

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 3

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
GENERAL SERVICES
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June 26, 2025

Honorable City Council
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

Attention: Adam Lid, Legislative Assistant

REPORT BACK ON SMALL BUSINESS COMMERCIAL TENANT RENT RELIEF PROGRAM AND ACTIVATION OF THE LOS ANGELES MALL

This report is in response to Council File 22-1485 and summarizes the COVID-19 Rent Relief Program, supporting tenants within Downtown Los Angeles buildings, Marvin Braude Retail Mall, Police Administration Building, and the Los Angeles Mall amid pandemic-related financial hardships. Approved by the City Council on October 6, 2023, the program aimed to sustain businesses in City-owned properties.

Additionally, Council amended the motion to include a report back with recommendations for further activating the Los Angeles Mall (LA Mall) and supporting its small businesses, including short-term solutions to make the LA Mall a more inviting location for events and the public.

BACKGROUND

The LA Mall, located at 201 N. Los Angeles Street, was established in 1974 to provide retail and dining options for employees and visitors in the Civic Center area. For this reason, these businesses were open on weekdays and during business hours. During the COVID-19 pandemic, businesses across Los Angeles faced unprecedented challenges due to mandated closures, reduced foot traffic, hybrid working schedules as well as economic uncertainty.

The LA Mall, in particular, struggled as decreased office occupancy and limited public gatherings significantly reduced customer activity, making it difficult for small businesses to remain viable.

Similarly, other City-owned properties with commercial tenants faced financial distress as they relied on government offices, tourism, and daily commuters, many of whom shifted to remote work or reduced their in-person activities.



Over the years, particularly following the COVID-19 pandemic, the LA Mall experienced a steady decline, leading to the closure of many retail and dining establishments. In 2023 the LA Mall Food Court on the northern end of the property was permanently closed. Several stand-alone vacant spaces throughout the mid and southern section of the Mall have been repurposed for use by City departments.

RENT RELIEF PROGRAM

As directed by the Council motion, in June 2024, the General Services Department (GSD) sent letters to 15 affected tenants within GSD's jurisdiction which implemented the following COVID-19 related relief measures:

- Rent waivers for small for-profit tenants leasing City property from April 1, 2020, to June 30, 2021.
- 40% rent reduction on base rent for eligible leases from July 1, 2021, to December 31, 2021.
- Rent credits for payments made before CF 22-1485's effective date, applied toward future or overdue rent.

Additionally, Tenants were advised to contact GSD Real Estate Services Division (RES) and submit business plans or proposals to ensure their continued occupancy. GSD RES reached out to all tenants several times to offer assistance.

Of the 15 tenants contacted, five businesses permanently closed, one business consolidated its two store front operations into one, and one business has remained unresponsive despite multiple attempts to engage.

GSD RES has worked closely with the remaining eight tenants who wish to continue doing business with the City, ensuring they have the necessary support to remain viable.

Additionally, GSD, in collaboration with GSD Accounting and the City Attorney's Office is working to recover outstanding back rent where available from tenants with overdue balances. For those unable to sustain their businesses, GSD will take appropriate steps to reclaim the spaces, including pursuing legal remedies as necessary. This effort aims to stabilize the tenant mix, improve financial accountability, and support the long-term activation and sustainability of the LA Mall and other City-owned commercial properties.

STRATEGIC REASSESSMENT FOR THE LA MALL

As part of this update, GSD reviewed potential options to activate the LA Mall and support its remaining small businesses. While short-term improvements could enhance the site's appeal for events and limited public engagement, revitalizing the LA Mall as a commercial or retail center is no longer a viable option.

Several factors contribute to this conclusion, including continued low foot traffic, the inability to attract and retain food vendors, and the indefinite pause of the Civic Center Master Plan. The City previously issued Requests for Proposals (RFPs) on the RAMPLA site in an effort to attract new food operators to the LA Mall but received no responses. Even past RFPs that resulted in new tenants such as Mwokaji Cakery and Cilantro Fresh

proved unsustainable, as those businesses eventually ceased operations due to insufficient customer volume, limited weekday activity, and a lack of long-term economic viability in the current environment. The remaining food tenants, California Pita, Quiznos, and Hi Rise Goodies (Trimana), primarily serve a significantly reduced customer base consisting mostly of City employees. Further, the LA Mall's anchor tenant, CVS Pharmacy, vacated during the COVID-19 pandemic, further diminishing foot traffic and eliminating one of the few commercial draws to the site. Due to its underground location, the LA Mall experiences minimal foot traffic from the general public or passersby, making it increasingly unviable as a retail destination.

Given these challenges, the consideration is to repurpose the LA Mall for municipal use, such as relocating City departments or public-serving programs into the vacant spaces. This strategy would improve utilization of City-owned assets and help offset the City's growing General Fund leasing obligations, which now exceed \$38 million annually.

GSD will collaborate with the CAO's Office to evaluate whether available space within the LA Mall could be repurposed to support City departmental leasing requirements. This approach would prioritize the efficient use of City-owned real estate while addressing internal space needs, particularly for departments seeking centrally located facilities within the Civic Center. By focusing on departmental use rather than commercial activation, this strategy aligns with current occupancy trends, avoids unnecessary expenditures on underutilized retail space, and supports long-term operational planning.

STRUCTURAL CONDITION ASSESSMENT AND WATER INTRUSION

As part of the City's broader effort to preserve and repurpose Civic Center facilities, recent evaluations of the City Hall East (CHE) building revealed significant deterioration due to long-term water intrusion. As detailed in the Municipal Facilities Committee (MFC) report dated March 27, 2025, titled "*Update: Structural Evaluation of the City Hall East Building*," the concrete encasement around key support columns has been compromised, primarily from failed expansion joints and aging planter waterproofing systems, allowing water to reach lower parking levels and expose the structural steel to corrosion and fire vulnerability. When these protections are compromised (e.g., through water intrusion and corrosion), the steel loses both its structural integrity and its fire resistance. This makes the building more vulnerable to collapse or serious structural damage during a fire, because unprotected or weakened steel can rapidly lose strength when exposed to high temperatures. A four-phase repair plan was developed to address these issues, with Phase 1—focused on initial testing, excavation, and engineering evaluation—now substantially complete.

Similar conditions have been observed at the Los Angeles Mall. Between 2018 and April 2025, 103 water intrusion incidents were reported across 30 different mall locations, with the highest concentrations in LAPD Security Services (Space 2), LADOT (Space 16), and shared common areas. Additional water damage is suspected in unoccupied spaces not reflected in active reporting. These persistent leak issues, paired with aging infrastructure, reinforce the importance of coordinated planning and investment in waterproofing, structural resilience, and adaptive reuse of City-owned properties. Ensuring these spaces remain safe, functional, and responsive to departmental needs will support long-term activation strategies for the LA Mall and other Civic Center assets.

FEASIBILITY OF REVITALIZATION FOR COMMERCIAL OR RETAIL USE

Revitalization of the LA Mall as a viable commercial or retail destination is no longer a practical option. The facility's below-ground layout limits visibility and walk-in accessibility, making it unsuitable for attracting and retaining retail tenants. Additionally, post-pandemic changes in workforce patterns have significantly reduced foot traffic, as many Civic Center employees continue to telecommute.

Despite past efforts—including offering reduced rental rates through the City's Rent Relief Program—several tenants were still unable to remain financially viable. These conditions, coupled with the site's physical limitations, have led GSD to conclude that commercial revitalization is not sustainable.

Further, the extensive capital investment required to upgrade the aging infrastructure, address water intrusion, and meet modern building codes is costly and would need to be considered for future use.

Therefore, future use of the LA Mall space can focus on supporting internal City operations and public-serving functions with full disclosure to those occupying departments that there are challenges due to the aging infrastructure.

CIVIC CENTER SECURITY UPGRADES

The City is implementing additional security measures at the LA Mall to enhance safety for employees and visitors, with completion expected by the end of July 2025. These improvements include the recently completed installation of perimeter fencing to control access and strengthen overall security. Additionally, card readers are being installed to manage after-hours entry, ensuring that only authorized personnel can access the facility during non-business hours. These measures are part of a broader initiative to address safety concerns, prevent unauthorized access, and create a more secure environment throughout the LA Mall and the lower-level parking areas accessible from the LA Mall.

ENHANCING THE CIVIC EXPERIENCE AT LA MALL

With upgraded security fencing now in place, RES is seeing a noticeable reduction in unauthorized access and graffiti within the LA Mall. These improvements have not only strengthened overall safety but also enhanced the visual condition of public areas, creating a more welcoming environment for employees and visitors.

Commercial-grade market umbrellas, previously purchased through available funds, will soon be installed in the seating areas in the southern end of the mall, around California Pita/Quiznos. These will provide shade, comfort, and visual appeal while supporting a more vibrant and functional civic space.

Additionally, the bike lockers formerly located on the north side of the mall were removed and relocated to another City-owned site in February 2025. This change not only contributed to a cleaner, more unified design, but also improved visibility and safety by eliminating potential hiding places and obstructed views.

Taken together, these measures reflect the City's continued commitment to maintaining a secure, accessible, and visually appealing civic environment—despite current fiscal constraints.

IMPROVED WAYFINDING AND VISIBILITY AT LA MALL

The City is launching a new signage initiative to enhance wayfinding and visibility throughout the Los Angeles Mall. Funding has been allocated for this project, and installation is expected to be completed in the summer of 2025.

The program will introduce modern, high-visibility signage at street level and key access points to help guide employees, jurors, and visitors to entrances and essential locations within the mall. The new signs will incorporate consistent branding and design elements to improve the overall user experience and reinforce the identity of the Civic Center. These enhancements are intended to make the mall more accessible, intuitive, and inviting for the public.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor, receive and file this report.



Tony M. Royster
General Manager

Attachment: Structural Evaluation of City Hall East Building 3/27/2025

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

TONY M. ROYSTER
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March 27, 2025

Matthew W. Szabo, Chair
Municipal Facilities Committee
200 N. Main Street, Suite 1500
Los Angeles, CA, 90012

UPDATE: STRUCTURAL EVALUATION OF THE CITY HALL EAST BUILDING

On June 25, 2024, staff from the Structural Engineering Division (SED) of Public Works joined staff of the Department of General Services (GSD) Building Maintenance Division (BMD) for a site visit to the James K. Hahn City Hall East (CHE) building, located at 200 N. Main St, Los Angeles, CA, 90012. The objective of the visit was to conduct a visual inspection of the reported deterioration in the building columns on the southwest side, near the planter area and open court.

BACKGROUND

The James K. Hahn City Hall East building, was constructed in 1970, it features steel moment frames with concrete floors, and the steel columns are encased in concrete. Recently, GSD BMD staff discovered spalling of concrete in the basement parking level P-2. BMD staff also noted large cracks in the concrete encasing the steel columns and observed corrosion in the rebars along the columns at this level. The deterioration of these columns has been attributed to water infiltration into the basement, caused by the failure of both the expansion joints and waterproofing in the planters. BMD staff are currently seeking a solution to address these ongoing issues.

NEXT STEPS

The project is currently in Phase 1 out of a total of 4 phases.

Phase 1: Repair Evaluation

This phase includes evaluation costs related to engineering, excavation, testing, and miscellaneous materials and services from ancillary contractors. Below are key points regarding the recent CHE structural assessment:



- Goss Construction visited during the week of January 13, 2025, and opened the column on P-3 to establish a baseline for comparison.
- The column on P-2 was not opened because the existing concrete was cracked. Opening it would lead to substantial repairs, also leaving it unprotected from fire for an extended period of time.
- The beam was not exposed, a visual inspection into the cracks revealed significant surface rust on the exterior of the beams.
- The mesh and bar diameters observed were not included in the plans.
- Brandow and Johnston, Structural & Civil Engineers, have provided a written letter of recommendation for repairs (attached).
- Two possible concrete repair methods are being considered, and BMD is currently assessing the logistics regarding equipment as the placement of equipment significantly impacts costs.
- Once a concrete repair method is determined, work can start, and the beams can be fully exposed to determine their condition.
- The design of the expansion joint, which will help prevent further damage, is in progress. Material research is the main challenge in determining a complete cost estimate.
- If everything proceeds as planned, BMD expects to finalize cost details by the end of the month.

Current and Estimated Costs for Phase 1:

GSD engineering from outside contractor \$ 27,000 *Completed*

No additional engineering is required at this time; however, this may change depending on LADBS changes at plan-check.

Excavation \$ 283,285 *Completed*

GSD Labor \$ 80,000 *Ongoing*

Goss Construction \$ 48,500 *(related engineering cost)*

Possible completion of repair methods plans by the end of the month, with submittal to LADBS for approval. LADBS approval may delay the progress.

Miscellaneous Material and Services \$ 35,000 *Ongoing*

GSD Total **\$ 473,785**

BOE Cost

Plans Preparation \$ 73,000

Plans Check Service \$ 15,000

Construction Administration \$ 40,000

Total BOE Services **\$ 128,000**

Phase 1 Estimated Total **\$ 601,785**

Phase 2: Waterproofing and Design

This phase involves replacing expansion joints to prevent water intrusion, which can cause structural issues. It also includes the design of planter coverings, waterproofing, and any necessary engineering work.

Estimated cost: \$1,447,000

GSD BMD Cost

Engineering from Outside Contractor	\$ 42,000
Joint Repair	\$1,300,000
GSD Labor	\$ 40,000
Miscellaneous Material and Services	<u>\$ 65,000</u>
GSD Estimated Total	\$ 1,447,000

Phase 3: Planter Conversion

In this phase, BMD will restore the ground level by replacing or repurposing the planter area. This includes rerouting electrical systems, adding or rerouting existing plumbing, and addressing any additional decking concerns.

Estimated cost to be determined due to variables unseen until excavation occurs, which could range between \$250,000 and \$1,000,000.

Phase 4: Parking Level Steel and Concrete Repair

Based on test results, this phase involves repairing building steel, adding reinforcement, and conducting concrete work as needed.

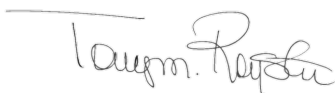
Estimated cost \$75,000

Note final cost will be determined after Phase 1 testing is completed.

GSD advises that all Phase costs are estimates and subject to change.

RECOMMENDATION

That the Municipal Facilities Committee note and file this report.



Tony M. Royster
General Manager

Attachment

March 11, 2025

Mr. Matt Rocke
City of Los Angeles
General Services Department
City Wide Services Division



**Subject: City Hall East Parking Garage
Concrete Repair**

B&J Project No: S24-0232

Dear Mr. Rocke:

Brandow & Johnston has observed the damage to the concrete encasing steel columns at the L2 & L3 parking levels at the City Hall East Parking Garage located at 201 North Los Angeles Street, Los Angeles, CA 90012. The columns are along the south edge of the building structure for the James K. Hahn City Hall East building located at 200 North Main Street, Los Angeles, CA 90012. We are preparing construction documents to repair the damage to the concrete encasement.

We reviewed the as-built drawings to determine how the structural system is configured. Selective concrete demo at two locations confirmed the as-built conditions. Our assessment is based on extensive knowledge from the design and review of hundreds of similar structures and construction types.

The parking garage and building above are supported by structural steel beams, girders and columns. The floors are concrete slabs supported by the structural steel. The seismic lateral resisting frame is a structural steel moment frame. At the seven (7) hexagonal-shaped column locations where damage to the concrete was observed, the drawings indicate steel columns inside concrete encasement. Selective concrete demo at two locations confirmed the as-built conditions match the construction drawings. The steel columns support the structural loads, and the concrete encasement provides protection from damage and fireproofing. The concrete protection is essential for the long-term durability and performance of the building.


At the hexagonal-shaped columns with concrete cracks, there are interior steel T-columns which are the structural support for the parking levels and building above. The concrete encasing the columns is not part of the structural support. The current damage to the concrete encasement and the process to repair it does not compromise the safety of the structure in its current form. However, the cracks expose the steel to potential rust, corrosion and fire damage. The loose concrete may also be a falling hazard. The concrete needs to be repaired to protect the interior steel column and reduce the chance of further damage.

Our professional services have been performed with the intent to meet the degree of care and skill ordinarily exercised by reputable structural engineers practicing in this or similar localities. No other warranty, expressed or implied, is made as to the professional advice or opinions included in this letter.

We hope this provides the information needed at this time. We are available to discuss further at your convenience, please call if you have any questions.

Sincerely,

BRANDOW & JOHNSTON (B&J HBK, Inc.)



James Pearson, SE 4335
President