

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Special Meeting of December 14, 2023

MEMBERS: Yolanda Chavez, Office of the City Administrative Officer, Chair (CAO)
Sharon Tso, Office of the Chief Legislative Analyst (CLA)
Bernyce Hollins, Office of the Mayor (Mayor)

The meeting was called to order at 10:03 a.m.

General Public Comment

Mehmet Berker, Council District 4, offered comments in favor of Agenda Item 3.

Item 1 Minutes of the November 16, 2023 Special Meeting.

Disposition: Approved on consent.

Item 2 Report from General Services Department (GSD) requesting authority to negotiate and execute a lease agreement with Amherst Tower, LLC, for a Council District 5 field office, at 5416 Wilshire Boulevard, subject to Council and Mayor approval.

Disposition: Approved as amended.

Sharon Tso, CLA, asked to confirm that the initial lease was delayed and if the first renewal option can be shortened to coincide with the election term. Lisa Schechter, GSD, confirmed that the initial lease was delayed for modification and added that the initial lease cannot be terminated. Ms. Tso requested that the lease term option be amended to align with the election term.

Item 3 Report from General Services Department (GSD) requesting authority to negotiate and execute a lease agreement between the City and International School of Los Angeles (LILA) for the continued use of property located at 4155 Russell Ave (CD 4), subject to Council and Mayor approval.

Disposition: Approved on consent.

Item 4 Report from GSD requesting authority to assign space on the 15th Floor of City Hall, Suite 1533, to the Mayor's Office.

Disposition: Approved on consent.

Item 5 Report from Bureau of Sanitation requesting authority to initiate construction for the Central Los Angeles Recycling and Transfer Station (CLARTS) Roof Replacement and Solar Panel Installation Project.

Disposition: Approved.

Sharon Tso, CLA, asked if the Solid Waste Revenue Bond Fund and the CLARTS Trust Fund fully fund the project. Khalil Gharios, SAN, responded that the project is fully funded. Ms. Tso requested further information on whether the project was contemplated as part of the Solid Waste Revenue Bond or if this project was funded through savings. Mr. Gharios confirmed that the project funding of \$4.2 million is funded through savings from the Solid Waste Revenue Bond.

Ms. Tso asked if the CLARTS Trust Fund or the Solid Waste Revenue Bond will be spent first for the project. Mr. Gharios responded that the order of the fund has not been decided. Mr. Gharios stated that SAN will first utilize \$4.4 million from the CLARTS Trust Fund and then use the Bond money. Janice Yu, CAO, stated the Bond funds are the 2018 issuance and that the limit on the expenditure is coming up soon.

Bernyce Hollins, Mayor, asked if the facility will be utilized for organic processing as proposed previously. Mr. Gharios, SAN, responded that the project is on hold due to an evaluation conducted by a private company that determined that the cost to use the facility to process organics was not feasible.

Ms. Hollins asked if there were any alternatives that were being considered. Mr. Gharios responded that the alternative currently considered is composting. Ms. Hollins requested clarification on whether the proposed phase of the project will preclude future developments for organics if funding is secured. Mr. Gharios added that there will be no impact on any future developments.

Item 6 Report from GSD relative to a lease agreement between the City and 1910 Sunset (LA) LP for office space for the Los Angeles Housing Department at 1910 Sunset Boulevard (CD 13) - For Discussion Only.

Disposition: Noted and filed.

Wayne Lee, GSD, provided a brief overview of the office space considered for the short term expansion of the Housing Department.

Sharon Tso, CLA, asked if the employees will be working remotely and if the move will be temporary. Zachary Millet, GSD, responded that the Housing Department has indicated that they will be using the office space as flex swing space as they are vacating the Garland Building and added that the Housing employees will eventually move to a permanent location.

Yolanda Chavez, CAO, asked if the office space will be sufficient for 100 employees or if the space will be based on a telecommuting schedule. Amy Benson, GSD, responded that the number of employees was an initial estimate provided by the department and Ms. Benson further added that the Inspectors that will be utilizing the space do not need a larger office space to perform their duties. Mr. Millet added that the Housing Department has two other floor spaces.

Item 7 Report from GSD relative to a lease agreement between the City and Gregg Williams, Receiver for Maguire Properties–555 West Fifth, LLC for office space for five City departments at 555 West 5th Street (CD 14) - For Discussion Only.

Disposition: Noted and filed.

Amy Benson, GSD, provided an overview of the lease agreement for five City departments to relocate about 1200 employee positions before the Garland building lease expires in February 2024. Ms. Benson added that CBRE was hired as the project manager and issued a fee to the landlord in the downtown area in February 2023. Ms. Benson further added that the landlord will cover \$33.97 million of the tenant improvements estimated to cost \$55.32 million in total.

Sharon Tso, CLA, requested clarification on how the tenant improvement costs would be recovered if the landlord fails to deliver the building due to delays. Onno Zwaneveld, CBRE, responded that the city has the right to take over the project and can terminate the lease if there were significant construction delays.

Yolanda Chavez, CAO, asked for clarification on how the tenant improvement funding will be dispersed during construction and whether the City's portion of funding will be deposited into an escrow account. Mr. Zwaneveld, responded that the landlord has agreed to deposit the entire portion of their tenant improvement funding into an escrow account and further added that there will be draws on the escrow account on a monthly disbursement basis as approved by the City. Mr. Zwaneveld concluded that the City's funding will be paid to the receiver who would then pay the construction invoices.

Ms. Chavez requested clarification on when GSD anticipated executing the lease. Ms. Benson responded that lease execution is expected to be completed by the end of December or January. Mr. Zwaneveld added that the performance guarantees stipulated that the lease must be signed by January 2024.

Item 8 Adjournment – Next Special Meeting, Thursday, January 25, 2024.
The meeting adjourned at 10:36 a.m.