

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to acquiring real property located at 323 North San Fernando Road for the proposed Clean Water Campus (CWC) project.

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

1. AUTHORIZE the Bureau of Sanitation (BOS), Department of General Services (GSD), City Administrative Officer (CAO), and Chief Legislative Analyst (CLA) to negotiate and execute a purchase and sale agreement (PSA) with Goodwill Southern California (Goodwill) to acquire the property located at 323 North San Fernando Road, (APN 5447-007-009)/(Goodwill Site), pursuant to the Motion, attached to the Council file, for the not to exceed amount of \$6,050,000 plus \$15,000 in transaction costs.
2. AUTHORIZE the GSD to execute a License Agreement for 148 parking spaces with Goodwill to allow Goodwill personnel to park their vehicles at the Goodwill Site preconstruction for a period of one year from the date of purchase.
3. AUTHORIZE the BOS, GSD, CAO, and CLA to enter into an exclusive negotiation with the Development Team as a condition of the PSA, for up to a 12-month period to determine if mutually agreeable terms can be reached on the design, construction, and maintenance of the proposed CWC Building under a performance-based contract. The authority provided under Recommendation Nos. 1, 2 and 3 are subject to the resulting agreements and must substantially adhere to Attachment 3 - the Goodwill Site Term Sheet and License Agreement Term Sheet attachment to the Municipal Facilities Committee (MFC) report dated April 16, 2021, attached to the Council file.
4. REQUEST the Controller, upon instructions from the Director and General Manager, BOS, to create a new appropriation in the Wastewater System Commercial Paper A Construction Fund No. 70W/50, Appropriation Unit TBD, in the amount of \$6,065,000.
5. AUTHORIZE the BOS to encumber \$100,000 in the Sewer Capital Fund No. 761/50, Appropriation Unit No. 50SGC3, for a contract with a consultant to provide an independent financial analysis of the Exclusive Negotiating Agreement, related agreements, cost comparisons with other project delivery models, etc. This contract shall be administered by the CAO, with assistance from the CLA.
6. DIRECT the BOS to provide bi-monthly status reports on the status of the negotiations to the MFC and in advance of the deadline for determining inclusion of the additional 200 parking spaces.
7. AUTHORIZE the CAO and CLA to make technical corrections consistent with the Mayor and Council action on this matter.

Fiscal Impact Statement: The MFC reports that there is no anticipated fiscal impact to the General Fund resulting from the above recommendations, as associated costs will be paid from budgeted funds within the Sewer Construction and Maintenance Fund.

Debt Impact Statement: The MFC reports that the issuance of Wastewater System Revenue Bonds (Bonds) is an obligation of the Sewer Construction and Maintenance Fund. The issuance of Bonds to refinance the commercial paper notes included in this report would cause the City to borrow \$6,065,000 at an assumed interest rate of 5.5% over 30 years. The resulting estimated debt service is approximately \$12,519,000 including interest of \$6,454,000. During the life of the bonds, the estimated average annual debt service is approximately \$417,000. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. The MFC cannot fully predict what interest rates will be in the future.

Financial Policies Statement: The MFC reports that the above recommendations comply with the City's Financial Policies in that expenditures of the special funds are limited to and within the mandate of the funding source.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on June 3, 2021, your Information, Technology, and General Services Committee considered a MFC report relative to acquiring real property located at 323 North San Fernando Road for the proposed CWC project. After an opportunity for public comment was held, the Committee moved to approve the MFC's recommendations, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	YES
BLUMENFIELD:	YES
PRICE:	YES

ME 6/3/21

-NOT OFFICIAL UNTIL COUNCIL ACTS-