

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Agenda Item No. 5

0220-05693-0005

Date: December 15, 2022

To: The Municipal Facilities Committee

From: CAO Staff *Kay Ala*

Subject: **QUARTERLY STATUS UPDATE ON CITY SPACE ASSIGNMENTS AND TENANT IMPROVEMENT PROJECTS (SPACE OPTIMIZATION)**

RECOMMENDATION

That the Municipal Facilities Committee:

1. Approve co-location of the Civil, Human Rights and Equity Department (CHRED) and the Office of the City Administrative Officer (CAO) staff in the former CVS space located in the LA Mall (Space No. 4);
2. Authorize the Bureau of Engineering (BOE) to incorporate potential hoteling and shared-space options as part of the floor plans to be developed with input from both CHRED and the CAO, in terms of desired programming space and future growth capacity;
3. Instruct BOE to report back to the Committee in 90 days with details on the proposed space programming for the former CVS space, including a floor plan that reflects the division of space, design features, workspace configuration, square footage and any associated revisions to the cost estimate and/or project timeline; and,
4. Instruct the Department of General Services Department (GSD), in consultation with the impacted Departments to identify options for addressing interim space needs that may include use of available City-owned space, or short-term lease space, until such time as the conversion of the former CVS space is complete and ready for move-in.

SUMMARY

The Space Optimization Program (Space Opti) enables the City to avoid ongoing leasing costs by providing one-time funding to modify City-owned facilities, to accommodate the operational needs of the City's workforce in the provision of critical services to residents and businesses; avoiding increased leasing costs.

This report provides preliminary options under evaluation to address space needs for the CHRED and CAO Homeless Outreach and Procurement Groups, while updates on previously authorized projects are provided in the report attachment (notable status updates are reflected in bold font).

DISCUSSION

I. Development of Former CVS Space (LA Mall Space No. 4) with the Civic Center

At its meeting held on July 28, 2022, the Municipal Facilities Committee (MFC) provided instructions for BOE to work with CAO, GSD and impacted Departments to develop space plans to address the following office space needs within the Civic Center:

- Civil, Human Rights and Equity Department (CHRED)
- CAO Homeless Outreach and Procurement Groups
- *Information Technology Agency (ITA) - (note: this request has already been resolved with the use of hoteling and “flex” space options in ITA’s existing space)*

The Program Management Team (PMT) recommends co-location of CAO and CHRED in the former CVS space to address workspace needs for new staffing authorities and projected growth, as outlined in the chart below:

Current Space Needs and Future Projection*					
Dept.	Group	Current	2023-24*	Long-term* (next 5 Yrs)	Total*
CHRED	Additional Staffing	25	5	8+	38
CAO	Homeless Initiative Outreach	15	3-5	TBD	20
	Procurement	20	5	5+	30
Totals:		60	15	13	88
* Reflects projected growth, with actual levels to be determined through the City Budget process.					

Inclusion of Hoteling & Flex Space Sharing Options

The PMT is currently working to update the City’s current space standards, with the release of a Task Order Solicitation (TOS) for a design consultant. A Citywide Telecommuting Policy is pending release in January 2023. Due to current limitations on space, several City Departments are already utilizing hybrid work schedules and various space sharing options, including the use of flexible benching (non-traditional sized cubicles) and hoteling (shared use of traditional sized cubicles) space. The inclusion of hoteling or “flex” space sharing options is recommended to accommodate growth projected for both CHRED and CAO staffing levels, to avoid the future need for space modifications or leasing options given the scarcity of suitable City-owned space within the Civic Center. The PMT would require direction from MFC whether to include hoteling and other space sharing options as part of the space programming BOE’s consultant would develop in consultation with the impacted Department heads.

Addressing Interim Space Needs

As indicated in BOE's companion report, the projected timeline for development of the CVS space is over two years in duration for an anticipated completion date of August 2025. At this time, CHRED has eight staff that are assigned to the former Post Office space located in the LA Mall (Space No. 23). CAO staff for the Homeless Outreach Team has been assigned space on the P-4 level of City Hall East (Room E-122), and interim space options for the CAO Procurement Team are under evaluation. Depending on the rate of growth for these operations through the upcoming fiscal year, it may be necessary to utilize a short-term lease to provide suitable workspace for any increased staffing that cannot be accommodated within City-owned space. Authority is requested to utilize the General Services Department, Real Estate Section to locate suitable short-term leasing options that may be required if current efforts to address interim space needs cannot be accommodated within City-owned space. The PMT would return to MFC for approval of interim space assignments for either City-owned space or leased space.

II. (Tentative) New Space Request

City Clerk Passport Service - A request for new workspace was received from the City Clerk in August 2022 to accommodate three to four administrative staff for a proposed passport application service in the LA Mall. The introduction of a Council motion to provide formal direction is anticipated in the upcoming weeks and staff would report to the Municipal Facilities Committee through a subsequent report with additional details on the programming needs, anticipated cost and proposed space option(s).

FISCAL IMPACT

There is no additional impact on the General Fund impact anticipated at this time beyond funding authorized for the program in the current year. The Space Optimization program currently has a total funding availability of \$6 million in Municipal Improvement Corporation of Los Angeles (MICLA) financing, which includes a remaining balance of \$1.5 million in prior-year funding and \$4.5 million in new funding authorized through the 2022-23 Adopted Budget. Based on the BOE's preliminary estimate, the project cost to develop the former CVS space is currently \$9.75 million, with an anticipated shortfall of \$3.75 million that would need to be addressed through a future City Budget in order to proceed with full project implementation.

BCH:KH:05230090

Attachment

Item No.	Department/ Program	(Preferred) Site Location	MFC Approval/ Reported Date(s)	Lead Department	Comments
Tentative					
1	City Clerk Passport Service	LA Mall Former Doctor Office (Space No. 10C)	-	Clerk/GSD	<p>Tentative space request for City Clerk Passport Service group to accommodate three to four staff in the former dentist office (Space No. 10C, 403 square feet) in the LA Mall.</p> <p>City Clerk is working with Council on a Motion to provide formal instructions for proceeding with this service expansion.</p> <p>At this time, the preliminary cost estimate for renovation of this space is between \$700,000 to \$1 million. Refined scope and estimate will need to be prepared once the Motion is approved.</p>
Under Development					
2	City Administrative Officer (CAO) Citywide Procurement Team	TBD	-	CAO/GSD	<p>An estimate to clean out, patch and paint City Hall East P-4 Room E146 (former EOC) has been received from GSD Construction Forces. A revised estimate that includes carpet replacement was requested by the CAO.</p> <p>In addition, CHE P-4 space occupied by Department of Transportation (DOT) Automated Traffic Surveillance and Control (ATSAC) team will become available after January of 2023. CAO, BOE, and GSD are coordinating with DOT to effectuate the move.</p> <p>New space request for the Citywide Procurement Team (CPT) to accommodate 20 positions authorized within the Office of the City Administrative Officer (CAO).</p> <p>There are currently seven filled CPT positions who are telecommuting and utilizing temporary space on the 22nd floor of City Hall. The City Hall space will need to be vacated by December 2022.</p> <p>Due to lead time required to perform test fits for the various space options and to complete necessary space modifications, it will likely be necessary to provide interim space beginning January 2023, until the new permanent space is "move-in" ready.</p> <p>Options for an interim space assignment include: 1) Unassigned space within the Los Angeles Mall (LA Mall); and, 2) Former Emergency Operations Center (EOC) space on City Hall East (CHE) P-4. GSD is currently waiting for cost estimates for cleaning and furniture reconfiguration of the P4 space. Estimates for the LA Mall spaces will also be prepared. Permanent space options under review include the former CVS space and other unassigned spaces within the LA Mall.</p>
3	Development of former CVS Space (LA Mall)	LA Mall, Former CVS Space (No. 4)	-	GSD/BOE/CAO	<p>BOE's preliminary cost estimate to develop the former CVS space is \$9.75 million. Based on December MFC direction, refined cost estimates and scope of work can be further defined as part of BOE report back.</p> <p>Due to the limited availability of office space within the Civic Center and to avoid recurring, annual leasing expenses, the Space Optimization program received \$4.5 million to be used towards the conversion of the former CVS space as a first priority for the 2022-23 Space Optimization program.</p> <p>Based on the recent costs to build out space in the LA Mall for the Civil, Human Rights and Equity Department (CHRED), development of the CVS space is estimated at \$6 million based on a square footage rate of \$497. The development of the former CVS space would take a minimum of 12 months to complete due to the extent of infrastructure work required.</p> <p>Potential occupants under consideration for this space include the CAO, CHRED and Information Technology Agency (ITA) for additional staffing authorized in 2021-22 and 2022-23.</p> <p>Recommendations will be provided to MFC for the permanent assignment of this space based on the outcome of test fits that BOE/GSD will develop for the various space assignment options under consideration.</p>

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4	City Administrative Officer (CAO) Homeless Outreach Team	City Hall East, P-4 (Room E122)	3/10/2022	CAO/GSD	<p>CHE Room E122 is competed. CAO's Homeless Outreach Team (HOT) has moved in.</p> <p>The temporary space assigned to the unit on the P4 level of City Hall East is substantially complete.</p> <p>A permanent space assignment will be considered as part of the options under review for use of the former CVS space and other unassigned spaces within the LA Mall, with recommendations to be provided as part of a forthcoming report for MFC consideration.</p> <p>At its meeting held on March 10, 2022, the Municipal Facilities Committee (MFC) approved temporary space for the CAO HOT in City Hall East, P-4 level, Room E122 (former Real Time Analysis and Critical Response Division (RACR) space). GSD's Construction Forces Division (CFD) is completing clean up and preparation of the space for move-in.</p>
5	Community Investment for Families Department (CIFD)	Garland Building, Suites 410 & 420 (Leased Site)	6/24/2021	GSD	<p>City Department occupants for the Garland Building currently include Los Angeles Housing Department (LAHD), Economic and Workforce Development Department (EWDD), Finance, CIFD, and Youth Development Department (YDD). CIFD and YDD are occupying space vacated by Los Angeles Police Department (LAPD).</p> <p>GSD is working to finalize a Professional Services Agreement with a vendor to perform Brokerage and Project Management Services to locate up to 240,000 square feet of replacement office space for the Garland Building occupants.</p> <p>Space needs questionnaires were provided to all Garland Building Departments on December 6, 2022 to inform the vendor of space requirements for the new location.</p> <p>As part of the current agenda, GSD is recommending to assign space to CIFD that was vacated LAPD on the 4th floor (suite Nos. 410 and 420) of the Garland Building (Refer to Agenda Item No. 2). The space is move-in ready, with exception of the build-out needed for the General Manager's office, associated communication service, and reconfiguration of two workstations.</p> <p>CIFD has proposed the use of a continuing telecommuting policy, since there are not enough workstations available to accommodate all the personnel authorities currently authorized, and the cubicle layout and dimensions are appropriate for hoteling use by staff who are working in the physical office. CIFD has requested for 18 additional positions and currently propose to take LAPD Audit Suite on the 4th floor and remainder of staff would be assigned space on the 6th floor, subject to final Garland restacking. EWDD will be consolidating to a smaller footprint on the 6th floor.</p>
6	Los Angeles Housing Department (LAHD) - Accessible Housing Program (AcHP)	Currently at 221 Figueroa Tower, 5th Floor Conference Room	2/27/2020	GSD	<p>LAHD intends to hold off on moving AcHP to Garland until a replacement location for the Garland Building is move-in ready. LAHD will include AcHP as part of their department questionnaire response.</p> <p>GSD will provide a subsequent report in the upcoming months to address remaining space needs for LAHD and EWDD.</p> <p>LAHD intends to backfill the workspaces vacated by CIFD for AcHP staff that do not currently have an assigned workstations and are telecommuting full-time. GSD is working with LAHD to determine their priority groups to be housed within the Garland Building.</p>

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7	Los Angeles Police Department (LAPD) Evidence Warehouse	1925 N. Marianna Avenue / 4671 Worth Street	3/29/2019 & 7/30/2020	GSD/LAPD/ BOE	<p>LAPD's Commercial Auto Theft Section (CATS) was originally assigned to this facility.</p> <p>Due to recent organizational changes within LAPD, CATS was de-centralized and will no longer have a need to occupy this space.</p> <p>LAPD has identified its Emergency Services Division (ESD) as the preferred operation to move into the Evidence Warehouse.</p> <p>The ESD is currently located on the 2nd level of Piper Technical Center facility.</p> <p>The program management team will report on options to backfill the vacated space as part of future Quarterly Status Update reports.</p>
8	Youth Development Department (YDD)	Garland Building, Suite 430 (Leased Site)	6/24/2021	GSD	<p>YDD moved into Suite 430 on the 4th floor as of September 2022.</p> <p>Preparation of the new YDD workspace is substantially complete, with remaining work on communication system in process. The estimated communication cost to provide necessary data networking connection at suites 430 as well as 410 and 420 is \$38,080 (Refer to Agenda No. 2).</p> <p>YDD is proposed to move into the LAPD space on the 4th floor (Suite 430). The space is move-in ready and suitable for the Departments defined operational needs once the space has been vacated by LAPD's Officer Representation Section (ORS).</p>
9	LAPD	Public Administration Building (PAB)	2/24/2022	LAPD/GSD	<p>The PAB build out is almost complete with an anticipated completion of January 2023.</p> <p>LAPD moved out of Garland to PAB in May 2022. GSD is currently working with LAPD to make adjustments to the initial floor plan in order to address storage needs. Project initiation will occur once LAPD approves the final revised floor plan.</p> <p>Pursuant to MFC approval at its meeting held on February 24, 2022, the two LAPD entities - Audit Division and ORS currently housed at Garland building (in Suites 410, 420 and 430) will be relocated to the Police Administration Building (PAB).</p>
Open/Outstanding					
10	LAPD 2028 Olympic Planning Committee	Civic Center	-	LAPD/GSD	<p>As part of the various space assignments under consideration within the civic center, the program management team is working to determine whether there is sufficient capacity to accommodate the LAPD Olympic Planning Committee within unassigned space located on the P4 level of City Hall.</p> <p>The feasibility of this use would be dependent on the timeframe for completing permanent space build-outs in the LA Mall to accommodate increased staffing for the CAO, CHRED and ITA departments.</p> <p>New request to accommodate additional space needs for LAPD's Olympic Planning Committee in 2022-23 for a total of four positions consisting of one Commander, one Lieutenant, one Management Analyst, and one Secretary.</p> <p>The expansion of this group may increase to a cumulative total of up to 30 new positions by 2025. LAPD has planned flex space within the potential new South Traffic site located at 1330 Pico (a separate report to MFC for consideration) which could accommodate this group. Other space options will be explored if 1330 Pico lease is not approved in concept.</p>

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11	Department of Building and Safety (DBS)	201 Figueroa Tower, 8th and 10th Floors	1/30/2020	DBS/GSD	<p>As of September 20, 2022, LAHD vacated the 5th Floor Conference Center. The Dept of Aging is using the Conference Center until December 31, 2022, afterward it is reserved for LADBS to use as swing space until at least October 31, 2023.</p> <p>As part of the current agenda, DBS is requesting an assignment of swing space on the 5th Floor Conference Center at 221 Figueroa Tower for use as a swing space (Agenda Item No. 9), along with approval of a deviation from current City space standards to the 8th floor space of the 201 Figueroa Tower (Agenda Item No. 8). Awaiting for additional input on the TI and timeline for the 10th floor space.</p> <p>LADBS has a separate contract with CBRE for development of additional staff workstations and public counter space, which will require several phases of construction.</p>
12	Departments of Building and Safety (DBS) and City Planning (DCP) joint additional space request	Marvin Braude Building (6262 Van Nuys Boulevard)	6/24/2021	DBS/ DCP	<p>GSD's space planning consultant will be on site to perform floor plan field verifications beginning the week of December 12, 2022.</p> <p>A site visit was conducted on March 10, 2022, to verify floor space plans for impacted space on the 2nd, 3rd, and 4th floors of this facility. The plans were found to be mostly accurate with a few exceptions. GSD will utilize the validated space plans to engage a planning consultant to perform a space analysis.</p> <p>The Project Management Team will report back to MFC with recommendations to address the current overcrowding at the Braude facility and to enable departments to proceed with filling new position authorities.</p> <p>The Marvin Braude facility serves as one of the City's Development Services Centers, with multiple co-located Departments assigned to the facility to maximize efficiencies and improve customer service in the building and planning development process. In September 2017, the Department of Building and Safety, City Planning and the Los Angeles Fire Department (LAFD) indicated a need for additional workspace within the Marvin Braude Building to accommodate the increase in the number of programs, staff, services and customer transactions at this location.</p> <p>Program staff worked with the impacted Department to assess potential space reallocation options, including potential reassignment of non-core functions to lease space. LAFD subsequently retracted its space request.</p>
13	City Attorney - LA DOOR Program	TBD	subject to MFC review/ approval	CTTY/GSD	<p>The City Attorney's Office is currently reassessing this request and an update will be provided in subsequent quarterly reports.</p> <p>In January 2021, the City Attorney's Office indicated a need for space availability within the LA Mall to house 10-15 staff for LA DOOR (Diversion Outreach & Opportunities for Recovery) program. Based on additional programming details provided by the City Attorney's Office, GSD had determined that the LA Mall space under consideration (former post office, space No. 23 / 1,262 square feet) is not feasible.</p>

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Final Close-out					
14	Civil, Human Rights and Equity Department (CHRED)	LA Mall, Former Post Office Space (No. 23)	7/28/2022	CHRED/GSD	<p>CFD is continuing to process final invoices. Closeout will be initiated once final payments have been processed.</p> <p>GSD Construction Forces completed work on the space in late September 2022. CHRED was given access and began moving in by the beginning of October.</p> <p>GSD has worked with CHRED to develop a space plan to utilize the former post office space in the LA Mall (Space No. 23) as temporary space to accommodate eight additional staff positions authorized in 2021-22 (Refer to Agenda No. 3). CHRED has already transferred initial funding from the Departments operating budget (C.F. 21-0702-S2). The project is anticipated to take two months to complete.</p> <p>CHRED has also received nine additional staff positions authorized through the 2022-23 Adopted Budget.</p> <p>Due to the adjacency of space to the existing CHRED headquarters, a portion of the CVS space will be used to provide permanent workspace for the new positions.</p>
15	Civil, Human Rights and Equity Department (CHRED)	LA Mall, Space Nos. 3A, 6 & 15A	6/25/2020 1/30/2020	BOE	<p>BOE is continuing to process final invoices. Closeout will be initiated once final payments have been processed.</p> <p>The project is complete and the grand opening was held on September 13, 2021. The program management team is working on a final administrative closeout to ensure all the expenses are paid. Any remaining monies would be reverted back to the Space Optimization Program to fund new projects.</p>
16	Department of City Planning (DCP)	City Hall, Suite 750 (Suite 667 on hold)	1/30/2020	GSD/BOE	<p>The project on the City Hall 7th floor was completed in March, with a final closeout anticipated in the second quarter of 2022.</p>
Withdrawn					
17	Information Technology Agency (ITA)	TBD	-	ITA/Clerk/GSD	<p>The potential displacement impact has been mitigated as City Clerk provided options for remote translation service and potential use of unassigned committee room.</p> <p>Potential displacement impact for ITA staff located in Room 1001 on the 10th floor of City Hall may occur due to accommodating interpreter services, requested by Council as per Raman and De Leon Motion adopted on May 27, 2022 (C.F. 22-0436).</p> <p>Program Management Team (PMT) will be working with impacted Departments to determine options to accommodate live interpreting service needs, including remote service options.</p> <p>Depending on whether or not physical space is needed and the potential impact on the current ITA operation on the 10th floor, PMT will assess the viability of utilizing unassigned rooms on the 10th floor, including the best option to accommodate this request.</p>

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18	ITA	TBD	-	ITA/GSD	<p>The ITA space needs have been resolved with the use of hoteling in their existing space.</p> <p>ITA has requested temporary swing space for four months while tenant improvements (TI) are made to the Channel 35 studio under lease in Little Tokyo.</p> <p>ITA will utilize their own PEG monies to fund these improvements, but the Department is also open to utilizing the funding for a permanent build-out in City owned space.</p> <p>Prior efforts to develop a new studio at the El Pueblo (Masonic Hall and Merced Theatre) was placed on hold due to significantly high bid results and insufficient funding to proceed (as of January 30, 2020, shortfall estimate was \$28 million).</p> <p>Initiation of the lease space TI is anticipated in September, with one year estimated completion.</p> <p>ITA's preference is to utilize the empty rooms (Council/Committee closed session rooms) on the 10th floor of CH as swing space while the Channel 35 Little Tokyo lease space TI is completed. The project management team is also assessing the viability of utilizing unassigned space in the LA Mall as swing space (former Cleaners Space No. 18 and former DOT Space No. 18B).</p>