

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Special Meeting of January 25, 2024

MEMBERS: Matthew 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 10:11 a.m.

General Public Comment No public comment.

Item 1 Minutes of the December 14, 2023 Special Meeting.

Disposition: Approved on consent.

Item 2 Report from General Services Department (GSD) requesting authority to negotiate and execute a non-profit lease agreement with South Bay Center for Counseling to operate a community garden at 600 East L Street (CD 15).

Disposition: Approved on consent.

Item 3 Report from GSD requesting authority to execute a lease amendment with California Department of Transportation (Caltrans) for use of two lots at Maple Street/16th Street and Grand Avenue/17th Street.

Disposition: Approved on consent.

Item 4 Report from GSD requesting authority to temporarily assign parking space to the Police Department at 432 East Temple Street.

Disposition: Approved.

Sharon Tso, CLA, inquired about the long term solution to address LAPD's parking needs. Amy Benson, GSD, responded that GSD is looking for long term parking space options in the market which will take at least a few months. Ms. Tso inquired about the funding source for the temporary parking space. Ms. Benson replied that GSD funding will be addressed in the upcoming Construction Projects Report and that the long term solution will be determined later.

Ms. Tso requested an update on Metro's owed payment to the City for the previous property use. Ms. Benson responded that Metro will be submitting a letter of intent and that Metro is refurbishing the building to its original state while paying rent to the City for the building. Ms. Benson added that GSD will report back on the progress of the Metro payment.

Bernyce Hollins, Mayor, suggested the vacant lot at North Mariana as a parking option for the Police Department as this is a City owned property and is adjacent to the police evidence warehouse. Ms. Hollins noted that the Bureau of Engineering (BOE) is working on a report for the Yards and Shops Phase I report to assess the appropriate use of the space.

Item 5 Report from GSD requesting authority to activate and deactivate various lots for the Adopt a Lot Program.

Disposition: Item continued to the next meeting.

Item continued to the next MFC meeting scheduled for February 29, 2024.

Item 6 Report from GSD requesting authority to negotiate and execute a lease amendment with Hope of the Valley to operate an interim housing facility at 11430/11466 Chandler Boulevard (CD 2).

Disposition: Approved.

Sharon Tso, CLA, inquired as to how much time will be needed for decommissioning and suggested GSD to include decommissioning time in the lease agreement in the future. Wayne Lee, GSD, responded that it typically takes about six months to decommission and is not aware of the exact timeline as it is different for each property. Mr. Lee added that decommissioning time was discussed prior to the agreement of the lease.

Matthew Szabo, CAO, instructed GSD to revise the report to reflect the correct name of the organization from Hope of the Valley to the new name of Hope of the Mission for consistency.

Item 7 Report from GSD requesting authority to negotiate and execute a lease amendment with the County of Los Angeles, and sublease agreement with the service provider, Volunteers of America Los Angeles (VOALA), to operate a bridge housing facility at 2817 Hope Street (CD 9).

Disposition: Approved on consent.

Item 8 Quarterly status report from Bureau of Engineering (BOE) on the Taylor Yard G2 River Park Project.

Disposition: Noted and filed.

Item 9 Report from BOE on the Information Technology Agency (ITA) Server Room project at the P-4 level of City Hall East.

Disposition: Approved.

Marcelino Ascensio, BOE, provided an overview of the update on the ITA Server Room project at the City Hall East P-4 level to close out Phase I and authorize the scope and timeline for Phase II. Mr. Ascensio reported that the overall project cost budget for Phase II is \$2.3 million and the project's available funding is slightly over \$2.4 million.

Bernyce Hollins, Mayor, asked whether there is a sufficient safeguard to protect against the server outages. Arthur Sales, ITA, responded that the outages were network issues that have been resolved and were unrelated to the construction for this project.

Sharon Tso, CLA, raised concern regarding the uninstalled chiller units. Shun Yu Zhang, BOE, responded that the chillers will be stored and used as part of other project needs. Ms. Tso asked if BOE looked into other projects that can utilize the chillers. Mr. Sales replied that the units may be used in a project currently planned for Los Angeles Fire Department dispatch in P-4 that is lacking the cooling redundancy.

Item 10 Report from GSD on the repayment of the tenant improvement costs of the Gas Company Tower lease at 555 West Fifth Street.

Disposition: Noted and filed.

Zachary Millet, GSD, provided an overview of the repayment plan to reimburse the \$21.35 million utilized to pay for tenant improvement costs at the Gas Company Tower.

Bernyce Hollins, Mayor, asked whether individual department's use of the Special Fund would shift any other administrative costs that would affect the General Fund. Mr. Millet responded that departments will not pay significantly higher rent in 2024-25, but the following Fiscal Year will increase.

Matthew Szabo, CAO, inquired about the estimate of the value of the swing space. Mr. Millet replied that the swing space is roughly estimated at a value of \$4 million for annual usage.

Sharon Tso, CLA, asked the reason for General Fund attribution to the common and unallocated space and requested GSD to look at possible change of distribution. Mr. Millet responded that the General Fund had the majority of the space overall. Amy Benson, GSD, added that the calculation of common space is similar to the Garland building and that GSD will look at the distribution to make necessary changes.

Item 11 Report from BOE and GSD relative to the operations and maintenance of the Mayfair Hotel project.

Disposition: Noted and filed.

Deborah Weintraub, BOE, and Melody McCormick, GSD, provided an overview of the progress on the Mayfair Hotel project. Ms. Weintraub reported that there is a shortfall of \$8.9 million in which \$3.1 million is funded by the Capital Reserve Fund for the first two years and \$5.8 million by the Inside Safe Fund. Ms. McCormick stated that \$5 million of funding has been identified for ongoing maintenance activities and that there is sufficient funding for the remainder of the Fiscal Year. Ms. McCormick added that \$1.5 million in Capital Reserve Funds are included in the budget.

Matthew Szabo, CAO, asked for the cost assessment on the additional work done to remove all carpets and level the floor to comply with the ADA standards. Ms. Weintraub stated that CBRE estimated total cost of this element of the project is \$2.7 million, but GSD's cost assessment stated \$7.7 million. Ms. Weintraub added that the work done on the flooring resulted in a cost change of \$1.6 million.

Sharon Tso, CLA, asked to confirm the original total project cost to be \$88 million, with \$9 million estimated as the current shortfall for the renovation. Ms. McCormick confirmed those costs and added that the damaged furniture costs were \$11.5 million. Ms. McCormick further added that GSD is assuming that \$5 million will be allocated for the annual operating cost and that there will be additional \$1.5 million that will be utilized for capital repairs.

Ms. Tso inquired as to which aspect of the project is at the most risk for additional cost and whether we are anticipating a Phase 3, once the Phase 2 findings are completed. Ms. Weintraub stated that seismic work is the biggest risk and that Phase 3 is not anticipated at this time, however, due to the age of the building there is a possibility of a Phase 3.

Mr. Szabo asked for confirmation that \$1.5 million Reserve Fund is part of the \$5 million operation. Ms. McCormick confirmed that \$1.5 million is part of \$5 million for building operations and maintenance, but not for the enhanced services provided to the residents by the Weingart Center. Mr. Szabo inquired about the value of the enhanced services and whether the bed rate is included. Mia Jackson, Mayor, stated that \$30 million annual obligation including staff and enhanced services expenses is a fair estimate and that the bed rate is not included in the \$30 million. Jenna Hornstock, Mayor, added that the Inside Safe covers basic services of \$13 million and the enhanced services from the Encampment Resolution Funding (ERF) grant is \$45 a day per person.

Mr. Szabo asked to confirm that \$5 million is for operations and maintenance for every year and that \$13 million is for basic bed rate from the Inside Safe from the General Fund. Ms. Jackson clarified that the bed rate is for comparison only as the property is City owned. Mr. Szabo further inquired about the annual obligation cost for the enhanced services which is covered by ERF. Ms. Hornstock stated that about \$5 million is the annual cost of enhanced services which is calculated by multiplying the bed rate with the number of rooms. Ms. Jackson added that there will be a plan for after the ERF grant ends in two years. Ms. Weintraub stated that the next update to the Committee will be in April.

Item 12 Adjournment – Next Special Meeting, Thursday, February 29, 2024.
The meeting adjourned at 11:15 a.m.