDF format shall bind the party so signing with the same effect as though the signature were an original signature.

[Signatures on next page]

IN WITNESS WHEREOF, the Parties have executed and delivered this Amendment as of the date first written above.

COUNTY:

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
Name: _____
Title: _____

[signatures continued on next page]

CITY:

CITY OF NORWALK,
a California municipal corporation

By: _____
Jesus Gomez
City Manager

APPROVED AS TO FORM:

By: _____
Arnold M. Alvarez Glasman
City Attorney

Exhibit A

Original Agreement

[see attached]

Exhibit B

County Premises

[see attached]

Exhibit C

City Property

[see attached]