

MUNICIPAL FACILITIES COMMITTEE

Minutes from the Regular Meeting of September 28, 2023

MEMBERS: Matthew W. Szabo, 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 10:04 a.m.

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General Public Comment

No public comment.

**Item 2** **Continued from June 29, 2023:** Report from Department of General Services (GSD) requesting authority to negotiate and execute a license agreement between the City and P&Y Broadcasting to use space for an antenna located at 4600 Carter Drive (CD 14), subject to Council and Mayor approval.

**Disposition:** Approved.

Matt Szabo, CAO, requested that Item No. 2 be taken out of order to precede Item No. 1.

Wayne Lee, GSD, provided an update to the negotiation with P&Y to extend the lease to use space for an antenna located at 4600 Carter Drive.

Bernyce Hollins, Mayor's Office, asked for the status of the reconciliation of the prior-year citywide leasing. Kay Ha, CAO, responded that the report is not complete and is pending GSD's reconciliation of the last fiscal year. Ms. Ha further added that the reconciled report will be presented in an upcoming meeting.

Mr. Szabo asked if the lease is necessary for the LAFD command and control system. Mr. Lee confirmed that it is necessary for LAFD's operations. Mr. Szabo then asked if there are contingencies when leasing property for functions that are critical to public safety operations. Mr. Lee responded that the lease for P&Y is extended year to year. Amy Benson, GSD, added that ITA would be able to provide feedback on the contingencies.

**Item 1** Minutes of the September 12, 2023 - Special Meeting.

**Disposition:** Approved on consent.

**Item 3**      **Continued from September 12, 2023:** Report from Bureau of Engineering (BOE) relative to a status update on the projected impact of market inflationary factors on Municipal Facilities projects managed by BOE.

**Disposition:** Noted and filed.

Richard Louie, BOE, provided an update to the July 2022 recommended inflation rates and reported a decline in recent increased inflation trends.

Ms. Hollins asked if the City's actions to address funding shortfalls may have sustained inflationary factors and if there was advice given to avoid this type of impact in the future. Mr. Louie responded that there is no specific data related to whether or not the City providing gap funding to cover the shortfall has impacted inflation specific to the City of Los Angeles. Mr. Louie reported that the data provided by various resources has shown inflation rates are higher than historical norms throughout the state of California.

Sharon Tso, CLA, asked if there will be another report providing an update to the inflation rates. Mr. Louie responded that an update would be provided if there are drastic changes to the inflation rates.

Mr. Szabo asked if the inflation rates would be the standard rate applied to the construction cost of all projects. Mr. Louie confirmed the inflation rate would be used, however, an adjustment would be made for industries that are seeing higher inflation rates.

Mr. Szabo asked if there were inflation trend differences between labor and materials. Mr. Louie responded that the data did not provide a detailed breakdown.

**Item 4**      Report from Department of Transportation (LADOT) on the electrification of LADOT's Washington Yard located at 1910-1950 East Washington Boulevard (CD 14).

**Disposition:** Noted and filed.

Ms. Lauren Ballard, LADOT provided an overview of the Washington Yard microgrid project to charge electric buses. Phase I is currently in progress and includes design, engineering, and permitting as well as an electrical design for each charger. Ms. Ballard further added that this phase is expected to be completed in spring 2024. Ms. Ballard continued by providing information relative to Phase II by adding that it will consist of the procurement of all materials, equipment and construction of the full project, and is estimated to begin in Summer 2024. Ms. Ballard concluded by noting that the project is expected to be operational in December 2024.

Ms. Tso, CLA, asked if the City will be front-funding the project since most of the funds are reimbursable. David Somers, LADOT, confirmed that the project will be front-funded. Mr. Somers proposed the use of MICLA funding to front-fund part of the project and be reimbursed from the grants in the future. Mr. Somers added that each budget year is planned based on the expenditure forecast in order to determine the amount needed for front-funding. Mr. Somers continued by noting that currently, the project has sufficient funding for the forecast of expenditures in 2023-24. Mr. Somers further added that there will be a request in 2024-25 to ensure there is an adequate amount of front-funding available to pay the contractors. Ms. Tso asked if any of the \$7.7 million in funding this year is reimbursable. Mr. Somers confirmed that most of the funding would be reimbursable with the exception of \$3.3 million from Proposition A.

Mr. Szabo stated that the total project cost of all phases is \$21.6 million, and \$14.4 million has been identified in grants. Mr. Szabo continued by adding that the project will be front-funded with Proposition A and MICLA and the grants will reimburse Proposition A. Mr. Szabo asked if there was a plan to fill the \$7.3 million funding gap with additional grant funding. Mr. Somers responded that there are several funds that are allocated yearly that LADOT does not have to apply for and added that LADOT has continued to apply for competitive grants to secure additional funding.

**Item 5** Report from GSD requesting authority for the direct sale of two Own a Piece of LA (OPLA) remnant parcels: Assessor Parcel Numbers 4221-010-900 (CD 11) and 2216-013-901 (CD 2), to respective adjoining property owners.

**Disposition:** Approved on consent.

**Item 6** Report from GSD requesting authority to negotiate and execute a lease agreement with Young's Holding's Inc., for a 9.43 acre parcel located at 450-590 South Central Avenue (CD 14) for the Bureau of Sanitation - Livability Services Division, subject to Council and Mayor approval.

**Disposition:** Item continued to the next meeting.

**Item 7** Adjournment – Next Regular Meeting, Thursday, October 26, 2023.

*The meeting adjourned at 10:34 a.m.*

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MEMBERS: Matthew W. Szabo, 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 10:37 a.m.

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General Public Comment.

No public comment.

**Item 1      ADJOURN TO CLOSED SESSION:**

a. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**, pursuant to Government Code Section 54956.8.

**Property Location:** Real properties located at:

1. 555 West Fifth Street, Los Angeles, CA (APN: 5149-029-013)  
**Property Owner:** Gregg Williams, Receiver for Maguire Properties - 555 West Fifth, LLC
2. 445 South Figueroa Street, Los Angeles, CA (APN: 5151-020-006)  
**Property Owner:** WB Union Bank Plaza Holdings LLC
3. 865 South Figueroa Street, Los Angeles, CA (APN: 5144-022-057)  
**Property Owner:** Hancock S-Reit LA Corp./Hancock S-Reit Parent Corp./Manulife US Real Estate Investment Trust
4. 300 South Grand Avenue, Los Angeles, CA (APN: 5149-010-026)  
**Property Owner:** CNI ONE CAL Plaza Owner, LLC
5. 350 South Grand Avenue, Los Angeles, CA (APN: 5149-010-265)  
**Property Owner:** 350 South Grand Avenue (LA) Owner, LLC
6. 110 East Ninth Street, Los Angeles, CA (APN: 5139-001-024)  
**Property Owner:** Calmart Sub I LLC
7. 1200 West Seventh Street, Los Angeles, CA (APN: 5143-06-019)  
**Property Owner:** HRRP Garland, LCC Local Initiative Health Authority of Los Angeles County

8. 145 South Spring Street, Los Angeles, CA (APN: 5149-001-003)  
202 West First Street, Los Angeles, CA (APN 5149-001-006)  
213 South Spring Street (Garage), Los Angeles, CA  
(APN: 5149-008-029)

**Property Owner:** ONNI Times Square LP, CA LATS South LLC  
(Garage)

9. 707 Wilshire Boulevard, Los Angeles, CA (APN: 5144-005-400)  
**Property Owner:** SRI TEN 707 Wilshire LLC

**Agency negotiator/presenters:**

Amy Benson, Director, Real Estate Division, General Services Department; Wayne Lee, Senior Real Estate Officer, General Services Department; Melody McCormick, Assistant General Manager, General Services Department; Onno Zwaneveld, Executive Vice President, CBRE, Inc.

**Negotiating Parties:** City of Los Angeles, Department of General Services; 555 West Fifth, Gregg Williams, Receiver for Maguire Properties - 555 West Fifth, LLC; WB Union Bank Plaza Holdings LLC; Hancock S-Reit LA Corp./Hancock S-Reit Parent Corp./Manulife US Real Estate Investment Trust; CNI ONE CAL Plaza Owner, LLC; 350 South Grand Avenue (LA) Owner, LLC; Calmart Sub I LLC; HRRP Garland, LCC Local Initiative Health Authority of Los Angeles County, dba L.A. Care Health Plan; ONNI Times Square LP, CA LATS South LLC (garage); SRI TEN 707 Wilshire LLC.

**Under Negotiation:** Price and terms of payment of sublease and lease agreement

- b. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**, pursuant to Government Code Section §54956.9 (d)(4). The City is considering whether to initiate litigation in one case.

**RECONVENE OPEN SESSION AND REPORT MEETING IN PUBLIC SESSION**

*Meeting reconvened to Public Session at 11:28 a.m.*

**CLOSED SESSION ANNOUNCEMENTS**

*No Closed Session announcements.*

Adjournment

*The meeting adjourned at 11:29 a.m.*