

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Regular Meeting of March 26, 2026

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

The meeting was called to order at 10:09 a.m.

General Public Comment: No public comment.

Item 3 Report from the General Services Department requesting authority to negotiate and execute a lease agreement with Five Keys Schools and Programs to operate a Tiny Home Village at 401 Arroyo Seco Parkway, in Council District 14, subject to Council approval.

Disposition: Item continued to the next meeting.

Matthew Szabo, CAO, requested that Items No. 3-5 be taken out of order to precede Item No. 1.

Sharon Tso, CLA, asked whether a renewal option can be included in the lease agreement for Items No. 3 and 4. Wayne Lee, General Services Department (GSD), explained that renewal requires approval of the respective department boards. Lisa Schechter, GSD, stated that GSD will review the possibility of including language for a renewal option that is contingent on the respective board approval. Mr. Szabo inquired if there are any impacts to continuing Items No. 3 and 4 to the next meeting. Michael Zambrano, CAO, responded that there is no impact to services if the Municipal Facilities Committee (MFC) continues Items No. 3 and 4 to the next meeting. Ms. Tso asked for clarification on the City's termination right for Item No. 3. Mr. Lee clarified that all leases include City's right to terminate the agreement.

Item 4 Report from the General Services Department requesting authority to negotiate and execute a lease agreement with Hope the Mission to operate an interim housing site at 1533-1535 Schrader Boulevard, in Council District 13, subject to Council approval.

Disposition: Item continued to the next meeting.

Item 5 Report from the Department of Cultural Affairs requesting authority to execute a donation agreement with the Los Angeles Neighborhood Land Trust at 1727 East 107th Street, in Council District 15, subject to Council and Mayor approval.

Disposition: Approved with discussion.

Sharon Tso, CLA, inquired the amount of additional funding needed for the Watts Towers Art Center (WTAC) campus renovation and expansion project. Bz Zhang, Los Angeles Neighborhood Land Trust (LANLT), replied that an estimated \$10 million is needed for an art agreement; however, the construction is fully funded and the additional funding needs will not affect the completion of construction.

Ms. Tso asked whether a separate donation agreement is needed for the art donation. Alma Miranda, Department of Cultural Affairs (DCA), answered that the amendment for the art donation will be made to the same donation agreement. Ms. Tso inquired if DCA will submit the final donation agreement to the MFC. Ms. Miranda stated that the donation agreement will be sent to the Council directly without the MFC review to allow LANLT to start working on the site.

Ms. Tso asked for confirmation that all entities involved have clear understanding of their responsibilities for the project and the maintenance of the site. Melody McCormick, GSD, explained that the Bureau of Engineering (BOE) will review the plans, DCA will oversee the contract, the Recreation and Parks (RAP) will maintain the park, and GSD will maintain the facilities.

Item 1 Minutes of the February 26, 2026 Regular Meeting.

Disposition: Approved on consent.

Item 2 Report from the General Services Department requesting authority to negotiate and execute a lease agreement with Gage/St. Andrews Properties, LLC, for the Los Angeles Police Department - South Traffic Division for office and industrial space at 6230 South Gramercy Place, in Council District 8, subject to Council approval.

Disposition: Approved on consent.

Item 6 Report from the Bureau of Engineering requesting interim funding to reimburse the General Services Department for the 2024-25 Solar and Battery System projects, subject to Council and Mayor approval.

Disposition: Item continued to the next meeting.

Zohra Akhter, BOE, stated that the report recommends a new interim Municipal Improvement Corporation of Los Angeles (MICLA) appropriation for \$428,869 to reimburse GSD for positions supporting the 2024-25 Solar and Battery System projects.

Sharon Tso, CLA, inquired as to why there is a need for reimbursing a project from 2024-25 and the reason for using MICLA funds. Ms. Akhter explained that the funding identified for this purpose, included in the 2024-25 Budget, was swept in the 2025-26 budget process. Ms. Tso inquired the reason the funding was not rescinded. Lorraine Moreno, BOE, responded that the funding needed is for completed work. Justin Lawson, CAO, clarified that the work was completed by GSD and resulted in a reserve fund loan.

Matthew Szabo, CAO, asked whether this was part of a larger project. Ms. Akhter replied that this was part of a series of projects supported by GSD for the Solar and Battery Energy Storage System projects. Mr. Szabo inquired if the finance schedule was already approved. Mr. Lawson stated that this was added as a budgetary footnote to the 2024-25 Budget. Mr. Lawson added that the Council did not identify the account number for the BOE Special Services Fund, leading to funding sweep in the 2025-26 budgetary balancing. Matthew Hale, Mayor, asked for clarification that the report aims to effectuate the intent of the 2024-25 Budget and satisfy the reserve loan. Mr. Lawson clarified that the report intends to satisfy the reserve loan. Mr. Szabo inquired when the work was initially authorized and funded. Mr. Lawson replied that the funding was authorized in the 2024-25 Budget as General Fund operation, then swept in the 2025-26 Budget. Mr. Szabo asked whether the funding was swept after the work was completed. Ms. Akhter confirmed that funding was swept after completion of the work.

Mr. Szabo inquired if this will repay the reserve fund or GSD. Mr. Lawson stated that the reserve fund will be repaid. The Committee moved to instruct that this report first be reviewed by the CAO's debt group prior to returning for consideration.

Item 7 **Continued from December 11, 2025:** Report from the Bureau of Engineering on the status of the Building Decarbonization Workplan, subject to Council and Mayor approval.

Disposition: Approved with discussion.

Zohra Akhter, BOE, provided a brief presentation on changes made to the Building Decarbonization Workplan report and the presentation slide to highlight key findings to decarbonize City buildings by 2045 instead of the original plan extending to 2035. Ms. Akhter explained that Slide 11 was included to show the type of rebates available by the Department of Water and Power (DWP) for various projects currently in progress. Ms. Akhter added that projects that require major renovations will be addressed similarly to current major renovations by BOE.

Matthew Hale, Mayor, instructed BOE to look at savings when the annual plan is developed. Sharon Tso, CLA, asked for clarification on the meaning of proactive equipment replacement process in Recommendation No. 5. Ms. Akhter clarified that proactive equipment replacement means that only old gas-powered equipment to a new gas-powered equipment replacement will be done in emergency with the final goal of achieving City-wide electrification. Melody McCormick, GSD, stated that GSD will not stock pile equipment in advance for emergencies.

Matthew Szabo, CAO, inquired whether the framework is based on replacement of equipment into electrical equipment after the end-of-life period. Brian Stern, Tetra Tech/Glumac, stated that the framework and the cost reflect timeline of equipment replacement at the end-of-life periods. Ms. Tso inquired as to how the 2025-26 deferred projects fit into the framework presented. Ms. Akhter replied that seven to eight projects that have not been addressed will be prioritized in the Year 1 Workplan.

Item 8

Report from the General Services Department requesting information on opportunities to sell surplus properties or use City properties as part of joint development or lease agreement projects to generate revenue, in response to Council File 25-0600-S86, subject to Mayor and Council approval.

Disposition: Approved as amended with the following instructions for GSD:

1. Submit a report to the MFC for the April 16th Special Meeting that recommends the first list of City-owned properties that should be declared surplus and sold. The property list should be prioritized based on the highest potential General Fund revenue generation and the timeline for sale. The report should provide a plan for selling the remaining priority properties;
2. Amend Attachment B to prioritize the list based on potential revenue generation, and separate the properties on hillsides that are not buildable;
3. Amend Attachment D to prioritize the list based on potential revenue generation;

4. Prioritize nuisance abatement activity properties for sale; and,
5. Advise which properties are being sold, their expected sale dates, and anticipated revenue generation for 2025-26.

Armando Parra, GSD, provided a brief presentation on the status of surplus properties in response to Council File 25-0600-S86. Mr. Parra noted that there are 257 undeclared properties and 297 Own a Piece of Los Angeles properties of which 92 properties have been declared surplus land.

Matthew Szabo, CAO, asked which properties are in the process of being sold, the total estimated revenue, and the revenue earned so far for this fiscal year. Mr. Parra stated that GSD will follow up with the revenue data. Mr. Szabo instructed GSD to include the revenue data in the report back. Matthew Hale, Mayor, inquired as to the nuisance abatement expenses for the surplus properties. Amy Benson, GSD, replied that about \$1 million is budgeted for nuisance abatement.

Sharon Tso, CLA, asked if GSD will help Council Offices review the properties by categories and whether the discussion has started. Amy Benson, GSD, answered that there will be more in-depth information provided to the Council Offices in priority order. Melody McCormick, GSD, added that there used to be an annual process to review the surplus properties with the Council Offices. Ms. McCormick stated that GSD currently has about half of the portfolio Class C appraisals completed for these properties.

Item 9 Report from the General Services Department on the status of the Garland Relocation project, requesting direction from the Municipal Facilities Committee on related issues.

Disposition: Approved as amended with an instruction for GSD:

1. In consultation with the City Attorney (CA), enter into a sole source real estate brokerage services and project management contract with CBRE, if appropriate, or issue an RFP to execute a new contract with a qualified real estate broker and project manager from the CAO's Prequalified List of Firms; and,
2. Negotiate the Industrious license agreement extension for the Los Angeles Housing Department (LAHD) and the Office of Finance (OOF) for the short-term along with associated parking agreements and other services as deemed necessary.

Zachary Millet, GSD, presented an update on the Garland Relocation project. Mr. Millet stated that GSD is seeking direction on LAHD and OOF relocation as well as regarding the expired brokerage and management contract with CBRE.

Matthew Szabo, CAO, inquired as to the time needed to complete a Request for Proposal (RFP) for a brokerage and management contract. Mr. Millet replied that an RFP is drafted and will require six weeks to two months for completion of the process. Mr. Szabo inquired if a sole source is possible while waiting for an RFP. Melody McCormick, GSD, answered that sole sourcing has been done before and GSD will need approval by the Council to initiate the supplemental agreement. Ms. McCormick explained that GSD did not release the RFP earlier due to not knowing the MFC direction and because of the Community Investment Department consolidation. Ms. McCormick stated that GSD will work on the CBRE supplemental agreement with CA upon approval by the MFC. Mr. Szabo asked whether the MFC authority is needed for execution of an RFP. Ms. McCormick responded that the MFC approval is not needed for issuing of an RFP. Matthew Hale, Mayor, noted that Recommendation No. 2 is under MFC's purview as it is regarding facilities while Recommendation No. 1 is not MFC's purview as it deals with contracting.

Sharon Tso, CLA, inquired if the CBRE supplemental agreement will be for the Garland Relocation project only or all of CBRE projects. Ms. McCormick replied that the supplemental agreement will only be for the Garland Relocation project. Ms. Tso asked about the DWP's lease holdover status at Figueroa Plaza. Ms. McCormick answered that the holdover does not have an expiration date and that DWP has not provided an estimated move out date.

Ms. Tso inquired regarding the pros and cons of executing a supplemental agreement with CBRE in comparison to issuing an RFP. Amy Benson, GSD, explained that CBRE has analysis on each department needs while a new contractor will have to start analysis again and gain familiarity of the project. Lindsey Zwicker, CA, stated that the extension had to be done before the expiration of the agreement. Ms. McCormick clarified that ratification clause had been used before for expired agreements. Mr. Szabo asked if CA can determine the eligibility of sole sourcing CBRE. Ms. Zwicker stated that if findings can be made, then sole sourcing for CBRE is possible. Ms. Zwicker added that CA's position is that this contract should be subject to public bidding unless findings can be made to sole source.

Item 10 Adjournment – Next Meeting: Special Meeting on Thursday, April 16, 2026.

The meeting adjourned at 11:50 a.m.