

October 26, 2016

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, California 90012

Subject: Resolution requesting approval of a Lease between the City of Los Angeles and LADWP for Office Space at 221 North Figueroa Street, Los Angeles, California (Real Estate File J-100184; Resolution No. 017 067)

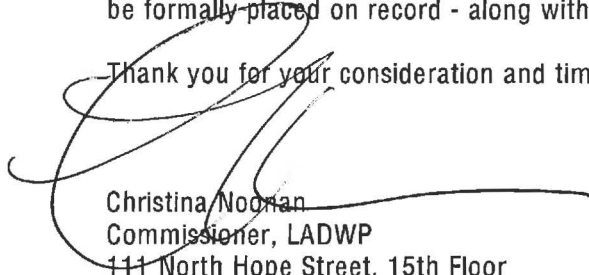
Honorable Councilmembers,

It has been my privilege to serve as a civic servant and commissioner for our Great City for over a decade. During my tenure as a DWP board member, this has been the only time I have felt compelled to present my strong objection to a DWP agendized item before City Council, which passing pends on your approval. \$40M is not in question... Rather, this transaction is linked to, but does not address, the equation of the remodel of DWP's headquarters. This first request before you will play into a domino effect wherein ratepayers will be forced to spend hundreds of millions of dollars due in large part to how construction of Tenant Improvements will be handled. A DWP staff member who was closely involved with this pending resolution advised me that IBEW would be handling both retrofits entirely on overtime hours during an 8-10 year period; A task that had this construction been put out to bid could be accomplished easily within 3 years and at a fraction of the cost. Furthermore, as a commercial estate broker for over 17 years, the terms of the lease you are considering are not only unfavorable, but certain provisions are simply unheard of in Los Angeles' real estate market. In addition, several important financial line items are absent in this proposal, including but not limited to, architectural fees, furniture, fixtures, and relocation costs.

Given that this transaction is between the City of Los Angeles and its Department of Water and Power, the contract appears incestuous and lacks the transparency and correctness, which our citizens deserve. Given our role to protect the best interests of our constituents, I respectfully request that further due diligence with properly procured entities be implemented, along with a fair and comprehensive strategy be executed, to address the space needs and reconfigurations that are being requested by the Department. Until such time, this resolution should be tabled.

Furthermore, I find it troubling that the comments, concerns and suggestions of DWP's Rate Payer Advocate have not been included onto Public Record. As a commissioner involved in this scenario, I request that all of Fred Pickel's public comments relating to Resolution No. 017 067 stated within DWP's board meetings and before your Entertainment and Facilities committee on October 11, 2016 be formally placed on record - along with this document.

Thank you for your consideration and time.


Christina Noonan
Commissioner, LADWP
111 North Hope Street, 15th Floor
Los Angeles, California 90012

Date: 10/26/16

Submitted in EF Committee

Council File No: 16-0683

Item No.: 1

Deputy: Ch. Fran BWP Asst. Noonan