

**MUNICIPAL FACILITIES COMMITTEE**  
**Minutes from the Special Meeting of May 28, 2020**

**MEMBERS:** Richard H. Llewellyn, Jr. City Administrative Officer, Chair (CAO)  
Sharon M. Tso, Chief Legislative Analyst (CLA)  
Miguel Sangalang, Office of the Mayor (Mayor)

The meeting was called to order at 10:05 a.m.

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No General Public Comment.

*Item No. 5 was considered out of order.*

**Item 1** Report from the Office of the City Administrative Officer (CAO) and request to negotiate and execute a new lease agreement between the City and with 888Vermont Ave., LLC on behalf of the Department of Transportation parking enforcement for the relocation of the 411 North Vermont Avenue to a property located at 888 South Vermont Avenue. (CD 13), subject to Council approval.

**DISPOSITION** Approved.

Lisa Johnson Smith from the City Administrative Officer (CAO) provided a summary of the terms of the proposed lease at 888 Vermont. The recommendations in the report direct the General Services Department (GSD) to complete a space plan to determine if all of the Department of Transportation (DOT) staff from 411 Vermont would fit into the leased space at 888 Vermont. Due to a parking space shortage, recommendations in the report request staff to report back on a parking plan for the DOT staff at 888 Vermont. Ms. Smith provided a technical correction to the report in that the walking distance from 411 Vermont to 888 Vermont is actually 1.6 miles and not 0.9 miles as stated in the report. Due to the longer distance, the option for staff to walk is not feasible. There is no immediate General Fund impact because the rental payments are fully funded in the GSD 2020-21 leasing account.

Bernyce Hollins from the CAO stated that a portion of GSD's projected year-end lease savings is tentatively recommended as part of the Year-End Financial Status Report, subject to Council approval, to fully offset the estimated one-time costs for moving and communication services.

Sharon Tso from the Chief Legislative Analyst (CLA) said that GSD usually reports on the lease and wanted GSD to address the proposed lease. Ms. Hollins stated that the report was a collaborative report that began as a GSD report, inclusive of the market analysis. Due to delays the CAO finalized the report. Melody McCormick from GSD stated that she was confident with the market analysis provided in the report, but that GSD had wanted additional time to finalize the space plan. Ms. McCormick stated that the GSD understands the urgency to move this item forward and the report was finalized by CAO

staff who were more confident over the number of employees that would be relocated to the respective DOT lease sites.

Ms. Tso and Miguel Sangalang from the Office of the Mayor (Mayor) requested clarification as to why there was not sufficient office space when the lease site provide more space than the current City location. Ms. Hollins stated that she also questioned this, but had been advised that GSD and DOT had indicated concerns over the specific seating arrangement being able to accommodate current staffing levels. Ms. Hollins asked if anyone from DOT was participating in the meeting and could address the Committee's question. After no one from the Department responded, Ms. Hollins indicated a need to retain the leasing opportunity while questions concerning the space fit are resolved. As a last option, the DOT lease at the 1111 Mateo site could be used for staff overflow, however, this option would result in additional, unfunded tenant improvements (TI) costs.

Ms. Tso stated that in addition to the seating arrangement issue, DOT needs substantially more parking spaces than currently available.

Richard H. Llewellyn from the CAO asked if the City could wait one month and not lose this leasing opportunity. Ms. McCormick stated that the Vermont location is ideal and that there would be a risk of losing the lease opportunity by delaying a month without demonstrating progress to the landlord in moving forward. Elaborating further, indicating that in a tough market GSD could not provide assurance whether the owner would be willing to hold the property. Paul Burke from GSD said that the owner is very receptive, has taken the property off the market and would prefer if the City leased the entire building. However, the owner wants the City to commit and the option of using the Mateo site for staff overflow is available. Mr. Burke added that the owner is frustrated with the City process and that waiting another month may be detrimental.

Ms. Hollins asked GSD to clarify whether the Department was more concerned about losing the 1111 Mateo lease versus the 888 Vermont lease. Ms. Hollins clarified further that one of the reasons the CAO expedited the report because she had been advised the 1111 Mateo lease was at risk of the owner backing out because the tenant improvement plan had not yet been finalized, delaying the start of rental payments. Ms. McCormick stated that the Mateo leases are locked in and specifically, the 1111 Mateo lease is under City Attorney review with execution pending finalization of the space plan.

Mr. Llewellyn indicated an interest in resolving the seating arrangement since the City has had such difficulty finding a Vermont replacement location and this is ideal space. In response to the question whether anything can be done to expedite this lease, Ms. McCormick advise the Committee that the CAO, GSD and DOT have existing biweekly meetings to finalize the Mateo site plan and would add the Vermont lease to the standing working group if it's ultimately approved. The CAO would take lead on addressing the funding requirements and the individual space plans would need to be finalized in order to have a fully executed lease at each site.

Monique Earl from DOT indicated she had experienced technical problems that prevented her from responding to the Committee questions earlier, and clarified for the record that she does not have any concerns in regards to the office space available at the 888 Vermont lease site. Ms. Earl clarified that parking is the major concern for DOT and that while she wants to make sure there is adequate parking for the staff, she also

wishes to move forward with approving the lease while staff continue to work on parking solutions.

Mr. Llewellyn asked if GSD would make a recommendation on whether the City should proceed with the lease since the office space is not a concern but parking for City vehicles is still a concern and what are the parking options. Ms. McCormick states that it is up to the Committee if it wants to proceed with the lease. GSD believes that this space is the best option for DOT but would have preferred to have a space plan and all of the costs developed before bringing the item to Committee. However, GSD also does not want to risk losing this space. GSD believes eventually that this location will be the best relocation site for DOT.

Ms. Tso asked is there a parking solution. Ms. Hollins asked GSD to discuss the various parking options to lease spaces in other lots in the area. Mr. Burke from the GSD stated that the owner has several large office building, a few blocks from Vermont on Wilshire. The owner is willing to find parking spaces for lease within the Wilshire area, but not collectively in one building. Another option is to continue parking vehicles at 411 Vermont and for DOT to set up a Dash route between the two locations. A third option is that there is ample street parking in the area and DOT can take some street parking.

Ms. Tso she did not understand why DOT is looking for more than 100 additional parking spaces over what they currently have at 411 Vermont. She asked whether there it is possible to locate an additional 140 parking spaces in the area giving priority to the City vehicles over employee parking. Mr. Burke stated that there is not one place that can take 295 vehicles. The building has 206 parking spaces but the City would have to lease the entire building, at triple the current requested office space and associated cost. Since the City does not plan to lease the entire building, it can only take a parking ratio and the standard is 3 parking spaces to 1,000 square feet. The owner is giving the City a better ratio of 5 parking spaces to 1,000 square feet and the City is still asking for 20 additional parking spaces.

Mr. Sangalang stated that since the City is telecommuting are we solving an immediate problem or are we trying to solve for a future problem.

Mr. Llewellyn stated that we do have a problem because the City vehicles need parking at a secure and safe location and there are questions regarding employee parking. There is general agreement that the parking is not ideal but the question is if the parking is good enough considering that we have been looking for a suitable location for over two years.

Mr. Sangalang asked if the additional parking options that GSD is considering would be sufficient for City vehicles. Ms. Earl stated that the parking options presented by GSD would be sufficient for City vehicles but there are concerns about the employee parking because of their safety we need to make sure that we provide adequate parking. At 411 Vermont, DOT does stack parking and other accommodations to fit employee vehicles on site. DOT does not have that creativity at this new location and they are looking at various parking options.

Ms. Tso asked how long would it take GSD to do a test fit for the Vermont site and, if DOT does not fit, would the option be to lease additional space from the landlord. Ms. McCormick said 30 days to do a test fit for the space.

Ms. Tso asked GSD to confirm if the 1111 Mateo site was the concern and if the 888 Vermont site was to be scheduled for the June MFC meeting. Ms. McCormick stated that initially she believed it was important to complete the space plan for 1111 Mateo to get a better understanding of site's capacity, which would inform our decision making for 888 Vermont. However we are faced with the situation of waiting another month and the landlord not holding the 888 Vermont lease site.

Mr. Llewellyn asked if the Committee want to continue the item and ask the City wanted to ask the landlord to continue to considering hold the lease.

Mr. Sangalang stated that DOT is confident that the office spaces works for their operation. The parking situation is not ideal but if the City is covering what it needs to cover there are creative ways for DOT to address the parking concerns. Mr. Sangalang is okay with moving forward with the lease based on the information provided by staff that the site is an ideal location.

Ms. Tso asked whether staff had reviewed current market options since their could be new opportunities available following the impact of the COVID-19 pandemic. Mr. Burke stated that they have looked and are constantly looking for suitable sites. The three main things to move forward with a deal is location, cost and parking. When we find a site, the parking is always an issue. We can solve the parking issue but the location of the site would not be Hollywood, which is the area that DOT wants to remain. The 888 Vermont site is in an ideal location, the cost is reasonable but the parking is an issue. However, GSD believes that DOT can resolve the latter issue.

Ms. Tso asked DOT to confirm that this lease would work for them even with the parking issue. Ms. Earl confirmed that the lease would work for DOT and she believed they could resolve the parking issues.

Ms. Tso asked GSD to report back on this lease. Ms. McCormick from the GSD stated they would report back.

The Committee approved the report and directed GSD to report back.

**Item 2** Report from GSD and request to negotiate and execute a new lease agreement between the City and Isahq Deeb dba Pazzo Pasta for a fast-casual restaurant to be located at 6262 Van Nuys Blvd, Space B (CD 6), subject to Council approval.

**DISPOSITION** Approved without discussion.

**Item 3** Report from GSD and request to negotiate and execute a new license agreement between the City and Foda Inc for a pop-up restaurant program to be located at 201 North Los Angeles Street, Space 102 (CD 14), subject to Council approval.

**DISPOSITION** Approved without discussion.

*Item No. 4 was considered after Item No. 5.*

**Item 4** Bi-annual report from GSD and the Los Angeles Police Department on the Electric Vehicle Charger Program.

**DISPOSITION** Note and File without discussion.

**Item 5** Report from GSD and request to negotiate and execute a service provider lease between the City and Special Service for Groups, Inc., Homeless Outreach Program Integrated Care System (SSG/HOPICS) for a Navigation Center located at 729 West Manchester Boulevard (CD 8), subject to Council approval.

**DISPOSITION** Approved.

A technical correction was made to the report for this item to correct the type of lease from a sublease, to a lease.

Ms. Tso asked if the Navigation Center was still on time for a June opening, and whether social distancing protocols would be followed. GSD confirmed that the project would be completed in June 2020 and services would need to observe social distancing protocols, and noted that the project is navigation center and not a shelter.

*The meeting adjourned at 10:43 am.*