

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Regular Meeting of May 30, 2024

MEMBERS: Matthew Szabo, Office of the City Administrative Officer, Chair (CAO)
Sharon Tso, Office of the Chief Legislative Analyst (CLA)
Bernyce Hollins, Office of the Mayor (Mayor)

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

General Public Comment

Jeff Jacobberger, Council District 3, offered comments in favor of Agenda Item Number 7.

Item 7 Report from the Bureau of Engineering (BOE) requesting authority to approve solicitation bids for the Los Angeles River Bikeway and Greenway San Fernando Valley Completion project.

Disposition: Approve with the following instructions for BOE: to structure the Request for Proposals (RFP) so that the project is phased with the first phase corresponding to the amount of available funding and the second and third phases corresponding to the amount of funding required during 2025-26 and 2026-27; and, to report to the Street and Transportation Projects Oversight Committee with a cash flow plan and identified front funding, a maintenance plan, and a plan to properly address stormwater runoff prior to making a contract award recommendation to the Board of Public Works.

Matthew Szabo, CAO, requested that Item No. 7 be taken out of order to precede Item No. 1.

Michael Affeldt, BOE, provided an overview of the report to request for approval of the solicitation of bids for Los Angeles River Bikeway and Greenway San Fernando Valley Completion project for Segment One and Two. Mr. Affeldt concluded by stating that the estimated project shortfall is about \$17.0 million.

Sharon Tso, CLA, inquired as to whether using the \$24.0 million (Metro Measure M) out of \$66.0 million project budget for Segment 1 and 2 will create problems for the construction of other segments, as this is a large portion of the budget. Mr. Affeldt responded that if the budget were divided by the total mileage of the bikeway, each mile would have cost \$5 million for construction.

Mr. Affeldt further explained that the decision was made with Metro to increase funding for Segments 1 and 2 as these segments are underpasses that require more complexity in construction.

Ms. Tso inquired as to whether BOE is looking for additional funds in Metro or County funds to address the funding shortfall. Mr. Affeldt responded that BOE will continue to look for outside funds and hopes to have this project included in the Capital and Technology Investment Expenditure Program (CTIEP) for the next two fiscal years. Mr. Affeldt also added that Metro as a non-profit organization has been helpful in applying for grants that the City cannot normally apply for.

Ms. Tso inquired about the quick turnaround of the bids that will be awarded in July. Mr. Affeldt responded that BOE will work towards meeting the July timeline for Active Transportation Program (ATP) grant, but expects to receive the time extension at the California Transportation Commission's (CTC) June 27th meeting.

Mr. Szabo requested confirmation on the funding available for the upcoming fiscal year. Mr. Affeldt stated that BOE needs the ATP program from the CTC to award the project to confirm the cash flow. Mr. Affeldt added that the early part of the project would be funded using Metro Measure M, ATP, and CTIEP funds. Furthermore, Mr. Affeldt affirmed that the RFP will be structured so that the project is phased with the first phase corresponding to the amount of available funding and the second and third phases corresponding to the amount of funding required for 2025-26 and 2026-27.

Item 1 Minutes of the April 11, 2024 Special Meeting.

Disposition: Approved on consent.

Item 2 Quarterly Status Report from BOE on the Taylor Yard G2 River Park project.

Disposition: Approved on consent.

Item 3 Report from the General Services Department (GSD) requesting authority to negotiate and execute a license agreement with 350 South Figueroa, LLC, for the various City Departments off-site staff parking at 350 South Figueroa Street, in Council District 14, subject to Council and Mayor approval.

Disposition: Approved.

Bernyce Hollins, Mayor, requested a report back on the General Fund Impact of the lease at 350 South Figueroa as part of the Citywide Leasing Account quarterly report.

Sharon Tso, CLA, requested confirmation as to whether the agreement is a contingency plan that will only be executed when the existing agreement is terminated and inquired as to how many spaces are included as part of the Industrious lease. Zachary Millet, GSD, confirmed that there are 175 parking spaces on-site and an additional 175 parking spaces off-site at the World Trade Center parking garage.

Ms. Tso clarified that she would like to know the number of workspaces at Industrious. Mr. Millet replied that there are 507 work spaces. Ms. Tso inquired as to whether all of the desks have been used on daily basis at Industrious. Amy Benson, GSD, responded that GSD received the check-in and checkout list, but it was difficult to count how much staff are using the work site as each individual checks in multiple times a day. Ms. Benson added that most workspaces seemed to be utilized when she visited the building. Ms. Tso asked for clarification on whether the spaces agreed to be a minimum baseline. Mr. Millet clarified that the number of spaces is the maximum.

- Item 4** Report from GSD requesting authority to expend Citywide Leasing Account funds for non-standard office peripherals and build-outs for the Civil + Human Rights and Equity Department (CHRED) in their approved leased space at 250 East First Street, in Council District 14.

Disposition: Approved.

Sharon Tso, CLA, asked whether the CHRED move was approved by MFC. Zachary Millet, GSD, confirmed that the move was approved by MFC. Bernyce Hollins, Mayor, added that this move occurred since the CVS space in the LA Mall did not work out.

Ms. Tso inquired whether the issue with security was for this department. Ms. Benson replied that the security issue was for the Department of Transportation. Ms. Hollins reminded staff that she requested a report back on status and timeline for implementation of the security at the LA Mall. Amy Benson, GSD, responded that the meeting will be scheduled regarding the LA Mall security.

Ms. Tso requested a further explanation on the unusual use of Citywide Leasing Account. Mr. Millet explained that CHRED requested a similar office and security features at the new office which includes many non-standard items offered at the LA Mall space. Mr. Millet added that the report was brought to MFC as a result of the non-standard nature of the items.

Mr. Millet further added that the budget is still under the approved amount. Ms. Tso requested confirmation that it is not a common practice for the Citywide Leasing Account to pay for non-standard items. Mr. Millet stated that departments typically pay for their special needs through their own funds. Ms. Tso inquired if CHRED had no further savings. Mr. Millet replied that CHRED is spending \$300,000 of their own funding, but do not have enough funding to cover all of the space needs. Ms. Tso expressed that non-standard use of Citywide Leasing Account should be avoided.

- Item 5** Report from CAO requesting authority for the Department of Animal Services to execute a Request for Proposals for the operation of the Northeast Valley and the Jefferson Park Animal Service Centers, subject to Council and Mayor approval.

Disposition: Approved on consent.

- Item 6** Report from the Los Angeles Police Department (LAPD) requesting authority to proceed with tenant improvements and space reconfiguration of the decommissioned jail at the Southwest Community Police Station and the vacant Van Nuys Crime Lab.

Disposition: Approved.

Jeffrey Phillips, LAPD, provided a summary of the report on tenant improvements and space reconfiguration at the Southwest Community Police Station and Van Nuys Crime Lab. Sharon Tso, CLA, asked for confirmation that the existing trailer on site will be removed. Mr. Phillips confirmed that the trailer will be removed.

Bernyce Hollins, Mayor, inquired whether the trailer will be occupied until the project completion of February 2025 or if there are any ways to mitigate liability. Mr. Phillips responded that due to space limitation, the trailer must be in use until the jail remodel is complete.

- Item 8** Report from BOE requesting authority to approve the addition of the Phase II scope to the Madrid Theatre Renovation project and associated funding adjustments.

Disposition: Approved.

Ohaji Abdallah, BOE, provided an overview of the Madrid Theatre Renovation project report. Mr. Abdallah stated that the report requests for approval of the reduced Phase I budget of \$13.4 million, the revised scope of Phase II, Phase II budget of \$6.4 million, and the funding swap of Community Redevelopment Agency Excess Bond Proceeds funds of approximately \$3.5 million.

Mr. Abdallah continued by stating that there is sufficient funding to complete Phase I and design of Phase II, and an existing shortfall for Phase II.

Sharon Tso, CLA, asked for clarification on the purpose of the additional services design consultant with a proposed budget of \$184,000 in Phase I. Mr. Abdallah clarified that additional services were required to solve issues occurred during the construction and stated that he will forward detailed information if not already stated in the report.

Ms. Tso inquired whether the contingency and escalation cost for Phase II are intended to cover the project shortfall in Phase II. Mr. Abdallah replied that the intension is to cover the project cost in hopes of reducing the project shortfall.

Item 9 Report from BOE requesting authority to approve the Phase I budget, construction award, and project schedule for the Warner Grand Theatre project.

Disposition: Approved.

Ohaji Abdallah, BOE, provided an overview of the Warner Grand Theatre project report. Mr. Abdallah stated that the lowest, responsible, and responsive bid is for \$17.9 million increasing the total construction cost, and the bid bond is due on July 17, 2024. Mr. Abdallah reported that the previously approved budget was for \$21.6 million with a shortfall of \$6.4 million, however, the proposed revised budget is \$22.2 million. Mr. Abdallah further added that the project cost increased, but the funding gap has been closed.

Sharon Tso, CLA, asked whether BOE will be back to MFC with a report for Phase II. Mr. Abdallah confirmed that BOE will be back with a report. Ms. Tso further asked if BOE will report during or after the construction. Mr. Abdallah responded that the report will return to the MFC during the construction. Ms. Tso inquired if BOE has an estimate for the project. Mr. Abdallah replied that BOE has an estimate, however, BOE cannot present on it until all items are scoped out.

Item 10 Report from CAO on a proposed Non-Profit Leasing Policy for City-Owned Facilities.

Disposition: Item continued to the next meeting.

Item 12 Report from GSD requesting authority to negotiate and execute a sublease agreement with Nordstrom, Inc., for the Los Angeles Housing Department (LAHD) and the Office of Finance (OOF) temporary office and staff parking spaces at 700 South Flower Street, in Council District 14, subject to Council and Mayor approval.

Disposition: Approved.

Matthew Szabo, CAO, requested that Item No. 12 be taken out of order to precede Item No. 11.

Zachary Millet, GSD, provided an overview of the report on the office and parking space for LAHD and OOF. Mr. Millet stated that there are 42 unreserved spaces with the master landlord and 86 spaces with the sublandlord at a parking rate of \$320 per space. Mr. Millet added that there is an option to add reserved parking for \$440 per space. Mr. Millet summarized that there are 130 seats available and a right to lease up to 130 parking spaces. Mr. Millet stated that the cost will be split between LAHD Special Fund at 61.5 percent and Citywide Leasing Account at 38.5 percent, which is projected to cost \$508,361 in Citywide Leasing Account fund for the next fiscal year planned to be covered by the savings from the current fiscal year.

Sharon Tso, CLA, asked whether the employees moving to 700 South Flower Street were ever at Industrious. Mr. Millet replied that LAHD plans to move employees utilizing approximately 30 seats at Industrious to the new location. Ms. Tso asked for confirmation that there will be a reduction of teleworking employees due to the move. Mr. Millet replied that LAHD is rotating employees to utilize the 80 seats requested to be approved. Amy Benson, GSD, added that there are more than 100 employees utilizing the 30 seats in rotation. Ms. Benson also stated that 30 seats that were previously utilized by LAHD at Industrious will be filled by other departments that are short on space.

Mr. Szabo requested that GSD report back with information on the usage of office space at the Industrious location.

Item 11 **ADJOURN TO CLOSED SESSION:**

CONFERENCE WITH REAL PROPERTY NEGOTIATORS, pursuant to Government Code Section 54956.8

Property Location: Real property located at:

1. 555 West Fifth Street, Los Angeles, CA (APN: 5149-029-013)
Property Owner: Gregg Williams, as Receiver for Maguire Properties - 555 W. Fifth, LLC
2. 202 West First Street, Los Angeles, CA (APN: 5149-001-006)
145 South Spring Street, Los Angeles, CA (APN: 5149-001-003)
Property Owner: Onni Times Square LP
3. 777 South Figueroa Street, Los Angeles, CA (APN: 5144-009-047)
Property Owner: Maguire Properties - 777 Tower, LLC
4. 865 South Figueroa Street, Los Angeles, CA (APN: 5144-022-057)
Property Owner: Hancock S REIT LA Corp USA \
5. 333 South Hope Street, Los Angeles, CA (APN: 5151-014-031)
Property Owner: 333 South Hope Co., LLC
6. 355 South Grand Avenue, Los Angeles, CA (APN: 5151-015-013)
Property Owner: Maguire Properties - 355 S. Grand, LLC
7. 110 East Ninth Street, Los Angeles, CA (APN: 5139-001-024)
Property Owner: Calmart Sub I, LLC
8. 333 South Grand Avenue, Los Angeles, CA (APN: 5151-015-012)
Property Owner: North Tower, LLC
9. 300 South Grand Avenue, Los Angeles, CA (APN: 5149-010-026)
Property Owner: CNI One Cal Plaza Owner, LLC
10. 707 Wilshire Boulevard, Los Angeles, CA (APN: 5144-005-400)
Property Owner: Carolwood 707 I, LLC/Carolwood 707 II, LLC
11. 611 West Sixth Street, Los Angeles, CA (APN: 5151-026-400)
Property Owner: 611 West Sixth Street Associates
12. 350 South Grand Avenue, Los Angeles, CA (APN: 5149-010-265)
Property Owner: 350 South Grand Avenue (LA) Owner, LLC
13. 444 South Flower Street, Los Angeles, CA (APN: 5151-018-017)
Property Owner: CVFI-444 S FLOWER LP
14. 601 South Figueroa Street, Los Angeles, CA (APN: 5144-007-044)
Property Owner: 601 Figueroa Co., LLC
15. 633 West Fifth Street, Los Angeles, CA (APN: 5151-017-025)
Property Owner: USBT Property Owner LP

16. 700 South Flower Street, Los Angeles, CA (APN: 5144-010-401)
Property Owner: NREA TRC 700, LLC

17. 800 Wilshire Boulevard, Los Angeles, CA (APN: 5144-008-010)
Property Owner: Onni 800 Wilshire LP

18. 915 Wilshire Boulevard, Los Angeles, CA (APN: 5144-007-040)
Property Owner: Deka Immobilien Investment GmbH

19. 448 South Hill Street, Los Angeles, CA (APN: 5149-026-004)
Property Owner: JMF Pershing Square, LLC

Agency negotiator/presenters:

Amy Benson, Director, Real Estate Services Division, General Services Department; Melody McCormick, Assistant General Manager, General Services Department; Zachary Millett, Assistant Director, Real Estate Services Division; Art Kusol, Senior Management Analyst, General Services Department; Onno Zwaneveld, Executive Vice President, CBRE, Inc.; Michael Syrengelas, Managing Director, CBRE, Inc.

Negotiating Parties: City of Los Angeles, Department of General Services; Gregg Williams as Receiver for Maguire Properties - 555 West Fifth, LLC; Onni Times Square LP; Maguire Properties - 777 Tower, LLC; Hancock S REIT LA Corp USA; 333 South Hope Co., LLC; Maguire Properties - 355 S. Grand, LLC; Calmart Sub I, LLC; North Tower, LLC; CNI One Cal Plaza Owner, LLC; Carolwood 707 I, LLC/Carolwood 707 II, LLC; 611 West Sixth Street Associates; 350 South Grand Avenue (LA) Owner, LLC; CVFI-444 S FLOWER LP; 601 Figueroa Co., LLC; USBT Property Owner LP; NREA TRC 700, LLC; Onni 800 Wilshire LP; Deka Immobilien Investment GmbH; JMF Pershing Square, LLC

Under Negotiation: Price and terms of payment of sublease and lease agreement

RECONVENE OPEN SESSION AND REPORT ACTION TAKEN IN CLOSED SESSION

Meeting reconvened to Public Session at 11:32 a.m.

CLOSED SESSION ANNOUNCEMENTS

No Closed Session announcements.

Item 13 Adjournment – Next Meeting: Regular Meeting, Thursday, June 27, 2024.

The meeting adjourned at 11:32 a.m.