

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Regular Meeting of June 25, 2026

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

The meeting was called to order at 10:01 a.m.

General Public Comment: No public comment.

Item 1 Minutes of the May 28, 2026 Regular Meeting.

Disposition: Approved on consent.

Item 2 Minutes of the May 28, 2026 Special Meeting.

Disposition: Approved on consent.

Item 3 Report from the General Services Department requesting authority to negotiate and execute a lease agreement with 2922 S. Crenshaw Blvd (LA) OZ Owner, LLC, for a Council District 10 field office at 2922 South Crenshaw Boulevard, Suite 350, subject to Council approval.

Disposition: Approved as amended to instruct GSD to negotiate a shorter extension term.

Lisa Schechter, General Services Department (GSD), provided a brief presentation on the proposed Council District 10 field office and added that the initial lease term allows for a one-year transition after the conclusion of the current Councilmember's term. Sharon Tso, CLA, requested GSD to renegotiate shorter extension options to better align with Councilmember terms.

Item 4 **Continued from February 26, 2026:** Report from the General Services Department notifying a space assignment for the Los Angeles Police Department - Security Services Division in the Los Angeles Mall, Suite 23.

Disposition: Noted and filed with discussion.

Sharon Tso, CLA, inquired if the Bureau of Engineering (BOE) had completed their assessment of the Los Angeles Mall (LA Mall) and if the Los Angeles Police Department (LAPD) is aware of the suite's current condition. Albert Griego, CAO, confirmed that LAPD is aware of the suite's current condition and that BOE had deemed the LA Mall space to be suitable for office staff. Mr. Griego further explained BOE did not find any water intrusion and confirmed that each suite in the LA Mall would be separately inspected; if any issues were identified they would be resolved as part of the overall space optimization project. Ms. Tso inquired if the cost to repair the Heating, Ventilation, and Air Conditioning (HVAC) will be an additional cost for the space assignment. Zachary Millett, GSD, reported that the Tenant Improvement cost includes the HVAC repair.

Ms. Tso inquired when LAPD would be able to move into the space. Mr. Millett clarified that LAPD would be able to move-in once repairs are completed.

- Item 5** **Continued from January 29, 2026:** Report from the General Services Department requesting authority to negotiate and execute a ground lease agreement with L.A. Arena Land Company, LLC, for a portion of Chick Hearn Court, between Figueroa Street and Georgia Street, in Council District 9, subject to Council approval.

Disposition: Item continued to the next meeting.

Wayne Lee, GSD, provided a presentation which included a revised report containing background information which was requested at the January Municipal Facilities Committee (MFC) meeting. Matthew Hale, Mayor, inquired whether prior rent for past occupancy is captured in the anticipated revenue. Mr. Lee clarified that part of the urgency to execute the lease is to capture as much revenue as possible.

Edwin Gipson, CAO, asked for clarification on the easements and the City's access to the site. Mr. Lee clarified that GSD is working with the Department of Water and Power and BOE to finalize the easement as the lease is contingent upon completion. Mr. Lee also confirmed that the City would have access to the site during the duration of the lease.

Sharon Tso, CLA, asked whether GSD contacted Council District 1. Mr. Lee confirmed that Council District 1 was contacted and had no objections to the proposed plan. Ms. Tso raised concerns that the proposed annual rent revenue of \$185,000 when comparing the 70,000 square foot site appears to be lower than market rate. Mr. Lee added that the appraisal was lower than the proposed rent. Ms. Tso requested GSD to conduct another appraisal based on the value that this proposal would provide Anschutz Entertainment Group (AEG).

Matthew Szabo, CAO, completed the meeting for Edwin Gipson, CAO.

Ms. Tso asked whether the City will be insuring the property upon lease execution as the term sheet states that the City is self-insured. Mr. Lee stated that AEG will be responsible for insuring the property. Mr. Szabo requested the CAO's Risk Management Group to provide a report on whether the proposed level of insurance is sufficient for this purpose.

Item 6 Fourth Quarterly Status Report from the City Administrative Officer on the Citywide Leasing Account.

Disposition: Noted and filed.

Aira Wada, CAO, provided a brief presentation on the status of the Citywide Leasing Account for Fiscal Year (FY) 2025-26. Ms. Wada shared with the committee that there is a revised budget of \$35.6 million and a projected year-end unexpended balance of \$1.3 million for the General Fund Leasing Account. Ms. Wada noted that the year-end unexpended balance will be reappropriated to the FY 2026-27 General Fund Leasing Account to offset a budget reduction in the same amount that was approved in the FY 2026-27 Adopted Budget. Ms. Wada added that there have been no changes to the Special Fund Leasing Account and A Bridge Home Leasing Account since the Third Quarterly Status Report presented in April; the two accounts are projected to remain on budget by year-end.

Item 7 Discussion about the City's potential purchase of real property and the office building thereon located at 355 South Grand Avenue, Council District 14, including the terms of such purchase, the execution of a non-disclosure agreement, and the initiation of due diligence, in response to an offer to sell a non-performing loan secured by a fee interest in the aforementioned real property, submitted by Landesbank Hessen-Thüringen Girozentrale, New York Branch (Lender) to the Department of General Services.

Disposition: Approved to instruct GSD to proceed with appraisal process upon execution of non-disclosure agreement.

Amy Benson, GSD, reported that GSD received an unsolicited offer on April 28, 2026, for the Wells Fargo South building, which required the City's response by May 15, 2026. Ms. Benson continued that the deal was brought to MFC on May 28, 2026, in which the MFC instructed GSD to move forward with providing the broker a signed Non-Disclosure Agreement (NDA). Ms. Benson explained that after the May MFC meeting, the broker disclosed that there is another potential buyer and that GSD had selected a firm to conduct an appraisal, pending an NDA from the broker. Ms. Benson shared that the full appraisal would take about 30 days and would cost approximately \$14,000.

Sharon Tso, CLA, inquired about the timeframe of the potential buyer. Ms. Benson stated that GSD is still waiting for a response from the broker on the status of the current potential buyer and whether the City will be granted access for a full appraisal. Ms. Benson added that GSD recommends waiting to perform due diligence until after a full appraisal is completed.

Matthew Szabo, CAO, moved to approve GSD's request to perform a full appraisal of the Wells Fargo South building once the broker provides the City with an NDA and full access. Matthew Hale, Mayor, seconded the motion.

Item 8 Adjournment – Next Meeting: Regular Meeting on Thursday, July 30, 2026.

The meeting adjourned at 10:43 a.m.