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Executive Officer**Scott Smith**
General Counsel**MEETING DATE:** August 12, 2026**TO:** Local Agency Formation Commission
of Orange County**FROM:** Executive Officer**SUBJECT:** OC LAFCO Office Lease Agreement Update**BACKGROUND**

In 2014, the Commission first approved a 64-month lease agreement with OC Main Street Owner, LLC, for OC LAFCO's current office space at 2677 North Main Street, Suite 1050. Following a competitive process, the Commission approved an amendment in November 2019 extending the lease agreement by approximately 10 years, with the term scheduled to conclude in 2030. During OC LAFCO's occupancy of the office space, the building's ownership has transitioned among several owners without affecting the agency. OC LAFCO was recently informed that the Orange County Transportation Authority (OCTA) is the new owner of the building.

OCTA notified OC LAFCO staff of its plans to relocate to 2677 North Main Street, and OC LAFCO's current office space is included in OCTA's office buildout. However, OCTA would like to accommodate OC LAFCO as a tenant and has suggested a relocation office within the building. This report includes a list of factors that demonstrate the importance of the OC LAFCO offices remaining in the same building, and a request that the Commission authorize the Executive Officer to negotiate a new 10-year lease agreement with OCTA. A draft of the lease agreement would be presented to the Commission during the October meeting for consideration.

DISCUSSION

The OC LAFCO offices have been located at 2677 North Main Street for the past 12 years, ensuring continuity of agency operations without interruptions and providing accessibility to the public, agencies, and other interested parties. The second amendment to the office lease established a 10-year lease agreement commencing on May 1, 2020, and expiring on August 31, 2030. To ensure continuity of OC LAFCO offices within the same building, OCTA has provided OC LAFCO with the option to relocate within the building. Based on a preliminary walkthrough of the proposed office space, the space is suitable for OC LAFCO's needs. Staff recommends that the Commission consider the approval for the Executive

Officer to negotiate a new lease agreement with OCTA based on the following factors:

❖ ***Relocation Costs:***

As part of the relocation package, OCTA would cover the costs associated with the build-out of the new office space, the relocation of office equipment (e.g., furniture, files, and other office items), the setup of information systems and technology, and the transition of multiple service providers.

❖ ***Accessibility for Commissioners, Staff, Agencies, and Visitors***

Maintaining the OC LAFCO offices at 2677 North Main Street provides a central location within Orange County, publicly available from 6:00 a.m. to 6:00 p.m., and is adjacent to three freeways.

❖ ***Continuity of Agency Operations:***

OC LAFCO offices have been at the current building location for 12 years. Remaining in the same building provides continuity and avoids disruptions.

❖ ***Security:***

The property includes on-site security staff to support the safety of the employees, premises, and immediately adjacent areas.

❖ ***Office Lease Costs and Terms:***

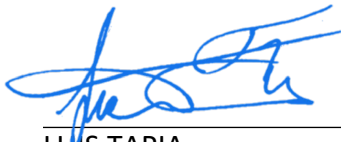
The terms of the proposed lease will be determined in the next phase once the office space is selected within the building. OCTA informed the Executive Officer that an increase in the lease amount is not expected. The terms of the lease will be presented to the Commission during the October meeting.

RECOMMENDED ACTION

Staff recommends the Commission:

1. Authorize the Executive Officer to negotiate a lease agreement with the Orange County Transportation Authority and present the agreement for Commission consideration during the October meeting.

Respectfully submitted,



LUIS TAPIA