

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Regular Meeting of June 26, 2025

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

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

General Public Comment No public comment.

Item 7 Fourth Quarterly Status Report from the City Administrative Officer on the Citywide Leasing Account, subject to Council and Mayor approval.

Disposition: Noted and filed.

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

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 surplus is estimated at \$5.08 million, of which \$4.73 million is appropriated for tenant improvements at 6230 Gramercy Place for the LAPD South Traffic Division. Ms. Wada added that these unspent funds will be reappropriated to 2025-26 with the intention to expend the funding for this purpose.

Sharon Tso, CLA, asked as to why the Gramercy Place lease was not listed on the attachment. Ms. Wada replied that since the report attachment only shows projects that have a change in the budgeted amount, Gramercy Place lease was not listed. Justin Lawson, CAO, also noted that the \$4.73 million for Gramercy Place lease is not a surplus funding as this money is budgeted for this project only and can only be used for this purpose.

Item 1 Minutes of the May 29, 2025 Regular Meeting.

Disposition: Approved on consent.

Item 3 Report from the General Services Department (GSD) relative to COVID-19 rent forgiveness and revitalization of the Los Angeles Mall for public use.

Disposition: Approved on consent.

Matthew Szabo, CAO, requested that Item No. 3 be taken out of order to precede Item No. 2.

- Item 2** Report from the Los Angeles Fire Department (LAFD) for donations from the Los Angeles Fire Department Foundation (LAFDF), subject to Council and Mayor approval.

Disposition: Item continued to the next meeting.

Sharon Tso, CLA, asked whether the assessment was completed to determine which location will require the facility improvements. Martin Mullen, LAFD, stated that the assessment is still in progress, but the work will focus on the older stations. Ms. Tso inquired if the agreement indemnifies outside contractors working on City property. Mr. Mullen responded that he will look into the details of indemnity and report back. Ms. Tso asked who will be hiring the contractors. Mr. Mullen replied that the hiring will be done by LAFDF. Ms. Tso requested the item to be held for a follow up on questions regarding LAFD oversight on the vendor selection and the indemnification of outside contractors. Matthew Szabo, CAO, asked when the work is intended to begin. Mr. Mullen responded that work will occur as soon as the report is approved.

- Item 4** Report from the General Services Department requesting approval of a space assignment for the Family Justice Center in the Los Angeles Mall, Suites 22, 23, and 23A.

Disposition: Item continued to the next meeting.

Sharon Tso, CLA, requested that Items No. 4, 5, and 6 be considered together for discussion. Ms. Tso asked for explanation on an open ceiling concept. Zachary Millet, GSD, responded that Heating, Ventilation, and Air Conditioning will be exposed in an open ceiling and any ceiling leaks could be easily detected. Ms. Tso inquired as to how water leaks be mitigated. Melody McCormick, GSD, replied that GSD will install a mitigation containment system if necessary.

Matthew Szabo, CAO, asked for details on the urgency of the space assignments. Mr. Millet explained that the Los Angeles Police Department Security Services do not have enough space for staff and are currently desk sharing. Mr. Millet continued that the Family Justice Center does not have space currently. Mr. Millet further stated that the Department of Transportation Adjudication Office is already at the Los Angeles Mall, but it requires expansion. Mr. Szabo inquired about the timeline of construction before the spaces are move-in ready. Mr. Millet responded that the timeline has not been developed yet as a design has not yet been completed.

Mr. Szabo instructed GSD to prepare the cost estimates for construction for these space assignments for the next meeting.

- Item 5** Report from the General Services Department requesting approval of a space assignment for the Los Angeles Police Department Security Services Division in the Los Angeles Mall, Suite 24.

Disposition: Item continued to the next meeting.

- Item 6** Report from the General Services Department requesting approval of a space assignment for the Los Angeles Department of Transportation Civic Center Adjudication Office to expand to the Los Angeles Mall, Suite 22A.

Disposition: Item continued to the next meeting.

- Item 8** Report from City Administrative Officer Municipal Facilities Committee Staff on the assessment of available City space.

Disposition: Approved as amended to instruct CAO staff to report back with updates on the assessment of the Los Angeles Mall infrastructure.

Albert Griego, CAO, provided a brief presentation requesting approval to assess the feasibility of converting the remaining vacant space of the Los Angeles Mall for office space and identify other available City spaces. Mr. Griego stated that the unused spaces in the Los Angeles Mall will require a physical assessment and construction cost estimates. Mr. Griego added that a survey will be sent out to the City departments and Council Offices for any vacant space for potential office use.

Jenny Delwood, Mayor, asked what assessment has been done to recommend Items 4, 5, and 6 for the use of the Los Angeles Mall vacant spaces. Mr. Griego responded that there was a preliminary site visit to look at the spaces for Items 4, 5, and 6. Ms. Delwood inquired if it makes sense more to do a physical assessment of the whole Los Angeles Mall before assessing the three spaces mentioned. Yolanda Chavez, CAO, stated that the typical space assignment process would assess the proposed space rather than the whole building.

Matthew Szabo, CAO, inquired how long the Los Angeles Mall assessment will take. Mr. Griego replied that there is no estimated timeline available yet. Ms. Delwood asked whether the feasibility of hoteling by various departments at the Los Angeles Mall will be incorporated as part of the assessment. Mr. Griego replied that the hoteling use will be analyzed as part of the assessment. Ms. Chavez suggested that cost estimates for Items 4, 5, and 6 may be better to be prioritized as the assessment of the rest of the Los Angeles Mall will take longer time.

Item 9 Verbal report from the General Services Department relative to the four floors currently occupied by the Department of Water and Power (DWP) at 221 North Figueroa Street (Figueroa Plaza), in Council District 14.

Disposition: Noted and filed.

Amy Benson, GSD, provided a verbal report on the status of the lease extension for DWP for approximately 82,000 square feet of office space at the Figueroa Plaza. Ms. Benson explained that DWP is requesting to extend the lease for three to five years, but GSD is negotiating for a shorter move-out period. Ms. Benson stated that DWP intends to remain at one floor for the Permit Center while moving out from the other three floors.

Matthew Szabo, CAO, asked for clarification on the issue of DWP's request for three to five years as opposed to GSD's counterproposal for 18 months to two years of extension. Ms. Benson explained that GSD is working to shorten their extension so that GSD can also plan the move-in. Ms. Benson added that September 2026 is the termination date and this extension will allow for two years from the meeting date.

Sharon Tso, CLA, asked whether the lease extension will be at a market rate. Ms. Benson confirmed that the lease will be charged at \$3.26 per rentable square feet, which is at a market rate. Ms. Benson also noted that the parking ratio will remain the same.

Item 10 **Continued from May 29, 2025:** Report from the City Administrative Officer Municipal Facilities Committee Staff on Office Space Standards, subject to Council and Mayor approval.

Disposition: Motion to approve recommendation #6 to instruct CAO-Employee Relations Division staff to meet and consult with City Labor Unions on the revised space standards. Recommendations #1-5 to be continued until the results of the meet and consult with Labor Unions is completed.

Elis Lee, CAO, provided a presentation on the proposed space standards and the process used to develop the new space standards. Ms. Lee explained that the Marvin Braude Building test-fit showed that desk sharing was the most cost effective approach as it will support additional 205 employees within the existing layout and adds 55 new workstations while saving the City approximately \$1.9 million in lease costs at a total of \$10.1 million for tenant improvement construction costs.

Sharon Tso, CLA, requested follow up information on how many existing workstations are at the Marvin Braude Building. Ms. Tso asked how the City's Telecommute Policy will impact the proposed Space Standards. Matthew Szabo, CAO, responded that the Citywide Telecommute Policy is pending executive decisions, thus requesting to hold the Space Standards report for a subsequent meeting to discuss in relation to each other.

Jenny Delwood, Mayor, asked for clarification on the staff engagement in developing the new standards. Ms. Lee replied that the survey was sent out to all City employees while the focus groups was based mostly on managers, including the General Managers.

Mr. Szabo inquired why the test-fit showed \$10.1 million investment resulted in savings of \$1.9 million while \$36 million investment resulted in savings of \$2 million. Ms. Lee replied that the cost assessment chart in the attachment is based on the market rate of leased space and tenant improvement cost, and the square footage of the Marvin Braude Building space. Delilah Puche, CAO, clarified that the majority of the cost within the \$36 million investment is the purchase of new furniture, demolition of walls, and construction. Ms. Puche also noted that other jurisdictions have a one to two desk to employee ratio, but the assessment was conducted conservatively with a one to 1.25 desk to employee ratio.

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. 865 South Figueroa Street, Los Angeles, CA (APN: 5144-022-057)

Property Owner: Hancock S REIT LA Corp USA

2. 355 South Grand Avenue, Los Angeles, CA (APN: 5151-015-013)

Property Owner: Maguire Properties - 355 S. Grand, 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;
Hancock S REIT LA Corp USA; Maguire Properties - 355 S. Grand, LLC

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

**RECONVENE OPEN SESSION AND REPORT ACTION TAKEN IN
CLOSED SESSION**

Meeting reconvened to Public Session at 12:00 p.m.

CLOSED SESSION ANNOUNCEMENTS

No Closed Session announcements.

Item 12 Report from the General Services Department on the status of the Garland
relocation project negotiation.

Disposition: Item continued to the next meeting.

Item 13 Adjournment – Next Meeting: Regular Meeting on Thursday, July 31, 2025.

The meeting adjourned at 12:00 p.m.