MUNICIPAL FACILITIES COMMITTEE

Minutes from the Regular Meeting of June 24, 2021

MEMBERS: Yolanda Chavez, Office of the City Administrative Officer, Chair (CAO)

Sharon Tso, Chief Legislative Analyst (CLA) Jeanne Holm, Office of the Mayor (Mayor)

The meeting was called to order at 10:00 a.m.

No General Public Comment.

Item 1 Minutes of the May 27, 2021 meeting.

Disposition: Approved without discussion.

Item 2 Reports from the General Services Department (GSD) requesting authority to negotiate and execute new agreements, subject to Council approval:

- Judicial Council of California, for office space for Los Angeles Police Department (LAPD) at the Van Nuys Courthouse located at 14400 Erwin Street (CD 6);
- b. Judicial Council of California, for office space for LAPD at the Sylmar Courthouse located at 16350 Filbert Street (CD 7);
- c. Judicial Council of California, for office space for LAPD at the Eastlake Juvenile Courthouse located at 1601 Eastlake Avenue (CD 14); and,
- d. Judicial Council of California, for office space for LAPD at the Clara Foltz Courthouse located at 210 West Temple Street (CD 14); and,
- e. Superior Court of California, County of Los Angeles for custodial services of City Office space at Nine Courthouses.

Disposition: Approved.

Sharon Tso, Chief Legislative Analyst (CLA), asked why the leases are month-to-month. Paul Burke, GSD, responded that the City wants the flexibility afforded by month-to-month leases versus yearly. The LAPD or City Attorney will only have to give a 30-day notice to increase or decrease space or to vacate, without an impact to the overall leasing costs.

Ms. Tso inquired as to whether the custodial agreement has been funded or if funds were coming from the Leasing account. Daisy Bonilla, City

Administrative Officer (CAO), confirmed that these expenses were factored for and funded through the Leasing budget for the upcoming fiscal year (2021-22).

Jeanne Holm, Office of the Mayor (Mayor), asked why the custodial agreements were retroactive to July 2020. Mr. Burke responded that the City had been utilizing the courthouse space for approximately 15-17 years without paying custodial fees. The State offered for fees to be paid retroactively to July 2020 and the City agreed.

Ms. Holm asked if the MOU is for 2020-21 and if there is an amendment for 2021-22 with costs included. Mr. Burke responded that since the previous custodial agreement was never established, this MOU is establishing and solidifying the City's agreement with the retroactive custodial payment for the nine courthouses. It covers the City's 25 percent share of custodial costs going forward and costs are funded in the 2021-22 budget.

Item 3 Quarterly report from the CAO on the status of the Citywide leasing account.

Disposition: Approved.

Following the presentation, Ms. Holm, Mayor, inquired as to whether this quarterly report accounted for telecommuting and its potential associated expenditures/offsets. Kay Ha, CAO, responded that the report did not account for the implications of telecommuting, as the CAO is waiting for the citywide policy on that matter first. Bernyce Hollins, CAO, suggested that the CAO's first quarter report of the 2021-22 could address telecommuting considerations. She indicated that GSD had previously provided a list of leases that are soon terminating for potential consideration to reduce leasing liabilities. Regardless, the program management team will work to maximize the use of leased space and to reduce the ongoing overhead costs by fully maximizing City facilities. Even after a telecommuting policy (Policy) is adopted, the new space standards would potentially benefit only new space requests as it is cost prohibitive to convert and retrofit existing work spaces to the new standards.

Yolanda Chavez, CAO, indicated that it will be necessary to reach an agreement with Labor regarding space sharing and telecommuting standards.

Ms. Tso, CLA, asked whether fire stations discussed in the report are responsible for protecting both the port and neighborhood, or just one of the two. Amy Benson, GSD, responded that the fire departments in question protect both the port and the community.

Ms. Tso asked if it would be appropriately paid from the Leasing account and a portion of the cost be recovered through port billings for services provided at the port. Ms. Benson confirmed that it would be through a different Memorandum of Understanding.

Ms. Tso inquired about whether grant funds would eventually end up with the new Community Investment for Families (CIF) Department, and suggested that this matter could be addressed in subsequent reports. Ms. Hollins confirmed that an update would be provided in the next report.

Ms. Tso also asked whether LAPD would be using some of the excess space associated with the Mateo lease. Ms. Hollins stated that based on preliminary estimates it would be cost prohibitive to assign LAPD vehicle operations and that staff were now exploring potential use of the space for storing filing materials currently located at the City's Piper Technical facility.

Item 4 Proposed Civic Center Parking Lease for the LAPD:

- a. GSD report requesting authority to negotiate and execute a new lease agreement with S&R Partners, LLC on behalf of the LAPD for a warehouse and parking space located at 1251 North Spring Street (CD 1), subject to Council approval.
- b. LAPD letter relative to parking and fleet needs within the Civic Center.

Disposition: Approved.

Mr. Burke, GSD, stated that LAPD parking at 1111 Mateo was not conducive to LAPD requirements. The 1251 North Spring Street location is closer in proximity to their operations and has approximately 95,000 square feet which accommodates more of their fleet. The owner was receptive to allowing the City flexibility to exercise an early termination should they acquire their own property. The City was able to negotiate a favorable rate at \$0.47 cents per square foot in the civic center area for a five-year term with two – one-year options. LAPD required a secure location as there will be no LAPD staff or office space at the location. The Landlord agreed to provide security, fencing and solar power for lighting and cameras costing approximately \$150,000, to be covered by the landlord. Per the GSD report, they are recommending the longer of the two options where the landlord is responsible for the tenant improvements.

Ms. Tso, CLA, asked how long the Alpine lots will remain available prior to breaking ground for the homeless facility. Ms. Hollins, CAO, responded that there were additional environmental surveys in progress and the timeframe was approximately December. Since the MTD project needs to relocate

vehicles for a six-month period in order to complete improvements at that site, these same spaces could then be made available to vacate the Alpine lots in roughly the timeframe currently planned.

Ms. Tso asked to clarify whether there was any excess capacity since the new proposed parking lease would accommodate all the vehicles on the two Alpine lots plus additional vehicles. Mr. Burke responded that the lot will accommodate 300 plus vehicles but is in an irregular shape. Any additional vehicle capacity depends on how LAPD configures the parking, either linear or tandem.

Ms. Tso asked whether 600 vehicle spaces were required in the Civic Center and if it would be possible to store stationary vehicles outside of the Civic Center. Dirk Aubuchon, LAPD, responded that in a normal budget cycle, LAPD has 300-500 vehicles coming in and going out of operation, with approximately 600 vehicles in use. Operationally, it is advantageous to house them in the Civic Center to maximize labor and transportation. Ms. Tso stated that the City is running out of parking options and has limited space available in the civic center and encouraged a thorough assessment of LAPD's staff efficiency and required vehicles in the Civic Center. She asked whether utilizing the Parker Center site for vehicle storage was an option. Melody McCormick, GSD, Parker Center option was explored with Bureau of Engineering (BOE). The assessment was that the property does not have the structural integrity required to support the vehicles.

Ms. Tso inquired about the area south of the actual building for possible vehicle storage, which was the original parking lot and additional areas around the actual building site. Ms. McCormick responded that the area surrounding the actual building site was the first location initially considered and discussed with BOE. However, BOE responded with the same assessment that the entire lot was structurally unsound. However, GSD would revisit the possibility with BOE, noting there are various nuisance conditions on site that are being mitigated until its final use is determined. Ms. Holm, Mayor, expressed a similar interest in utilizing the demolished Parker Center lot for potential parking. She encourages the GSD to revisit the possibility. She asked whether 2021-22 funding was included in the budget.

Ms. Hollins clarified that since the lease had not yet received the necessary approvals from MFC and Council, it was not yet part of the 2021-22 leasing portfolio. Also, since there is an overall funding shortfall projected for the leasing program in the upcoming year, the CAO is proposing to repurpose approximately \$500,000 in capital funds that were previously set aside for tenant improvements at the Mateo property, which is sufficient to fully fund the first year leasing costs. However, starting in year two of the lease, there

would be a total General Fund impact of approximately \$2.4 million for the last four years of the proposed five-year lease.

Item 5 Joint quarterly report from the CAO and GSD on City space assignments and associated tenant improvement projects as part of the City's Space Optimization Program.

Disposition: Approved.

Ms. Ha, CAO, provided a brief overview of the quarterly report.

Ms. Tso, CLA, asked to clarify the anticipated timing for the results of the space consultant analysis. Amy Benson, GSD, replied that she could not yet offer an estimate as to when those reports would be completed, but that she could soon come back with an approximate timeframe.

Ms. Tso asked whether co-location of the relevant Department staff could be maintained in the interim, which Ms. Benson confirmed.

Ms. Holm, Mayor, inquired as to whether, in addition to the two new departments (Community Investment for Families Department [CIFD] and Youth Development Department) discussed in the report, there are any other departments that are requesting additional space at this time. Ms. Ha responded that yes, there are currently six departments that are requesting additional space, but that pandemic-related complications have slowed the projects that would expand their workspaces. Ms. Hollins, CAO, added that expenses related to the proposed space study at the Garland Building would need to come out of the leasing account, and that there is not a current estimate for the total expense of that project.

Ms. Holm encouraged the group to consider that, going forward, there may be more telecommuting than there was before the pandemic, and to account for that when considering space needs.

Lisa Salazar, Mayor, thanked the group for its continued efforts, and Julie O'Leary, Housing & Community Investment Department (HCID), confirmed that her group has a place to work during the space planning.

Item 6 CAO Report on the 2021-22 Municipal Facilities Program Capital Work Plan, tentative prioritization of projects, current project timelines and funding status.

Disposition: Approved the report as amended.

Ms. Ha, CAO, offered a brief overview of the report.

Ms. Holm, Mayor, asked whether any of the projects described in the report had been delayed as a result of staffing issues. Ms. Hollins, CAO, noted that the BOE has requested additional funding and positions to support the Municipal Facilities capital programs. She also noted that the CAO is working on production of a five-year capital book that would be anticipated in August 2021, which will provide full updates on active projects.

Ms. Holm asked that Ms. Hollins please inform the group when she's ready to report back on that, to which Ms. Hollins confirmed would be anticipated within a 60-day timeframe.

Ms. Tso, CLA, asked for clarification as to the purpose of this particular report, to which Ms. Hollins responded that it is part of a larger effort to be more transparent and communicative with oversight entities regarding the status of projects.

Ms. Tso raised concerns about how the prioritization of individual projects, were reflected in the report. Ms. Hollins suggested that MFC could potentially amend the recommendation and revisit how the priority levels are reflected in the report.

Ms. Chavez, CAO, asked for confirmation that MFC was not voting to approve the specific priority levels that had been listed in the report, and asked whether departments have seen this priority list. Ms. Hollins confirmed that BOE was consulted and given an opportunity to review the tentative list of projects and restated a willingness to make additional revisions to the report structure and content.

Ms. Tso proposed amendments to the portion of the report that outlines priority levels for various projects. Ms. Chavez recommended that priority levels be discussed with the departments whose projects are being considered.

Ms. Tso amended the report recommendation as follows: a) approve a working group to review the projects and to report back to MFC; b) delete number 2 (proposed changes in project prioritization); c) add report on the project priorities and insure that staff communicates with the Departments and Council offices; and, d) amend number 5 to read "discussion of resources needed to support staffing capacity required to implement <u>any proposed</u> work plan".

Ms. Chavez amended the report recommendation number 2 to read "Departments report back with their recommended project prioritization and

the reason a project is a priority based on funding, status and/or the CTIEP policy". Ms. Tso concurred with this change.

The Committee approved the report as amended.

Item 7 Biannual reports from the LAPD and GSD on the proposed work plan and funds expended to date to support the City's Electric Vehicle fleet.

Disposition: Approved.

Ms. Holm, Mayor, asked if the implementation schedule had been impacted. Lisa Gabriel, GSD, confirmed there has been no significant delay in the design or construction of projects in progress.

Ms. Holm asked if costs were anticipated to increase. Ms. Gabriel responded that design work is nearly completed and construction bids will be solicited shortly, however, the department does expect an increase in material costs.

Item 8 Reports from GSD requesting authority for direct sale of sliver (remnant) parcels located at various sites listed in property descriptions.

Disposition: Approved without discussion.

Item 9 Quarterly Status Report from the BOE on the Taylor Yard G2 River Park Project located at 2850 Kerr Street (CD 1).

Disposition: Approved.

Ms. Holm, Mayor, asked if BOE's Implementation Feasibility Report received any comments. Chris Johnson, BOE, said that the response was "across the board" and also consisted of general comments from various agencies.

Ms. Holm asked if scope changes were made to the Paseo del Rio project. Mr. Johnson replied in the affirmative. Mr. Johnson explained that after release of the original solicitation, the City Council approved an adjacent Proposition O project and the department determined it would be fruitful to pause the initial solicitation and re-advertise it with possible scope changes. Ms. Holm asked about whether there are plans to resume monthly site tours now that the pandemic is in a new phase. Mr. Johnson replied that BOE is engaged with the Lee Andrews group on community engagement and this group will likely create a plan for regular site visits.

Ms. Tso, CLA, inquired about potential sources of funding for the project given existing funding gaps, and as to whether the City is seeking State and Federal grants. Mr. Johnson replied that the LA River team is seeking additional funds, since current funding only exists for the Paseo del Rio and Proposition O projects.

Item 10 Verbal status report regarding the proposed Clean Water Campus project located at 303 North San Fernando Road (CD 1).

Disposition: No Action.

Ali Poosti, LASAN, provided a brief status report regarding the Clean Water Campus (CWC) project, the status of CEQA analysis, negotiations with the development team, and the acquisition of the Goodwill-owned property located at 303 N. San Fernando Road in Council District 1.

Ms. Tso, CLA, asked LASAN for clarification regarding the three different scenarios for parking spaces at the site. Mr. Poosti answered that there will be three options/scenarios that will be considered for this project and a cost estimate to be provided by the development team. The first scenario will be for 740 total spaces, with one level of underground parking, the second scenario will be for 740 total spaces, with two levels of underground parking, and the third scenario will be for 540 spaces with no underground parking. He further stated that the different options will be analyzed for cost purposes as opposed to operational purposes.

Ms. Tso asked when this matter will come back to MFC for further discussion. Mr. Poosti estimated that updates will be available by the next oral report.

Ms. Holm, Mayor, asked what funding is being used for this project. Mr. Poosti answered that funds within the Sewer Construction Maintenance Fund (SCMF) are being used, but General Fund dollars would need to be identified to fund the additional parking spaces.

Ms. Holm asked if LASAN expects any funding issues. Mr. Poosti answered that no issues were anticipated with the SCMF. Identification of General Fund dollars still needs to be further discussed with the CAO and CLA. Ms. Chavez, CAO, asked what the timeframe is for getting approval on the funding for the additional 200 parking spaces for the CWC project. She further clarified that the funding for the 200 spaces need to be approved by the Mayor and Council. Mr. Poosti answered that LASAN will report back to the MFC as soon as they receive a cost estimate for the additional 200 spaces from the development team.

Ms. Chavez emphasized that the report should come back to MFC as soon as possible, ideally by August, but no later than September. Ms Chavez asked when the City expects to execute the Exclusive Negotiating Agreement (ENA) with the development team. Mr. Poosti answered that the ENA will be signed after the Purchase and Sale Agreement is executed. Ms. Chavez further emphasized that in order to enter into an ENA, the funding for the additional 200 spaces must be approved by the Mayor and Council first.

The meeting adjourned at 11:14 am.