

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Special Meeting of December 12, 2024

MEMBERS: Matthew Szabo, Office of the City Administrative Officer, Chair (CAO)
Matias Farfan, 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 No public comment.

Item 2 Report from the Bureau of Engineering (BOE) Architectural Division Fiscal Year 2024-25 Master Schedule and Project Status report.

Disposition: Noted and filed.

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

Steven Fierce, BOE, provided a brief presentation summarizing the master schedule and project status to assist with the prioritization of future projects. Deborah Weintraub, BOE, added that BOE has been receiving an overwhelming amount of work and would like the Municipal Facilities Committee (MFC) to assist BOE in scheduling and prioritizing the projects to avoid gaps and mistakes in projects and staff burnouts.

Bernyce Hollins, Mayor, asked about the timing of presenting the proposed project intake process. Ms. Weintraub shared that BOE would like to receive new project requests through a uniform project reporting system and that the proposed project intake process will be presented to the MFC in early 2025.

Mr. Szabo stated that if there are any schedule changes, then the planning requirements also change, which should be reflected in the master schedule. Ms. Weintraub added that this master schedule consolidates all projects for Proposition K, Recreation and Parks, and the Architectural Division.

Item 1 Minutes of the November 14, 2024 Special Meeting.

Disposition: Approved on consent.

Item 3 Second Quarterly Status Report from CAO on the Citywide Leasing Account.

Disposition: Noted and filed.

Aira Wada, CAO, provided an overview of the status of the Citywide Leasing Account for 2024-25. Ms. Wada highlighted that the year-end projected shortfall is currently estimated at \$1.64 million. Ms. Wada further explained that there are three potential unfunded leasing liabilities totaling \$750,000, and approval of these leases will result in an overall shortfall of approximately \$2.39 million.

Matias Farfan, CLA, inquired the reason that the Highland Gardens Hotel lease was paid out of the Citywide Leasing Account. Justin Lawson, CAO, explained that the report regarding this lease was approved in the November 14, 2024, MFC meeting. Mr. Lawson stated that the funding for this purpose was not encumbered on time and it reverted to the Reserve Fund. Mr. Lawson added that, due to the City's current financial status, the reappropriation of the funds is not recommended so the Citywide Leasing Account is funding the Highland Gardens Hotel lease. Mr. Farfan asked whether all the current funds for homelessness are programmed to be spent this year. Mr. Lawson replied that all homelessness funds will be spent this year.

Mr. Farfan inquired the value of the storage for the Garland Relocation project. Amy Benson, General Services Department (GSD), responded that GSD reduced a significant amount of stored items and will continue to evaluate storage options.

Item 4

Report from GSD requesting authority to negotiate and execute a license agreement with Industrious LA 444 South Flower Street, LLC, for office space for the various City Departments at 444 South Flower Street, in Council District 14, subject to Council and Mayor approval.

Disposition: Approved as amended to instruct GSD to implement Scenario D with a modified seat reduction plan to allot 12 seats for the Personnel Department and 110 seats for the Economic and Workforce Development Department (EWDD).

Zachary Millet, GSD, provided a summary of the lease amendment for 444 South Flower Street (Industrious). Mr. Millet specified that there is an option to reduce the usage of the 13th floor and may reduce departments to only the 14th floor in the first year, with a 90-day notice after the expiration of the current lease in mid-January. Mr. Millet added that the City has the option to completely vacate the building in the second year. Mr. Millet noted that the Special Funded departments, which are EWDD, the Community Investment for Families Department (CIFD), and the Los Angeles Housing Department (LAHD), will be paying for their portion of rent starting January 2025.

Abigail Marquez, CIFD, stated that CIFD is comfortable with either Scenarios C or D. Ms. Marquez noted that CIFD has been paying for related costs, including the leasing costs, and that 34 percent of salaries are General Funded.

Lisa Salazar, Youth Development Department (YDD), stated that YDD prefers Scenario D as two seats are utilized for storage. Ms. Salazar raised a concern about not being aware of materials being disposed of from storage. Amy Benson, GSD, replied that departments have been notified of materials that were disposed of and that GSD will forward an email containing the details of the disposed materials to YDD for reference.

Diana Mangioglu, Office of Finance (OOF), stated that OOF prefers Scenario D as Scenario C does not provide sufficient space to accommodate all of OOF's needs. Ms. Mangioglu also emphasized that moving staff has been disruptive to operations and OOF would like to limit additional moves. Ms. Mangioglu concluded that Scenario D considers OOF's needs for the next two years ahead.

Kevin Rodriguez, LAHD, stated that LAHD supports Scenario C. Mr. Rodriguez added that if GSD is unable to find the temporary space for LAHD in the near future, then LAHD is in support of Scenario D.

Mark Granado, EWDD, stated that EWDD supports Scenario C and D for 110 seats to meet the needs for ergonomic equipment, supervisors, and the Financial Management Division.

Mr. Szabo inquired as to the difference between Scenario C and D is for LAHD. Mr. Rodriguez clarified that the difference is whether LAHD stays at Industrious or moves to another location.

Bernyce Hollins, Mayor, asked how Scenario C was developed. Ms. Benson explained that the Scenario was developed with the usage information and the November 14, 2024, MFC meeting discussion. Ms. Hollins expressed concerns about equity between the departments due to the varied levels of reduction in Scenario D. Ms. Benson clarified that the seating numbers in Scenario D were reported by each department.

Ms. Hollins requested GSD to evaluate whether the Los Angeles Mall space soon to be vacated by the Civil + Human Rights and Equity Department will be suitable for any of the Industrious departments.

Yolanda Chavez, CAO, requested clarification on the lease terms in reducing the seats as more City space is identified over time. Ms. Benson clarified that the terms allow the City to reduce the 13th floor seats, but needs to keep paying for at least the 14th floor in the first year of the term.

Item 5

Continued from November 14, 2024: Report GSD requesting authority to negotiate and execute a parking lease agreement with Spring Street SP, LLC, for the Los Angeles Police Department (LAPD) at 1440 North Spring Street, in Council District 1, subject to Council and Mayor approval.

Disposition: Approved as amended to remove the Information Technology Agency (ITA) costs of \$450,000 and revise the current year rent costs to reflect five-months funding of \$230,372.

Zachary Millet, GSD, made a verbal amendment to the fiscal impact section of the report to revise the rent costs, which have decreased due to the delayed execution of the lease, and to clarify that LAPD will be covering the ITA costs. The revised costs will be funded through the Citywide Leasing Account for a total amount of \$230,372.

Matias Farfan, CLA, asked about the plan regarding the Alpine lots use. Jeffry Philips, LAPD, stated that LAPD will be able to use the Alpine lots after requesting funding and fortifying the perimeter of the lots as the lots are currently unusable due to repeated vandalism. Mr. Farfan inquired whether 1440 North Spring Street is secured. Mr. Philips replied that cameras will be installed at the site to provide security. Mr. Philips noted that \$450,000 ITA cost was an estimate for installation of internet and remote login cameras. Mr. Philips stated that, upon further discussion, LAPD will be able to pay for basic cameras with recording ability, as LAPD cannot absorb the estimated \$450,000 for the remote login cameras.

Mr. Farfan inquired as to the proposed use of the facility at 1440 North Spring Street. Mr. Philips responded that the warehouse at the site will be used as an interim indoor vehicle storage before moving it out to install equipment for LAPD use. Mr. Farfan inquired the cost of vehicle per month as he noted that parking above \$200 per vehicle is expensive. Mr. Millet replied that the cost is \$245 per vehicle. Mr. Philips stated that most vehicles that will be parked at the site will be usable and are expensive to replace if damaged. Dirk Aubuchon, LAPD, added that evidence vehicles will be parked in the exterior of the warehouse as LAPD must store them for litigation purposes.

Item 6

Report from GSD requesting authority to negotiate and execute a temporary lease agreement for the Bureau of Street Services (BSS) Recycled Asphalt Plant at 4221 Bandini Blvd, City of Vernon, subject to Council and Mayor approval.

Disposition: Approved as amended to reflect correct proposed-monthly cost of \$133,545 under the fiscal impact section of the report.

Lisa Schechter, GSD, provided a summary of the report regarding the temporary lease for the BSS Recycled Asphalt Plant as the City owned site at 2601/2611 East 25th Street is under construction for modernization. Ms. Schechter emphasized the difficulty of finding a site suitable for this purpose due to changes in zoning, the need to stay near Asphalt Plant I, and the required square footage for operation. Ms. Schechter noted that \$800,000 has been allocated for 2024-25 for this purpose and that the future costs will be addressed through the Budget Process.

Sherarade Nichols, BSS, explained that BSS removes recycled asphalt pavement (RAP) from 800 miles of alleys in the City of Los Angeles. Chuck Kwan, BSS, stated that the preliminary design for the 2601/2611 East 25th Street modernization is nearly completed; therefore, this temporary facility is needed within the next six months. Mr. Nichols added that the cost savings of leasing this site is approximately \$849,000 a year for disposal fees that has been costing BSS \$3 million.

Bernyce Hollins, Mayor, requested a breakdown of the total cost of \$7.6 million for the five-year lease. Mr. Nichols responded that it will be provided as a follow-up communication.

Matias Farfan, CLA, asked for verification of the total monthly-proposed cost in the fiscal impact section of the report. Ms. Schechter corrected the total monthly-proposed cost as \$133,545 in the fiscal impact section table.

Matthew Szabo, CAO, inquired whether the amount of leased space is consistent with the space needed. Mr. Nichols confirmed that the amount of space leased is consistent with the space needed as it will allow for storage of double the amount of RAP, production of double the amount of processed RAP, and increase the space for fleet maintenance.

Item 7 Adjournment – Next Meeting: Regular Meeting on Thursday, January 30, 2025.

The meeting adjourned at 11:10 a.m.