



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: Consideration of Resolution Approving Services Agreement with Silverado Management and Holding Company and Work Order No. 1

MEETING DATE: September 17, 2019

RECOMMENDATION:

1. The City Council will consider for adoption the proposed Resolution approving a Services Agreement ("Agreement") with Silverado Management and Holding Company ("Silverado") for the needs assessment, planning and design of a new public safety center and city hall facility as further described in the attached scope of work pursuant to Work Order No. 1 (Please see Attachment 1).

BACKGROUND:

Since March 2019, City staff and Silverado have been working on a needs assessment as well as planning and design for a new public safety facility that would potentially include other city functions either at the site of the current City Hall and/or at 6233 Telegraph Road. The attached Agreement provides a mechanism for Silverado to be reimbursed for a portion of the project costs absorbed so far for work ordered by the City. It also provides a mechanism for future work orders undertaken on behalf of efforts deemed to be crucial to the future operations of city government and public safety of the community. As the City Council may recall, the state's Department of Finance required the development of a new public safety center as part of the state's agreement to authorize the City's acquisition of the 10.62 acre site located at the northwesterly intersection of Telegraph Road and Washington Blvd and specifically identified as Los Angeles County Assessor Parcel Number 6336-010-908 (the "Land") for one dollar. More background information is included in the following paragraphs.

Additionally, the contingent purchase and sale agreement between the City and WashTel, LLC for the acquisition of the Land provides that WashTel LLC has the option to purchase the property located at 6233 Telegraph Road if the City does not build a public safety center at the site within two years of the closing of the contingent purchase and sale agreement.

Pursuant to ABX1 26 (as subsequently amended and codified in Health & Safety Code § 34170 et seq., the "Dissolution Law") enacted in June 2011, the Commerce Community Development Commission (the "Commission"), and all other redevelopment agencies

("RDA") throughout the state, were dissolved as of February 1, 2012. Pursuant to Health & Safety Code § 34175(b), on February 1, 2012, the real property and other assets of each dissolved RDA were transferred to the ownership and control of their "successor agency." Health and Safety Code § 34173(g) requires each successor agency to dispose of such properties and to unwind the affairs of the dissolved redevelopment agencies. The City of Commerce has elected to take on the duties of the successor agency to the Commission (the "Successor Agency"), and by operation of law, the Successor Agency currently owns the land formerly owned by the Commission. Pursuant to Health and Safety Code § 34191.5, within six (6) months after receiving a Finding of Completion from the Department of Finance ("DOF"), each successor agency was required to submit for approval to its oversight board and the DOF, a Long-Range Property Management Plan ("LRPMP") that addresses the disposition and use of the real properties of the respective former RDA. The Dissolution Law mandates that a LRPMP identify that former RDA properties must be used or dispersed in one of the following ways: (1) to fulfill an enforceable obligation; (2) retention for future development, including possible sale of the property; (3) retention of property for governmental use; (4) of liquidation / sale.

On May 23, 2018, the Successor Agency approved an Agreement of Purchase and Sale and Joint Escrow Instructions between the Successor Agency to the Commerce Community Development Commission and the City of Commerce for the acquisition of the Land. It was contemplated that the subject property would subsequently be sold to Wash-Tel Commerce LLC (Wash-Tel) with the understanding that a portion of the Land would include a public facility component.

ANALYSIS:

Currently, there are several proposed development projects in the City that include new housing as well as retail and mixed-use components. Looking ahead, the City understands the importance of public safety and the need to centralize key resources to accommodate future demand for public safety. to the City intends to centralize vital City resources to provide an adequate setting with a state-of-the-art facility including technology to respond to the needs of the community is vital for public safety. Therefore, the City is actively exploring development opportunities to transform the vacant underutilized Land into a location where City resources could be centralized to effectively respond to public safety needs.

The proposed development would include the construction of a Public Safety/City Hall Facility that would house the city's law enforcement personnel which is currently the Los Angeles County Sheriff's Department and other City public safety staff that would serve the City of Commerce and other areas in the region. In addition, the project would encompass City Hall functions such as Administration and other City Departments as deemed applicable. The construction and operation of a Public Safety/City Hall Facility on the Land is contemplated as part of the zoning associated with future development of the subject property, as well as the Commission's redevelopment implementation plans and the City's General Plan. It would also satisfy a vital public service need of the community.

The Concept

1. The Successor Agency sold the 10.62-acre parcel to the City for \$1.

2. The City is exploring options to allow the construction of a municipal facility on the Land that would serve as a Public Safety/City Hall Facility
3. The City would engage further negotiations with Wash-Tel and Craig Realty Group Citadel LLC to potentially sell the remaining acreage for a price to be determined
4. The City would apply the sale proceeds to the construction of the City Public Safety/City Hall Facility.
 - a. Any design efforts associated with the scope of work associated with Work Order No. 1 (as further described in Attachment 1) would include the feasibility of designing, permitting-developing, and operating an approximately 65,000 square foot municipal facility and an adjacent parking structure with the potential to accommodate other uses and/or users
5. Design efforts could include the potential to establish new housing and related amenities that would include, among other things, an open space area.

Validation for the Public Safety/City Hall Concept

- **Current East Los Angeles Station** -- LASD has a great logistical need for the housing of personnel. ELA station was not designed to accommodate the large staffing needs it is currently addressing, as they currently house personnel for 3 contract cities, unincorporated East LA, additional administrative, detective, and support staff, Operation Safe Streets ("OSS") and Community Oriented Services ("COPS") Bureaus. In addition, having a Station logistically located within the City boundaries would make for more efficiency and effectiveness in responding to City concerns.
- **The Sheriff's Department Community Partnership Bureau (CPB)** could be relocated to the Commerce facility. CPB is currently responsible for providing the following county wide services: Homeless Services Team, Youth Services, Mental Evaluation Team, and a number of other teams with county wide responsibilities.

The CPB captain and operations staff could be housed at the facility, along with ancillary personnel from the Homeless Services Team, and Metal Health Evaluation Team.

The Homeless Services Team works in collaboration with service providers, patrol stations, other county Departments, and community-based organizations to connect the homeless population with resources, assistance and housing options, consistent with the County's Homeless Initiative. Additionally, Homeless Services Team Deputies provide a safe environment for homeless outreach workers to contact and provide services for the homeless population in Los Angeles County in certain situations. Also, the Homeless Services Team ensures the Los Angeles County Homeless Encampment Protocol is followed and coordinates the proper resources for outreach during homeless encampment clean ups. The team is also present during any cleanup operation conducted by the County involving the removal of personal property of the homeless, to ensure the rights of the homeless population

are preserved. The Mental Health Evaluation Team (MET) Deputies along with a mental health professional (DMH clinician) respond to patrol deputies' requests to assist in handling calls involving mentally ill citizens in order to evaluate the person's mental health, provide appropriate transportation and place them in an appropriate mental health care facility. MET deputies provide follow up/support services for the mentally ill citizen and their families. They respond to critical incidents (eg., suicides, school shootings, natural disasters, mass casualty incidents) providing critical incident stress management and to barricaded incidents providing supplemental tactical and crisis intervention to defuse potentially volatile situations. Furthermore, MET deputies train LASD personnel and other law enforcement agencies on recognizing and handling the mentally ill. They also network and collaborate with mental health agencies, judicial agencies and assist family members in gaining LPS Conservatorship by giving court testimony regarding the mental health of that individual.

- **Preservation of the Region's Economic Base and New Economic Realities** - Public safety is an important aspect of a region's balanced economic vitality strategy -- preserving (and potentially enhancing) quality of life. It is difficult for there to be economic prosperity and social cohesion without a good degree of safety. The inclusion of a station in this specific area will enhance the efficiency and effectiveness of public safety in the Telegraph Road Commercial/Entertainment Corridor, allowing for a collaborative and active approach to provide for and encourage the type of economic activity that will provide stability for the local economy, as well as the vitality of the entire region.
- **Public transport security** refers to measures taken by a mass transit system to keep its passengers and employees safe, to protect the carrier's equipment, and to make sure other violations do not occur. This includes the enforcement of various rules and regulations, human and video surveillance, the deployment of a transit police force, and other techniques.

With the potential extension of the Metro Gold Line through Commerce (backside of the Citadel and Casino -- The Atlantic Below-Grade Concept provides a more direct connection between East Los Angeles and Washington Boulevard, serving a vibrant regional commercial center located in the City of Commerce and supporting the historically and culturally important commercial center in East Los Angeles at Whittier Boulevard), the close proximity of the station would enhance public safety measures needed to reinforce the positive perception of public transit.

As highlighted above, the Commerce Sheriff's Station purpose would be to provide efficient and effective use of public safety resources for matters that span beyond the borders of Commerce, while promoting cooperation between multitudes of agencies in addressing security countywide. In addition, the Metro Gold Line will require significant parking and the contemplated parking structure can serve to meet those needs.

- **City Hall Functions** – Staff has been in the process of conducting a needs assessment, that will determine the current and future needs of City Hall. The current City Hall brings space planning challenges, which have made it difficult to make City Hall an effective and efficient service provider. In addition, the existing City Hall has environmental constraints that have significantly increased the cost of

performing necessary upgrades. Certainly, moving to a new site would allow for us to be more efficient and effective in delivering services to the City's residential and business community.

Services and Scope

Silverado's engagement under the Agreement and Work Order No. 1 would focus on conducting due diligence, investigations, and analysis with respect to the feasibility of real estate development for new public facilities as may be designated from time to time. The services and duties to be performed by Silverado, or that Silverado shall cause to be performed, will be consistent with the Agreement and related work order included as Attachment 1 to this report. Silverado would be authorized to engage such qualified third party consultants, advisors, engineers, and other parties as are reasonably required with oversight and consultation from the City.

All matters pertaining to the employment, training, conduct, supervision, compensation, promotion and discharge of such employees shall be the responsibility of Silverado, and Silverado shall pay all wages, salaries and other expenses related to such employees. Silverado shall comply with all applicable federal, state and local laws and regulations having to do with employment including, without limitation, workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions and safety, and similar matters with respect to such employees.

ENVIRONMENTAL ANALYSIS

The California Environmental Quality Act (CEQA, Section 21000, et seq. of the California Public Resources Code), requires that the potential environmental effects of projects that will have a physical impact on the environment be analyzed prior to their construction. State CEQA Guidelines Sections 15060(c)(3), 15061(b)(3), and 15378 exempts projects that have no potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The City Council action involves an action related to Services Agreement to explore the feasibility of designing, permitting, developing, and operating a new municipal facility and an adjacent parking structure that could potentially accommodate other uses and/or users. The City Council action will not directly authorize the acquisition of the property or construction of any project. Therefore, this action will not have a direct effect on the environment. As such, the City Council action qualifies for this exemption and no further environmental review is required.

ALTERNATIVES:

1. Approve staff recommendation
2. Decline staff recommendation and provide further direction

FISCAL IMPACT:

\$146,420 for the initial needs assessment, space planning and design of the contemplated facilities. Staff will continue to work with the respective parties to analyze the potential cost associated with the Public Safety/City Hall facility.

RELATIONSHIP TO STRATEGIC GOALS:

This report before the Council is not applicable to any specific 2016 Strategic Plan Guiding Principle; however, it is related to the following Strategic Focus Area: Create and pursue opportunities for collaboration and regional partnerships to maximize resources and address regional issues.

Recommended by/Respectfully submitted:	Edgar P. Cisneros, City Manager
Fiscal Impact reviewed by:	Vilko Domic, Finance Director
Approved as to form:	Noel Tapia, City Attorney

ATTACHMENTS:

1. Services Agreement and Work Order #1
2. Resolution Approving Services Agreement and Work Order #1