

MUNICIPAL FACILITIES COMMITTEE  
Minutes from the Special Meeting of November 17, 2022

MEMBERS: Yolanda Chavez, Office of the City Administrative Officer, Chair (CAO)  
Sharon Tso, Chief Legislative Analyst (CLA)  
Alma Guerrero, Office of the Mayor (Mayor)

The meeting was called to order at 10:01 a.m.

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No General Public Comment.

**Item 2** Report from the General Services Department (GSD) requesting authority to negotiate and execute a Memoranda of Understanding with the Los Angeles Harbor Department (LAHD) for continued use of Fire Station Nos. 40, 49, 110, 111, and 112 on various LAHD land sites, subject to Council and Mayor approval.

**Disposition:** Item Continued.

Yolanda Chavez, CAO, requested that Item No. 2 be taken out of order to precede Item No. 1.

Alma Guerrero, Mayor, requested clarification whether the proposed rent is effective starting January 2023 or retroactive to beginning of the fiscal year. Amy Benson, GSD, responded that the effective date of the MOU is January 2023 and the proposed rent will be \$800,000 annually.

Sharon Tso, CLA, requested clarification on the methodology for the LAFD rental charge allocation based upon the percentage of total emergency calls by the community compared to LAHD-related calls. Ms. Benson responded that the rental rate analysis takes into consideration the square footage and the proportion of the facility's fire engine services provided to the community versus LAHD-related calls.

Ms. Tso expressed concern regarding the methodology, given the value of having the fire station in close proximity to the port as independent from the service level provided on a year-to-year basis. Ms. Benson deferred to Chief David Thomas, LAFD, for further explanation. Chief Thomas responded that the determination of a fire station location is based upon response times and proximity to next fire station.

Ms. Tso inquired about the issue of equity based upon the number of service calls. She suggested an alternative offering of a flat rate that is evenly distributed and another portion of the rent could be distributed based upon the number of service calls.

Marisa Katnich, Director of Real Estate for Port of Los Angeles, commented that the allocation through the first five years of the agreement does not fluctuate from year-to-year. Ms. Katnich further explained that after the first five years, there is a re-evaluation process.

Ms. Tso expressed concern about setting a precedent of basing rent for Fire facilities that provide service to proprietary departments on service calls and about the distribution of costs. Ms. Tso further explained that GSD's responses to her inquiries were not sufficient to proceed with approval of the proposed terms. Ms. Tso proceeded to clarify additional outstanding concerns that had not yet been addressed, including: (1) How rent would be allocated if there were no LAHD calls in a given five-year period; (2) Explain the basis for establishing only a 30-year term instead of a longer term; (3) Explain the 115 percent holdover, given this is a port-based property and a cost reconciliation would occur every five years; (4) Clarify why GSD is fully responsible for all maintenance; and, (5) Explain why there is no recognition of the value attributed to the fire station location and availability to service the port.

Ms. Chavez proposed continuing the item to the next MFC meeting, in consideration of the critical nature of the questions posed and the proposed 30-year agreement, which was supported by the full Committee.

**Item 1** Minutes of the October 27, 2022 - Regular Meeting.

**Disposition:** Approved without discussion.

**Item 3** Report from GSD requesting authority to negotiate and execute a new lease agreement with the California Children's Academy at 233 Breed Street (CD 14), subject to Council and Mayor approval.

**Disposition:** Approved.

Alma Guerrero, Mayor, requested confirmation that GSD is requesting the five-year extension because it is a requirement for the City match for a grant award. Paul Burke, GSD, responded that the non-profit is not required to obtain a City match, however, the agency is in the process of securing grants from the State of California.

**Item 4** Report from GSD requesting authority to proceed with the award of the construction contract for the new Seventh Street Body Shop project, located at 2310 East 7th Street (CD 14), despite a projected funding shortfall of approximately \$5.87 million.

**Disposition:** Approved.

Alma Guerrero, Mayor, inquired about the impact of funding not being available in 2023-24 and the availability of special funds to assist with the project. Steve Hillman, GSD, stated the project would cease at the time that existing funding is expended or the project would have to be abandoned in progress.

Sharon Tso, CLA, asked for an explanation for GSD's delay in going out to bid until March 2022. Mr. Hillman explained that GSD had been reliant on 120-day contracts for the project management portion, however, the contracts were not renewed in 2020-21. Additionally, \$2.4 million was reallocated and there were delays for obtaining reapproval of the 120-day contracts, which contributed to the project delay.

Ms. Tso requested confirmation that the construction will not impact current operations. Mr. Hillman confirmed that the construction would not impact operations as the current operations will continue while the new structure is under construction adjacent to the existing facility. Once construction of the new building is complete, the current operations will be moved to the new location and the old body shop will be demolished to build a new parking structure.

Yolanda Chavez, CAO, requested clarification concerning the funding shortfall and requested timeline for availability in 2023-24. Mr. Hillman responded that the goal is to complete the project in June 2024, without any extensive delays, and GSD expects to spend all of the funds within 2023-24.

Ms. Tso recommended that CAO continue to look at the availability of special funds, because the operation will provide services to the Bureau of Street Lighting and Department of Transportation parking operations. CAO staff confirmed any potential cost recovery would be pursued.

**Item 5** Report from GSD requesting authority to negotiate and execute a Berth Access Agreement with AltaSea for the Los Angeles Police Department to dock an LAPD vessel at Sea Berth No. 57, located within the Port of Los Angeles, subject to Council and Mayor approval.

**Disposition:** Approved.

Alma Guerrero, Mayor, inquired about the 60-day notice to terminate for the month-to-month lease and LAPD's contingency plans if the notice to terminate is exercised. Wayne Lee, GSD, responded that LAPD does not have a contingency plan and will consider available options at that time.

- Item 6** Report from Bureau of Engineering (BOE) and request for approval of the revised project scope for Phases 2, 3 and 4 for the Vision Theater and Performing Arts Center, located at 3341 West 43rd Place (CD 10).

**Disposition:** Approved.

Sharon Tso, CLA, asked for the status of the solar installation and requested clarification about the funding of all project components and if there is a possibility that the project costs may increase resulting in a budget shortfall. Steve Fierce, BOE, responded that all of the solar work has been completed and he explained that the BOE is confident there will be no unforeseen cost escalation, given the project is within a few months of completion of Phases of 2, 3 and 4. Mr. Fierce further added that the initial pricing for Phase 5 has been obtained and the BOE is confident that pricing will remain within budget.

- Item 7** Report from BOE requesting authority to proceed with the award of the construction contract for Phase Three of the Los Angeles Fire Department Operations Valley Bureau project, located at 14415 Sylvan Street (CD 6), despite a projected funding shortfall of approximately \$3.75 million.

**Disposition:** Approved as amended.

LaTanya Roux, CAO, added a verbal correction to the agenda language for this agenda item (No. 7) to clarify correct shortfall estimate is approximately \$1.85 million.

Alma Guerrero, Mayor, asked about the potential impact on construction if the funding is not provided in 2023-24. Marina Quiñones, BOE, responded that Phase 3a is independent of Phase 3b. Ms. Quiñones added that Phase 3a has elements that do not affect electrification of the building.

Matias Farfan, CLA, staffed the remainder of the Committee meeting, replacing Sharon Tso.

Mr. Farfan requested clarification about LAFD's use of Phase 1 and 2 improvements and the impact of Phase 3 on the earlier Phases. Ms. Quiñones responded that Phases 1, 1.5 and 2 are completely independent of Phase 3a and Phase 3b, and the building is operational.

Yolanda Chavez, CAO, recommended to approve Phase 3b and to defer consideration of Phase 3a for consideration through the budget process and to allow more time to consider available funding sources.

Mr. Farfan, requested clarification from CAO of potential reprogramming uses for excess project uncommitted funds in the amount of \$420,000. Bernyce Hollins, CAO, clarified that the reprogramming determination would be appropriate after MFC considers a report back relative to projected inflationary impact to active Municipal Facilities projects. Ms. Hollins explained that there will be two reports forthcoming to MFC: (1) A global construction report with a preliminary cost analysis from CAO and BOE and projected fiscal impact for the current year; and, (2) BOE report on the status of cost escalation in the new fiscal year. Ms. Hollins further added that it would be appropriate to consider capacity available to address critical needs identified as part of the discussion associated with either of those reports.

Mr. Farfan, CLA, moved to amend the report Recommendation No. 1 to proceed with Phase 3b, withhold Phase 3a, and remove Recommendation No. 2. The amendment was approved by the full Committee.

**Item 8**

Municipal Facilities Committee to consider a determination in accordance with AB 361 Section 3(e)(3) that, while the state of emergency due to the Covid-19 pandemic, as originally proclaimed by the Governor on March 4, 2020, remains active and/or state or local officials have imposed or recommended measures to promote social distancing, this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing.

**Disposition:** Approved as read into the record.

*The meeting adjourned at 10:55 a.m.*