

**BOARD REPORT  
CITY OF LOS ANGELES  
DEPARTMENT OF TRANSPORTATION**

Date: October 9, 2025

To: Board of Transportation Commissioners

From: Laura Rubio-Cornejo, General Manager   
Department of Transportation

Subject: **PROPOSED GROUND LEASE AGREEMENT WITH LARCHMONT PROPERTIES, LTD. FOR MUNICIPAL LOT NO. 694**

**SUMMARY**

The Los Angeles Department of Transportation (LADOT) seeks to enter into a long-term ground lease agreement with Larchmont Properties, Ltd. for Lot No. 694 in return for conveyance of Subterranean Lot No. 732 (as defined below) to LADOT.

**RECOMMENDATIONS**

That the Board:

1. FIND, pursuant to Los Angeles City Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding for the ground lease agreement between the City and Larchmont Properties, Ltd. for LADOT No. 694 would be undesirable and impractical. The proposed deal would include the ground lease agreement for Lot No. 694 and also the conveyance of Subterranean Lot No. 732 to the City at the same time. The longstanding contractual partnership between LADOT and Larchmont Properties, Ltd. for Lot No. 732 makes Larchmont Properties, Ltd. uniquely qualified for the development of Lot No. 694. Larchmont Properties, Ltd. has successfully developed and operated several retail spaces across Lot No. 694 for several decades, and has the experience and expertise to develop and operate additional retail or office space on Lot No. 694 in partnership with LADOT.
2. AUTHORIZE LADOT, operating through the General Services Department as its agent, to enter into a long-term ground lease agreement with Larchmont Properties, Ltd. for LADOT Lot No. 694, contingent on the conveyance of ownership of, and rights of entry to, Subterranean Lot No. 732 to LADOT.

**BACKGROUND**

In 1986, the City executed a Parking Lease and Option to Purchase Agreement with Larchmont Properties, Ltd. for the development and operation of Lot No. 732, located at 218 N. Larchmont Boulevard (see Attachment "A"). Lot No. 732 is an operated (fully staffed) four-level parking facility with 19 surface-level parking spaces and three subterranean levels containing 148 parking spaces (Subterranean Lot No. 732).

Under the City's lease with Larchmont Properties, Ltd., repairs and maintenance expenses of the parking facility are shared between the parties, and the City provides 13,550 validation hours per month to Larchmont Properties, Ltd.'s current tenant at no charge.

The lease agreement contained a purchase option that allowed the City to buy Subterranean Lot No. 732 at a predetermined price and to be conveyed by Larchmont Properties, Ltd. at the end of the lease term. Under this agreement, the City exercised this option and agreed to purchase Subterranean Lot No. 732 for \$1.00, but the conveyance of the property to the City was not completed.

## **DISCUSSION**

The Parking Lease and Option to Purchase Agreement expired without the execution of a property conveyance for Subterranean Lot No. 732. To avoid a costly and protracted dispute, the City and Larchmont Properties, Ltd. have entered into negotiations for a new agreement that would convey ownership of Subterranean Lot No. 732 to LADOT. As part of the negotiation, Larchmont Properties, Ltd. has offered the City a new agreement to convey the property to LADOT that includes the right to a ground lease for LADOT Lot No. 694 located at 209 N. Larchmont Boulevard.

Lot No. 694 is a highly utilized surface lot with 34 parking spaces that is located across the street from Lot No. 732 (see Attachment "A"). Despite its small size, Lot No. 694 currently generates gross revenues in excess of \$70,000 a year and is expected to generate gross revenues beyond \$100,000 with the newly adopted rate changes. Gross revenues for Lot No. 732 were just under \$200,000 in the most recent fiscal year, and its gross revenues are projected to exceed \$400,000 under its new rate structure.

If the Board accepts Larchmont Properties, Ltd.'s offer, LADOT, operating through the General Services Department as the real estate agent, would enter into a long-term market rate ground lease agreement for Lot No. 694. Under this scenario, LADOT parking operations would cease at Lot No. 694, and Larchmont Properties, Ltd. would develop the property into retail or office space. A ground lease for Lot No. 694 is contingent on the conveyance to the City of Subterranean Lot No. 732. An exception to competitive bidding would be justified given the parties have been partners since 1986 in operating Lot No. 732. Larchmont Properties, Ltd. operates several retail spaces along Larchmont Boulevard and has the experience and expertise to develop and operate retail space on Lot No. 694.

## **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. The ground lease of Lot No. 694 at market rate may result in additional revenue deposited to the Special Parking Revenue Fund (SPRF). The conveyance of Subterranean Lot No. 732 to LADOT will result in ensuring a multi-million dollar asset is added to the SPRF portfolio in addition to the continued collection of parking revenue from Lot No. 732.

LRC:TC:KH:MC:dlg

Attachment

## ATTACHMENT "A"

## SITE MAP

