

ENTERTAINMENT AND FACILITIES COMMITTEE REPORT relative to authorization to negotiate and execute a contract with CBRE, Inc. for project management services to relocate the Housing and Community Investment Department (HCID) to 221 North Figueroa Plaza.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Department of General Services (GSD) to negotiate and execute a sole source contract with CBRE, Inc. for the HCID project which includes project management, space planning, tenant improvements and relocation of HCID staff, subject to approval of the City Attorney as to form, for a contract amount of up to \$16 million.
2. AUTHORIZE the use of up to \$5.8 million in insurance proceeds from the Figueroa Plaza - Da Vinci Fire claim for the HCID project.
3. AUTHORIZE the use and transfer of up to \$820,132 from various funds in HCID's Lease Account No. 006030 to GSD's Contractual Services Account No. 003040 as shown below:

<u>Fund Account</u>	<u>Amount</u>
240 Housing Production Revolving Fund	\$2,894
41M Systematic Code Enforcement	525,652
440 Rent Stabilization Trust	166,776
55J Low and Moderate Income Housing	42,206
815 Municipal Housing Finance	46,307
100 General Fund	<u>36,297</u>
Total: \$820,132	

4. AUTHORIZE the use of up to \$9.4 million in Municipal Improvement Corporation of Los Angeles (MICLA) financing for tenant improvement work at the Figueroa Plaza Towers.
5. INSTRUCT the City Administrative Officer (CAO) and the Chief Legislative Analyst to make technical corrections as necessary to implement Mayor and Council intentions.

Fiscal Impact Statement: The CAO reports that approval of the assignment of space and relocation of HCID to space at the Figueroa Plaza will have an immediate impact on the 2015-16 General Fund and will require gap funding for tenant improvements of up to \$9.4 million which the CAO recommends be provided through MICLA financing. However, beginning with 2016-17, the General Fund will be able to recoup operating, maintenance and debt financing expense either directly or through the Cost Allocation Plan from HCID special funds.

Debt Impact Statement: The CAO reports that the issuance of bonds through the MICLA is a General Fund obligation. The use of MICLA financing provided for in the Adopted Budget will cause the City to borrow approximately \$9.92 million (includes project costs, costs of issuance,

and debt service reserve fund) at a five percent interest rate. The total estimated debt service is \$15.92 million which includes the borrowing amount and interest (\$6.0 million). During the life of the bonds, the estimated average annual debt service is \$796,000 over 20 years. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance.

Community Impact Statement: None submitted.

**(Budget and Finance Committee waived consideration of the above matter)**

Summary:

At a meeting held on November 10, 2015, the Entertainment and Facilities Committee considered a November 4, 2015 Municipal Facilities Committee (MFC) transmittal and an October 15, 2015 GSD report relative to a request for authorization to negotiate and execute a contract with CBRE, Inc. for project management services to relocate the HCID to 221 North Figueroa Plaza. After providing an opportunity for public comment, the Committee recommended that Council approve the recommendations contained in the MFC transmittal as detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENTERTAINMENT AND FACILITIES COMMITTEE



<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
MARTINEZ:	ABSENT
KREKORIAN:	YES
BUSCAINO:	YES
O'FARRELL:	YES
RYU:	ABSENT

MLE  
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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**