



County of Los Angeles
**CHIEF EXECUTIVE OFFICE
OPERATIONS CLUSTER**

FESIA A. DAVENPORT
Chief Executive Officer

DATE: April 20, 2022
TIME: 2:00 p.m. – 4:00 p.m.
LOCATION: **TELECONFERENCE CALL-IN NUMBER: 1(323)776-6996**
TELECONFERENCE ID: 605696861#

To join via phone, dial 1(323)776-6996, then press 605696861#.

YOU CAN ALSO JOIN THIS MEETING BY CLICKING ON THE FOLLOWING LINK:

[Click here to join the meeting](#)

**THIS MEETING WILL CONTINUE TO BE CONDUCTED VIRTUALLY TO ENSURE
THE SAFETY OF MEMBERS OF THE PUBLIC AND EMPLOYEES AS PERMITTED
UNDER STATE LAW**

AGENDA

Members of the Public may address the Operations Cluster on any agenda
item after all Informational Items are presented.
Two (2) minutes are allowed for each item.

1. **Call to order – Kirk Shelton/Anthony Baker**
2. **INFORMATIONAL ITEM(S):**
 - A) Board Letter:
GRANT OF EASEMENT FROM COUNTY OF LOS ANGELES TO
BELLFLOWER-SOMERSET MUTUAL WATER COMPANY
CEO/RE – Michael Rodriguez, Chief Program Specialist
 - B) Board Letter:
EXTENSION OF THE EXCLUSIVE NEGOTIATION AGREEMENT AND
ADMENDMENT OF LEASE NO. COL-647 WITH CHARLES R. DREW
UNIVERSITY OF MEDICINE AND SCIENCE
CEO/RE – Michael Rodriguez, Chief Program Specialist
 - C) Board Memo:
FINANCING FOR TENANT IMPROVING COSTS FOR ADDITIONAL
SPACE, 9320 TELSTAR AVE., EL MONTE
CEO/RE/DHS – Michael Navarro, Chief Program Specialist

CONTINUED ON PAGE 2

- D) Board Letter:
APPROVAL TO EXERCISE THE FINAL ONE-YEAR OPTION OF
EXISTING SOLE SOURCE AGREEMENT NO. HA-707648 WITH
GARTNER INC., FOR SPECIALIZED INFORMATION TECHNOLOGY
CONSULTING SERVICES
DHS – Kevin Lynch, CIO; Christopher Kinney, Contracts Section
Manager; and Lillian Anjargolian, Deputy County Counsel
- E) Board Letter:
REQUEST APPROVAL OF AN APPROPRIATION ADJUSTMENT TO
ACQUIRE AND IMPLEMENT AN ENTERPRISE TALENT
MANAGEMENT SOLUTION FISCAL YEAR 2021-22
DHR – Roozan Zarifian, Departmental Chief Information Officer
- F) Board Letter:
APPROVE CHANGE IN SCOPE AND PRE-DEVELOPMENT
AGREEMENT FOR VERMONT CORRIDOR SITE 2
CEO/CP – Matthew Diaz, CEO Manager and
Katrin Aslanian-Vartan, Principal Analyst

3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

4. **Public Comment**
(2 minutes each speaker)
5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

- A) CEO/RE/PROBATION – FIVE-YEAR LEASE PROBATION
DEPARTMENT 5811 SOUTH SAN PEDRO ST., LOS ANGELES
- B) CEO/RE/DPSS – SEVEN-YEAR LEASE AMENDMENT DEPARTMENT
OF PUBLIC SOCIAL SERVICES 360 EAST MISSION BLVD., POMONA
- C) DHS – AMEND SOLE SOURCE AGREEMENT WITH CERNER
- D) RR/CC – REQUEST APPROVAL OF CONTRACT # 22-002 WITH THE
CANTON GROUP FOR ELECTION MANAGEMENT SYSTEM
IMPLEMENTATION AND SERVICES
- E) TTC – ISSUANCE AND SALE OF 2022-23 TAX AND REVENUE
ANTICIPATION NOTES (TRANS)

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	4/20/2022	
BOARD MEETING DATE	5/17/2022	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input checked="" type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	CEO	
SUBJECT	Grant of Easement from County to Bellflower Somerset Mutual Water Company	
PROGRAM	N/A	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	X Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes X No If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	Easement needs to be completed in the month of May as per CEO's response to Water Company's letter.	
COST & FUNDING	Total cost: \$0	Funding source: N/A
	TERMS (if applicable):	
	Explanation:	
PURPOSE OF REQUEST	1. Find that the grant of easement for water pipeline purposes will not interfere with the use of the property by the Department of Health Services, Los Angeles County Superior Court, and LA County Library, and the easement is no longer necessary for any County purposes. 2. Approve the grant of easement from the County to water company for water pipeline purposes at 10025 Flower Street, in the City of Bellflower and authorize CEO to execute the easement and any additional documents.	
BACKGROUND (include internal/external issues that may exist including any related motions)	Water line that feeds the Bellflower courthouse was put in without an easement. Subsequently, a parking structure was constructed over the water line. Bellflower Somerset Water Company has agreed to relocate the water line at its own cost and County will grant an easement for the new location. New location will ensure continued water service to the courthouse.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes X No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes X No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Michael Rodriguez, Chief Program Specialist (213) 974-4246 mgrodriguez@ceo.lacounty.gov	



County of Los Angeles **CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Chief Executive Officer

May 17, 2022

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**GRANT OF EASEMENT
FROM COUNTY OF LOS ANGELES
TO BELLFLOWER-SOMERSET MUTUAL WATER COMPANY
CITY OF BELLFLOWER
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

The recommended actions will grant an easement to maintain and operate a water pipeline and appurtenances from the County of Los Angeles to the Bellflower-Somerset Mutual Water Company (BSMWC) over a portion of land at 10025 Flower Street located in the City of Bellflower.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed grant of easement is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with State CEQA Guidelines Section 15302, Replacement or Reconstruction, Class 2(c), and the County of Los Angeles Environmental Procedures and Guidelines Appendix G, Class 2(e), adopted by the Board on November 17, 1987.
2. Find that the proposed grant of easement for water pipeline purposes will not interfere with the use of the property by the Department of Health Services, Los Angeles County Superior Court, and LA County Library, and the easement area is no longer necessary for any County purposes.

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

3. Approve the proposed grant of easement from the County to BSMWC, for water pipeline purposes in a portion of Assessor Identification Number 7109-012-911, located at 10025 Flower Street, in the City of Bellflower, and described in the attached legal description for no cost and instruct the Chief Executive Officer, or her designee, to sign the easement and authorize delivery to BSMWC.
4. Authorize the Chief Executive Officer, or her designee, to negotiate and execute any additional documentation, approved as to form by County Counsel, necessary to consummate this transaction.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to obtain the Board's approval to grant an easement to BSMWC to maintain and operate a water pipeline and appurtenances for water pipeline purposes in, on, over, under, and across a portion of County Property located at 10025 Flower Street in the City of Bellflower.

BSMWC's existing waterline, which serves the courthouse, was originally installed without an easement on County property and subsequently, the County built a parking structure over their waterline. In 2018, the waterline began leaking under the existing parking structure and was repaired by BSMWC. BSMWC had concerns that the line may leak again and to prevent costly repairs, BSMWC is requesting to realign the waterline at their expense. Without the new easement, BSMWC will turn off the existing water line and abandon in place and require the courthouse to use their other existing lines, which will result in reduced fire flow pressure for all the other BSMWC customers, including the courthouse. Los Angeles Superior Court, LA County Library, and the Department of Health Services have approved the new location of the waterline with the condition that water service to their respective buildings is not interrupted. Granting the easement will ensure continuous water service to the County buildings and allow BSMWC to better service any future leaks.

Approval of the recommended actions will find that the project is exempt from CEQA and allow the Chief Executive Officer to grant the easement.

Implementation of Strategic Plan Goals

The proposed grant of easement supports Countywide Strategic Plan Goal III.3.2 which calls for the maximized use of County assets, guiding strategic investments, supporting economic development in ways that are fiscally responsible and align with the County's highest priority needs. This transaction allows for BSMWC, at their expense, to operate and maintain the pipeline for the continuation of water services to the County facility thereby improving the quality of life for County residents and employees in a manner that is fiscally responsible.

The proposed grant of easement is also consistent with Strategic Asset Management Goal of Strengthening the Connection Between Service Priorities and Asset Decisions and Key Objective No.1 Maintaining Asset Inventory.

The proposed grant of easement supports the above goals and objective by ensuring quick repair and maintenance access to an essential water line that feeds the courthouse and other County departments in the building so that there is no disruption to water service.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund. The easement is being granted to BSMWC at no cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed grant of the easement is authorized by Government Code Section 25365.6 which provides the following: "The board of supervisors of a county of over 4,000,000 population, without complying with any other provision of law, may transfer with or without consideration and upon such terms and conditions as it determines, any easement, license or other interest in real property belonging to the county and not needed for county purposes to any water agency for such purposes as are consistent with the powers and duties of such districts or agencies. Any such donation or transfer may be by way of grant, quitclaim, dedication, lease or license. Any such donation or transfer for less than the full market value of the interest conveyed is hereby declared to be for a public purpose."

The easement for this conveyance will be reviewed and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The granting of the proposed easement has been reviewed and determined to be categorically exempt under CEQA in accordance with State CEQA Guidelines section 15302, Replacement or Reconstruction, Class 2(c), and the County of Los Angeles Environmental Procedures and Guidelines Appendix G, Class 2(e), adopted by the Board on November 17, 1987. Additionally, the proposed actions will comply with all applicable regulations, are not in a sensitive environment, and do not involve any cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or other limiting factors that would make the exemptions inapplicable, based on the project records.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the County Clerk in accordance with section 21152 of the California Public Resources Code.

The Honorable Board of Supervisors

May 17, 2022

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will not have any impact on current services or projects.

CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted stamped copy of this Board letter to the CEO, Real Estate Division at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:JTC:DL
JLC:MR:MT:gw

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	4/20/2022	
BOARD MEETING DATE	5/17/2022	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input checked="" type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	CEO	
SUBJECT	Extension of Exclusive Negotiations Agreement and Lease with Charles R. Drew University	
PROGRAM	N/A	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	Amendments must be fully executed before they expire on June 30, 2022	
COST & FUNDING	Total cost: \$ 0	Funding source: N/A
	TERMS (if applicable):	
	Explanation:	
PURPOSE OF REQUEST	Authorize CEO to negotiate and execute amendments to a lease and exclusive negotiating agreement to extend their terms to December 31, 2022.	
BACKGROUND (include internal/external issues that may exist including any related motions)	On November 21, 2017, the Board directed the Chief Executive Officer to enter into negotiations with CDU to explore the potential development of County-owned parcels located adjacent to the CDU campus that would create a closer interaction and connection between the parties' respective properties. In furtherance of this Board directive, on December 11, 2018, the Board approved an ENA with CDU which was subsequently extended another 12 months. Thus far, the ENA has resulted in two leases and negotiations of a third lease for a CDU Health Provisions Education Building. More time is needed for CDU to obtain CEQA clearance. An existing lease with CDU at the area of the proposed building site must also be extended to allow CDU use until the new lease is executed.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Michael Rodriguez, Chief Program Specialist, (213)974-4246, mgrodriguez@ceo.lacounty.gov	



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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FESIA A. DAVENPORT
Chief Executive Officer

May 17, 2022

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**EXTENSION OF THE EXCLUSIVE NEGOTIATION AGREEMENT
AND AMENDMENT OF LEASE NO. COL-647 WITH
CHARLES R. DREW UNIVERSITY OF MEDICINE AND SCIENCE
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

The recommended actions will approve the extension of an exclusive negotiation agreement (ENA) and an amendment to Lease No. COL-647 (Lease) between the County of Los Angeles and Charles R. Drew University of Medicine and Science (CDU).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed extension of the ENA and Lease is not subject to the California Environmental Quality Act (CEQA) for the reasons set forth below.
2. Authorize the Chief Executive Officer, or her designee, to negotiate and execute, approved as to form by County Counsel, an amendment to the ENA with CDU to extend the ENA until December 31, 2022.
3. Authorize the Chief Executive Officer, or her designee, to negotiate and execute, approved as to form by County Counsel, an amendment to the Lease with CDU to extend the term to December 31, 2022.

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions are to obtain the Board's approval to extend the ENA and the amendment to the Lease with CDU.

On November 21, 2017, the Board directed the Chief Executive Officer to enter into negotiations with CDU to explore the potential development of County-owned parcels located adjacent to the CDU campus that would create a closer interaction and connection between the parties' respective properties. In furtherance of this Board directive, on December 11, 2018, the Board approved an ENA with CDU, which was subsequently extended for another 12 months.

Thus far, negotiations have resulted in a lease for a Grand Entrance to the CDU campus executed on July 3, 2018, and a ground lease executed on April 15, 2019, for the construction of an up-to 10,000 square foot modular building to house CDU offices and clinical space, and a health clinic operated by APLA Health & Wellness. The ENA was extended 18 months via a November 20, 2020, Board motion and will expire on June 30, 2022. The Chief Executive Office (CEO) and CDU mutually agree that another six months will be needed to allow CDU to complete the appropriate CEQA clearances needed for a proposed CDU Health Professions Education Building (HPEB) immediately adjacent to the modular building on County property generally located at 1743 120th Street across from the Martin Luther King Jr. Medical Campus in the Willowbrook community of South Los Angeles adjacent to the CDU campus. CEQA clearance is needed before the County can enter into a long-term ground lease for development, construction and operation of the HPEB.

CDU is currently leasing from the County the parcel of land proposed for the HPEB, pursuant to the Lease dated September 2, 2009. Said Lease was modified from a month-to-month term to a fixed 18-month term to co-terminate with the ENA extension. Both CDU and the CEO desire to amend the Lease to modify the 18-month term to a fixed 6-month term to co-terminate with the extension period of the ENA.

Implementation of Strategic Plan Goals

The Board's approval of the above recommendations supports Countywide Strategic Plan Goal III.3.2, which calls for the maximized use of County assets, guiding strategic investments, supporting economic development in ways that are fiscally responsible and align with the County's highest priority needs.

The proposed ENA and Lease extensions are also consistent with the Strategic Asset Management Goal of Strengthening Connection between Service Priorities and Asset Decisions and Key Objective No. 5 Funding Highest Priority Needs.

The extensions support the above goals and objective by allowing CDU to complete negotiations for a proposed ground lease for the future HPEB, which will benefit the CDU campus, the Martin Luther King Jr. Medical Campus, the surrounding Willowbrook community, and residents throughout the County.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund from the extensions to the ENA and Lease.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The amendments to the ENA and Lease have been reviewed and approved as to form by County Counsel, and a copy of each is attached hereto as Enclosure 1.

ENVIRONMENTAL DOCUMENTATION

The extension of the ENA is not subject to CEQA because the proposed action is excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378(b) of the State CEQA Guidelines. In addition, the extension of the Lease is exempt from CEQA as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed actions to amend the above-referenced ENA and Lease to extend their terms will not result in direct or indirect physical changes to the environment.

In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled, pursuant to Government Code section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will not have any impact on current services or projects.

The Honorable Board of Supervisors

May 17, 2022

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CONCLUSION

It is requested that the Executive Office of the Board of Supervisors, return one certified copy of the Minute Order and an adopted stamped copy of this Board letter to the CEO, Real Estate Division at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:JTC
JLC:MR:MT:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

AMENDMENT NO. 3 TO COUNTY LEASE NO. COL-647

This Amendment No. 3 to Lease No. COL-647 ("Amendment No. 3") is made and entered into this ____ day of _____, 2022 ("Effective Date"), by and between the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "County" or "Landlord," and the CHARLES R. DREW UNIVERSITY OF MEDICINE AND SCIENCE, a non-profit educational institution, hereinafter referred to as "Tenant."

RECITALS:

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement No. COL-647 dated September 2, 2009 ("Original Lease"), for certain modular structures containing a total of approximately 9,681 square feet of space, located on approximately 20,440 square feet of County land, and, on a non-exclusive basis, the adjacent County parking lot containing approximately 206 parking spaces ("Original Lease Premises").

WHEREAS, Landlord and Tenant amended the Original Lease on April 15, 2019 through an Amendment to Lease Agreement ("Amendment No. 1"), to remove the Ground Lease Premises (as defined in Amendment No. 1) from, and add the Additional Lease Premises (as defined in Amendment No. 1) to, the Original Lease Premises.

WHEREAS, Landlord and Tenant amended the Original Lease on December 3, 2020, through an Amendment to Lease Agreement ("Amendment No. 2"), to extend the Ground Lease to June 30, 2022. The Original Lease, Amendment No. 1, and Amendment No. 2 shall collectively be referred to herein as the "Lease."

WHEREAS, Landlord and Tenant now wish to amend the Lease to provide for an additional extension of the Term, all upon and subject to each of the terms, conditions, and provisions set forth herein.

WHEREAS, all capitalized terms that are used in this Amendment No. 3 that are not defined herein, shall have the meanings given to them in the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree and amend the Lease as follows:

AGREEMENTS

1. Extension of the Term. The Lease is hereby amended to extend the Term of the Lease for a period commencing upon the Effective Date of this Amendment No. 3 (the "Extension Commencement Date") and terminating on December 31, 2022 ("Lease Expiration Date"). The period of time commencing on the Extension Commencement Date and terminating on the Lease Expiration Date shall be referred to herein as the "Extension Term."

2. COVID-19 Vaccinations of County Contractor Personnel. The Lease is hereby amended to insert as a new Section 22.7 the following paragraph:

"22.7 Covid-19 vaccinations of county contractor personnel:

- a. At Tenant's sole cost, Tenant shall comply with Chapter 2.212 (COVID-19 Vaccinations of County Contactor Personnel) of County Code Title 2 - Administration, Division 4. All employees of Tenant and persons working on its behalf, including but not limited to, Subcontractors of any tier (collectively, "Tenant Personnel"), must be fully vaccinated against the novel coronavirus 2019 ("COVID-19") prior to (1) interacting in person with County employees, interns, volunteers, and commissioners ("County workforce members"), (2) working on County owned or controlled property while performing services under this Lease, and/or (3) coming into contact with the public while performing services under this Lease (collectively, "In-Person Services").
- b. Tenant's Personnel are considered "fully vaccinated" against COVID-19 two (2) weeks or more after they have received (1) the second dose in a 2-dose COVID-19 vaccine series (e.g. Pfizer-BioNTech or Moderna), (2) a single-dose COVID-19 vaccine (e.g. Johnson and Johnson [J&J]/Janssen), or (3) the final dose of any COVID-19 vaccine authorized by the World Health Organization ("WHO").
- c. Prior to assigning Tenant Personnel to perform In-Person Services, Tenant shall obtain proof that such Tenant Personnel have been fully vaccinated by confirming Tenant Personnel is vaccinated through any of the following documentation: (1) official COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services, CDC or WHO Yellow Card), which includes the name of the person vaccinated, type of vaccine provided, and date of the last dose administered ("Vaccination Record Card"); (2) copy (including a photographic copy) of a Vaccination Record Card; (3) Documentation of vaccination from a licensed medical provider; (4) a digital record that includes a quick response ("QR") code that when scanned by a SMART HealthCard reader displays to the reader client name, date of birth, vaccine dates, and vaccine type, and the QR code confirms the vaccine record as an official record of the State of California; or (5) documentation of vaccination from Tenant who follow the CDPH vaccination records guidelines and standards. Tenant shall also provide written notice to County before the start of work under this Lease that its Tenant Personnel are in compliance with the requirements of this section. Tenant shall retain such proof of vaccination for the document retention period set forth in this Lease, and must provide such records to the County for audit purposes, when required by County.
- d. Tenant shall evaluate any medical or sincerely held religious exemption request of its Tenant Personnel, as required by law. If Tenant has determined that Tenant Personnel is exempt pursuant to a medical or sincerely held religious reason, the Tenant must also maintain records of the Tenant Personnel's testing results. The Tenant must provide such records to the County for audit purposes, when required by County. The unvaccinated exempt Tenant Personnel must meet the following requirements prior to (1) interacting in person with County workforce members, (2) working on County owned or controlled property while performing services under this Lease, and/or (3) coming into contact with the public while performing services under this Lease:
 - i. Test for COVID-19 with either a polymerase chain reaction (PCR) or antigen test has an Emergency Use Authorization (EUA) by the FDA or is operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services. Testing must occur at least weekly, or more frequently as required by County or other applicable law, regulation or order.

- ii. Wear a mask that is consistent with CDC recommendations at all times while on County controlled or owned property, and while engaging with members of the public and County workforce members.
- iii. Engage in proper physical distancing, as determined by the applicable County department that the Lease is with.
- e. In addition to complying with the requirements of this section, Tenant shall also comply with all other applicable local, departmental, State, and federal laws, regulations and requirements for COVID-19.

3. Ratification and Confirmation of Lease. Except as modified by this Amendment No. 3, the Lease and all of the covenants, agreements, terms and conditions thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed. The covenants, agreements, terms and conditions contained in this Amendment No. 3 shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

4. Entire Agreement. The Lease, as amended by this Amendment No. 3, contains the entire agreement of the parties hereto with respect to the subject matter hereof. No representations, inducements, or agreements, oral or otherwise, between the parties not contained in the Lease, as amended by this Amendment No. 3, shall be of any force or effect. The Lease, as amended by this Amendment No. 3, may not be modified, changed or terminated, in whole or in part, in any manner other than by an agreement in writing signed by duly authorized representatives of the parties hereto. Effective as of the date hereof, all references to the "Lease" shall mean and refer to the Lease as amended by this Amendment No. 3.

5. Counterparts; Electronic Signatures. This Amendment No. 3 or any other document necessary for the consummation of the transaction contemplated by this Amendment No. 3 may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. This Amendment No. 3 and any other document necessary for the consummation of the transaction contemplated by this Amendment No. 3 may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment No. 3 and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment No. 3 had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment No. 3 is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment

No. 3 based on the foregoing forms of signature. If this Amendment No. 3 has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 or caused it to be duly executed, and this Amendment No. 3 has been executed on behalf of the County by the Chief Executive Officer of the Chief Executive Office of the County, or her designee, on the day, month, and year first above written.

LANDLORD:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer


ATTEST:

DEAN C. LOGAN
Registrar Recorder/County Clerk

By: _____
Deputy

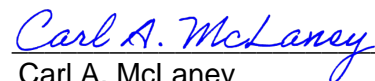
APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel

By:  _____
Deputy

TENANT:

**CHARLES R. DREW UNIVERSITY OF
MEDICINE AND SCIENCE,**
a non-profit educational institution

By:  _____
Carl A. McLaney
Vice President of Administration and
Infrastructure

BOARD LETTER/MEMO CLUSTER FACT SHEET

☐ Board Letter

☒ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	4/20/2022		
BOARD MEETING DATE	N/A		
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th		
DEPARTMENT(S)	Health Services		
SUBJECT	Financing Tenant Improvement (TI) Costs for Additional Space 9320 Telstar, El Monte		
PROGRAM	Personal Protective Equipment stockpile warehouse		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If Yes, please explain why:		
DEADLINES/ TIME CONSTRAINTS	TI construction process in progress		
COST & FUNDING	Total cost: \$700,000 To cover additional TI costs		Funding source: Landlord
	TERMS (if applicable): Landlord will provide additional TI dollars without County reimbursement. However, the LL wants the County to amortize the original TI amount rather than pay off in one lump sum.		
	Explanation: after analyzing the two scenarios, the County will save \$152,248 with the Landlord's proposal.		
PURPOSE OF REQUEST **NOTIFICATION ONLY**	The Landlord offered to offset the increase in construction costs by agreeing to terms as described on the attached Board memo.		
BACKGROUND (include internal/external issues that may exist including any related motions)	<p>TI Allowance – Landlord - Landlord agrees to contribute an additional \$700,000 towards the Base TI Allowance for the Additional Space for a revised Landlord contribution of \$772,651 at no additional cost to the County; in return, the County will agree to only finance its TI contribution with the Landlord, pursuant to the terms previously approved by the Board.</p> <p>TI Contribution - County\$2,700,000 financed by the Landlord and amortized over eight years at 7 percent interest shall not exceed \$3,514,128.87 pursuant to the terms of the Board Letter adopted 01/26/2021. The memo informs the Board of our intent to proceed on this basis as it saves the County \$152,248.00 in comparison to financing the TI costs with the County's Commercial Paper program.</p>		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Michael Navarro (213) 974-4364 mnavarro@ceo.lacounty.gov		



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

April 20, 2022

To: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer

FINANCING FOR TENANT IMPROVEMENT COSTS FOR ADDITIONAL SPACE 9320 TELSTAR AVENUE, EL MONTE – DEPARTMENT OF HEALTH SERVICES

On April 8, 2021, my office notified the Board that on March 23, 2021, the Chief Executive Office exercised the Right of First Offer to Lease Additional Premises as granted under the lease for space at 9320 Telstar Avenue, El Monte.

The space provides the Department of Health Services (DHS) with 72,651 square feet of space, comprised of approximately 4,832 square feet of office space, 2,466 square feet of storage space, 65,353 square feet of warehouse space, and 30 on-site parking spaces (Additional Premises). The Additional Premises will be occupied and used by DHS as the Personal Protective Equipment stockpile warehouse supporting the County medical facilities in any natural or manmade disaster that could result in a surge of emergency medical services at the County medical facilities.

During the planning process of the tenant improvements, supply shortages and inflation caused the price of steel to increase significantly. At certain points in 2021, steel prices had risen over 200 percent compared to the prices in 2020 that were used to project the budgetary figures for racking. As a result, the steel racking needed to meet the storage capacity requirements, which is a sizable portion of the tenant improvement budget, was heavily impacted by the many price increases in material costs that occurred in 2021.

Each Supervisor
April 20, 2022
Page 2

Additionally, price increases in construction materials and labor, and the additional costs associated with the permitting agency requirement of emergency power to meet the fire-life safety codes for a warehouse full of flammable materials and high fire-risk polypropylene-based PPE (Group A Plastics) in large quantities within the same facility, have collectively made impacts on the budget projections for the construction of the tenant improvements.

The Landlord offered to offset the increase in construction costs by agreeing to the following terms:

- Landlord agrees to contribute an additional \$700,000 towards the Base TI Allowance for the Additional Space at no additional cost to the County; in return, the County will agree to only finance its TI contribution with the Landlord, pursuant to the terms previously approved by the Board.
- Pursuant to the terms of the adopted Board letter, the total cost of the County's TI contribution of \$2,700,000 financed by the Landlord and amortized over eight years at 7 percent interest shall not exceed \$3,514,128.87.

Landlord financing of the County's TI contribution, along with the Landlord's additional contribution to the Base Allowance, provides a cost savings of approximately \$152,248.00 to the County in comparison to financing the TI costs with the County's Commercial Paper program (Attachment).

Should you have any questions concerning this matter, please contact me or Joyce Chang at (213) 974-3078 or jchang@ceo.lacounty.gov.

FAD:JMN:JTC
JLC:MN:MAC:gw

Attachment

c: Executive Office, Board of Supervisor
County Counsel
Health Services

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	4/20/2022	
BOARD MEETING DATE	5/3/2022	
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Department of Health Services (DHS)	
SUBJECT	Approval of delegated authority to the Director of DHS, or designee, to amend sole source Agreement No. HA-707648 with Gartner, Inc. for specialized information technology consulting services.	
PROGRAM		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: It is more cost-effective to obtain services by exercising an option under an existing contract with Gartner on a sole source basis. Also, Gartner is the only firm currently situated with the expertise required to provide ongoing IT consulting services for current and upcoming projects. Gartner's knowledge and expertise in approaching large-scale projects under the current agreement have been invaluable to the County and their continued engagement will help ensure DHS successfully concludes the current projects and is able to take on other projects, often simultaneously. Further, it is not feasible to conduct a solicitation to obtain additional consulting services as another firm would not bring the same depth of experience and would delay implementation of current and upcoming projects.	
DEADLINES/ TIME CONSTRAINTS	The current Agreement expires on May 31, 2022.	
COST & FUNDING	Total cost: There is no increase to the Maximum Agreement Sum of \$7,103,137. Funding source: Funding is included in the DHS Fiscal Year 2021-22 Final Budget and will be requested in future years' budget as necessary.	
	TERMS (if applicable): June 1, 2018 through May 31, 2020, with three one-year optional extension periods, through 5/31/2023	
	Explanation:	
PURPOSE OF REQUEST	Approval of delegated authority to amend the Agreement will allow DHS to exercise the final one-year extension in order to provide DHS with the ability to utilize certain specialized IT consulting services as needed.	
BACKGROUND (include internal/external issues that may exist including any related motions)	Gartner has provided DHS with subject matter expertise in several critical areas, such as the electronic health record system implementation, data and analytics, cybersecurity, enterprise program and project management oversight, risk assessment, quality assurance, and technology solution sourcing and procurement over the term of the Agreement. Also, DHS intends to use Gartner to provide highly specialized support for the potential redesign of the DHS patient encounter capture process, which is the means for tracking a health care contact between the patient and the provider in the electronic health record system. Further, DHS will evaluate its need for additional projects similar to those undertaken during the electronic health record system implementation, including baseline and ongoing project risk assessment and reporting, ongoing quality control and quality assurance services to monitor compliance with projects and corresponding agreements, project monitoring and tracking, program management support, and strategic assessments. During the current term of the Agreement, DHS engaged Gartner to provide advice related to data analytics and data management in order to determine the most efficient and productive use of its extensive data repositories. Lastly, there are currently no resources in the County that have the knowledge, skills, and abilities to perform these specialty IT consulting services on simultaneous critical projects.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Kevin Lynch, CIO, (213) 288-8128, KLynch@dhs.lacounty.gov Christopher Kinney, Contracts Section Manager, (213) 288-8862, CKinney@dhs.lacounty.gov Lillian Anjargolian, Deputy County Counsel, (213) 288-8124, LANjargolian@counsel.lacounty.gov	

May 3, 2022

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL TO EXERCISE THE FINAL ONE-YEAR OPTION OF EXISTING
SOLE SOURCE AGREEMENT NO. HA-707648 WITH GARTNER, INC. FOR
SPECIALIZED INFORMATION TECHNOLOGY CONSULTING SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

Approval of delegated authority to the Director of the Department of Health Services (DHS), or designee, to amend sole source Agreement No. HA-707648 with Gartner, Inc. for specialized information technology consulting services.

DHS RECOMMENDS:

Delegate authority to the Director or designee, to amend sole source Agreement No. HA-707648 ("Agreement") with Gartner, Inc. ("Gartner") for specialized information technology (IT) consulting services, to exercise the third of three one-year extensions for the period of June 1, 2022 through May 31, 2023 with no increase to the current Maximum Agreement Sum of \$7,103,137 (which includes previously approved roll-over funds in the amount of \$1,147,137), subject to prior review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommendation will provide DHS with the authority to amend the Agreement to exercise the third one-year extension to the Agreement to provide DHS with the ability to utilize certain specialized IT consulting services as needed.

On May 8, 2018, the Board of Supervisors (Board) approved the Agreement for a term of June 1, 2018 through May 31, 2020, with three one-year optional extensions. The Board requested that DHS return for authority to exercise each extension. DHS returned to the Board in May 2020 and May 2021 for the authority to exercise each one-year extension.

Over the term of this Agreement, Gartner has provided DHS with subject matter expertise in several critical areas, such as the electronic health record system implementation, data and analytics, cybersecurity, enterprise program and project management oversight, risk assessment, quality assurance, and technology solution sourcing and procurement. During this extension, DHS intends to use Gartner to provide highly specialized support for the potential redesign of the DHS patient encounter capture process, which is the means for tracking a health care contact between the patient and the provider in the electronic health record system. In addition, DHS will evaluate its need for additional projects similar to those undertaken during the electronic health record system implementation, including baseline and ongoing project risk assessment and reporting, ongoing quality control and quality assurance services to monitor compliance with projects and corresponding agreements, project monitoring and tracking, program management support, and strategic assessments. During the current term of the Agreement, DHS engaged Gartner to provide advice related to data analytics and data management in order to determine the most efficient and productive use of its extensive data repositories. There are currently no resources in the County that have the knowledge, skills, and abilities to perform these specialty IT consulting services on simultaneous critical projects. Finally, DHS anticipates that this will be the final extension of the Agreement. Any future need for specialty IT consulting services will be procured via a suitable solicitation and contracting process (e.g., Professional and Technical Services Master Agreement).

IMPLEMENTAION OF STRATEGIC PLAN GOALS

The recommended actions support Strategy II.2 “Support the Wellness of Our Communities” and III.3 “Pursue Operational Effectiveness, Fiscal Responsibility and Accountability” of the County’s Strategic Plan.

FISCAL IMPACT/FINANCING

Funding is included in the DHS Fiscal Year 2021-22 Final Budget and will be requested in future years’ budget, as necessary. There is no net cost to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Maximum Agreement Sum for the Agreement as approved in 2018 was \$5,956,000, with the option to increase the Maximum Agreement Sum by (i) unexpended funds from the previous agreement with Gartner in the sum of \$550,000 and (ii) ten percent (10%) of the initial Maximum Agreement Sum, in the amount of \$595,600, for a total of \$7,103,137. DHS inadvertently did not include the previously approved and exercised optional sums in its May 2021 letter to the Board. To validate DHS’ administration of the Agreement and the Maximum Agreement Sum, Attachment A (Expenditures) details DHS’ expenditures during both the initial term of the Agreement and each extension term. The amendment is subject to prior review and approval as to form by County Counsel. The Chief Information Officer (CIO) has reviewed the Board Letter and recommends approval. The CIO further determined that a CIO Analysis is not required for the recommended action because there are no additional changes in technology. The Sole Source Checklist (Attachment B) has been approved by the Chief Executive Office.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will enable Gartner to continue providing IT consulting services under the Agreement.

Respectfully submitted,

Reviewed By:

Christina R. Ghaly, M.D.
Director

Peter Loo
Acting Chief Information Officer

CRG:az

Attachments

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

Expenditures - Gartner, Inc. Agreement No. HA-707648

Agreement Period	Deliverable Expectations Document (DED) #'s	Expenditures
June 1, 2018 - May 31, 2020	DED #001 – DED #096	\$5,358,400
June 1, 2020 - May 31, 2021	No DEDs executed	\$0
June 1, 2021 - May 31, 2022	DED #097 – DED #099	\$813,000
Total Expenditures		\$6,171,400

SOLE SOURCE CHECKLIST

Department Name: _____

- ☐ New Sole Source Contract
- ☐ Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.



Chief Executive Office

Date

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	4/20/2022		
BOARD MEETING DATE	5/3/2022		
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th		
DEPARTMENT(S)	Department of Human Resources		
SUBJECT	Enterprise Talent Management System (TMS)		
PROGRAM	N/A		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
DEADLINES/ TIME CONSTRAINTS	None		
COST & FUNDING	Total cost: \$ 2,050,000	Funding source: FY 2021-22 - \$2,050,000 (County's Legacy System Modernization)	
	TERMS (if applicable):		
	Explanation: \$2,050,000 in one-time funding from the County's Legacy System Modernization Fund to implement a SaaS / cloud-based enterprise TMS. This includes \$900,000 for first year software licensing, hosting, maintenance and support, \$1,000,000 for professional services for the project implementation, and \$150,000 reserved for the project contingency. On-going licensing, hosting, maintenance and support will be funded through DHR's operational budget.		
PURPOSE OF REQUEST	Implement a modern and integrated enterprise TMS solution to bridge the gap between learning and development, performance management, career and succession planning. Also, a SaaS cloud-based solution to allow for automatic upgrades, security patches, and access to new functionality.		
BACKGROUND (include internal/external issues that may exist including any related motions)	DHR relies on two disparate systems for performance evaluation. Both systems lack needed functionality, and each have reached end of life. DHR conducts succession planning for only MAPP participants, since the creation, collection and tallying of the information is labor-intensive without the right software.		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Roozan Zarifian, Departmental Chief Information Officer (213) 974-2302, rzarifian@hr.lacounty.gov		



LISA M. GARRETT
DIRECTOR OF PERSONNEL

COUNTY OF LOS ANGELES

DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS

KENNETH HAHN HALL OF ADMINISTRATION
500 W. TEMPLE STREET, ROOM 579 • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 • FAX (213) 621-0387

BRANCH OFFICE

510 S. VERMONT AVENUE, 12TH FLOOR • LOS ANGELES, CALIFORNIA 90020
(213) 866-5846 • FAX (213) 637-0821

May 3, 2022

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST APPROVAL OF AN APPROPRIATION ADJUSTMENT TO ACQUIRE AND
IMPLEMENT AN ENTERPRISE TALENT MANAGEMENT SOLUTION
FISCAL YEAR (FY 2021-22)
(ALL DISTRICTS) (4 VOTES)**

CIO RECOMMENDATION: APPROVED [X]

SUBJECT

The Department of Human Resources (DHR) requests the Board of Supervisors' (Board) approval for an appropriation adjustment to transfer \$2,050,000 from the Committed for IT Enhancements, commonly known as Legacy System Modernization Fund, to DHR to acquire a one-year subscription and professional services to implement an enterprise Talent Management Solution (TMS) with (Cornerstone). The solution will serve all County departments and will be centrally managed by DHR.

IT IS RECOMMENDED THAT YOUR BOARD

1. Approve and authorize the use of \$2,050,000 in one-time funding from the County's Legacy System Modernization Fund to acquire and implement an enterprise TMS.
2. Approve the attached appropriation adjustment to transfer \$2,050,000 from the Committed for IT Enhancements to the Department's services and supplies (S&S) appropriation to fund an enterprise TMS.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County's Legacy System Modernization Fund was established to fund the replacement of legacy systems with modern technology that improves the delivery of services to the public, generates operational improvements to one or more departments or programs, and improves inter-departmental or inter-agency collaboration.

DHR supports a County workforce of approximately 90,000 full-time employees across 37 departments. DHR recognizes a need to transform its mission-critical Performance Management and Succession Planning solutions to retain and develop its current workforce and establish a modern workplace environment to attract, and as importantly, retain new talent.

Currently, DHR relies heavily on disparate technology systems and seeks to modernize/streamline these platforms as part of its comprehensive Information Technology (IT) Roadmap. A mission-critical initiative on the DHR IT Roadmap is the deployment of a unified TMS in order to meet the increasing demand for human capital in a rapidly evolving labor market nationally and locally within the County; and combine learning and development, performance management, career and succession planning to bridge the gap in HR information systems in the County.

The County originally purchased and implemented an enterprise automated performance evaluation system from SumTotal Systems in October 2009, known as Performance Net. The system manages the standard evaluation used for most County employees. For participants in the Management Appraisal and Performance Plan (MAPP), the County uses a custom form-based application hosted in Adobe Experience Manager (AEM). The MAPP system was implemented in July 2014. Both systems lack features and functionality seen in most modern off-the-shelf evaluation systems and each has now reached the end of life.

Similarly, a workforce development solution is vital for addressing the County's aging workforce. DHR projects that 20.4% of MAPP employees (top 1% executives) and 10.4% of remaining County employees will retire within the next 3 years. Challenges in attracting and retaining a millennial workforce, and lack of data necessary for County leaders to assess and effectively respond to workforce gaps exacerbates operational issues and adversely impacts business continuity.

The DHR Workforce and Employee Development team conduct succession planning for approximately 1,200 MAPP participants using Qualtrics. Since the creation, collection, and subsequent tallying of the documents is labor-intensive and time-consuming, the campaigns are limited to only MAPP employees and are done every other year.

In 2017, DHR commissioned Gartner Consulting (Gartner) to assess DHR's Talent Management tools (learning management, performance evaluation, succession planning) and conduct a high-level fit-gap analysis between the County's desired business capabilities and market-available solutions; and recommend a solution strategy for a new

integrated TMS. The Gartner consultants met with executive management from each department and their respective HR and training professionals and gathered department-specific functional requirements. The features requested by departments, including the desire for tightly integrated systems, led Gartner to recommend a cloud based TMS from one of the market leaders.

In June 2020, DHR took the first step in implementing a modern consolidated TMS by launching the market-leading, cloud-based Learning Management System (LMS) by Cornerstone OnDemand for the enterprise, known as Learning Link. DHR now looks to move its Performance Evaluation and Succession Planning to the Cornerstone TMS platform.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support the County's Strategic Plan Goal Number 3, Realize Tomorrow's Government Today. By implementing technological business solutions to enable County departments to meet their core mission, transform how we share information, and protect the privacy of individuals.

Since the current enterprise solution does not provide needed functionality, some departments have their own performance evaluation system. Therefore, it is not possible to monitor or report on compliance metrics for departments at a macro level. DHR will build user adoption strategies to help departments onboard to the new system.

In addition, succession planning is an important part of the talent management process. It is key to strategic planning and the future success of the County. It is critical to expand the program to include a more enterprise approach and plan for the entire workforce from entry-level to executive.

A modern and integrated system will allow the County to transform to a modern workplace environment, combine learning and development, performance management, career and succession planning, and bridge the gap in HR information systems in the County. It will also allow the County to implement best practices inherent in the integrated solution across all departments while accommodating the departments' diverse core business functions.

FISCAL IMPACT/FINANCING

This request is to obtain authorization to utilize \$2,050,000 in one-time funding from the County's Legacy System Modernization Fund to implement a cloud-based enterprise TMS. Approval of the attached appropriation adjustment in the amount of \$2,050,000 will allocate funding from the obligated fund balance Committed for IT Enhancements to the Department's Services and Supplies budget for this purpose.

This includes a \$900,000 Sole Source purchase order for the first year of Cornerstone software licensing, hosting, maintenance and support, \$1,000,000 for competitively solicited professional services for project implementation, and \$150,000 reserved for the project contingency. On-going licensing, hosting, maintenance, and support will be funded through DHR's operational budget.

Moving Performance Evaluation and Succession Planning to the Cornerstone cloud-based TMS platform will save the County approximately \$800,000 annually. These cost savings will reduce inter-fund billings to County departments.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

There are no legal requirements or prohibitions to this recommended action.

The County has received a higher discount than General Service Administration (GSA) Federal Supply Schedule Pricelist from Cornerstone for Performance and Succession Planning licensing. Since the extended discount is only available directly from Cornerstone and not through reseller partners, DHR will work with ISD in utilizing ISD's delegated authority to expand the current Sole Source Master Agreement for licensing and support with Cornerstone to deploy a commercial SaaS (Software as a Service)/cloud- based TMS.

DHR intends to obtain consulting services from a certified Cornerstone service partner through the Enterprise Service Master Agreement (ESMA) Work Order process for implementation services.

The Chief Information Office ("CIO") recommends approval of this request and a formal CIO Analysis is attached.

CONTRACTING PROCESS

These software licenses are a commodity purchase made under the statutory authority of the County Purchasing Agent. The acquisition will be processed by the Purchasing Agent in accordance with the standard County Purchasing policies and procedures for sole sources.

The acquisition of professional services will be solicited through the Board-approved Enterprise Services Master Agreement (ESMA).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The new TMS will provide the following benefits:

- Provide full mobility and flexibility to employees. Prior to the COVID-19 Pandemic, the percentage of employees telecommuting full time was less than 5%. As the

global pandemic compelled more of the workforce began to work remotely, that number increased to 35.3%.

- Enable the County to implement best practices inherent in the integrated solution across all departments.
- Allow the County to conduct Succession Planning for all employees, to understand and address competency gaps at all levels in the organization.
- Enable seamless integration with key County enterprise applications (e.g. e-HR, Learning Link, Active Directory), thereby streamlining the capture of information.
- Allow for data-driven decision-making through automated dashboards and reports.
- Move to a cloud-based solution that will provide the benefit of automatic upgrades and security patches, and immediate access to new functionality.

A robust and functional system will also provide collaboration and sharing of information between County departments.

CONCLUSION

Board approval of the recommended action will enable the County to improve the overall effectiveness and operational efficiency. A modern enterprise TMS will assist the County in meeting the increasing demand for human capital; and bridge the gap between learning and development, performance management, career and succession planning in the County.

Should you have any questions, please contact me or Roozan Zarifian, Departmental Chief Information Officer at (213) 974-2302 or RZarifian@hr.lacounty.gov.

Respectfully submitted,

Reviewed By:

LISA M. GARRETT
Director of Personnel

PETER LOO
Acting Chief Information Officer

LMG:PAM:RZ
km

Attachment

c: Executive Office, Board of Supervisors
Chief Executive Office
Peter Loo



Peter Loo
ACTING CHIEF INFORMATION
OFFICER

DRAFT

Attachment

CIO ANALYSIS

BOARD AGENDA DATE:

5/3/2022

This document provides an analysis and recommendations by the Office of the Chief Information Officer pertaining only to “requests concerning the approval of actions related to the management, design, development, acquisition, expansion, or purchase of **automated systems and/or related services**,” per [Board Policy 6.020, “Chief Information Office Board Letter Approval”](#). This document shall not be construed as endorsement, or a recommendation for approval, of any other items.

SUBJECT:

**REQUEST APPROVAL OF AN APPROPRIATION ADJUSTMENT TO
ACQUIRE AND IMPLEMENT AN ENTERPRISE TALENT
MANAGEMENT SOLUTION FISCAL YEAR (FY) 2021-22**

CONTRACT TYPE:

☒ New Contract ☒ Sole Source ☒ Amendment to Contract #: MA-IS-2140285-4

SUMMARY:

Description: This request from the Department of Human Resources (DHR) is to use \$2,050,000 from the County’s Legacy System Modernization Fund to acquire a one-year subscription and professional services to implement a cloud-based, Software-as-a-Service (SaaS) Enterprise Talent Management Solution (TMS). This project will require an Amendment to the existing ISD sole source contract with Cornerstone OnDemand, Inc. (Cornerstone), which expires in 2025, to include Enterprise TMS licensing, hosting, maintenance and support. The professional services to implement the solution will be competitively solicited through the County’s Enterprise Services Master Agreement (ESMA). The Cornerstone TMS solution will serve all County departments and will be centrally managed by DHR.

The Cornerstone platform, which currently hosts the County’s Learning Management System, will be leveraged to replace Performance Net (implemented in October 2009), Management Appraisal and Performance Plan (MAPP) system (implemented in July 2014) and Succession Planning system (implemented in 2017). These three systems lack the features and functionality of modern talent management systems and no longer support the business needs of the County. A modern and integrated system will allow the County to combine learning and development, performance management, career, and succession planning.

REQUEST APPROVAL OF AN APPROPRIATION ADJUSTMENT TO ACQUIRE AND
IMPLEMENT AN ENTERPRISE TALENT MANAGEMENT SOLUTION
FISCAL YEAR (FY) 2021-22

Contract Amount: \$2,050,000

FINANCIAL ANALYSIS:

Contract costs:

Implementation Services	\$	1,000,000
Licensing, Hosting, Maintenance & Support	\$	900,000
Project Contingency.....	\$	150,000
Contract Costs:	\$	2,050,000

Notes:

THE IMPLEMENTATION SERVICES WILL BE COMPETITIVELY SOLICITED FROM CERTIFIED CORNERSTONE SERVICE PARTNERS THROUGH THE COUNTY'S ENTERPRISE SERVICE MASTER AGREEMENT. THE ONE-YEAR OF LICENSING, HOSTING, MAINTENANCE AND SUPPORT OF THE SOLUTION WILL BE ACQUIRED THROUGH A PURCHASE ORDER UNDER ISD'S EXISTING SOLE SOURCE MASTER AGREEMENT WITH CORNERSTONE. ONGOING LICENSING, HOSTING, MAINTENANCE AND SUPPORT OF THE SOLUTION WILL BE FUNDED THROUGH DHR'S OPERATING BUDGET. DHR ESTIMATES THAT LEVERAGING THE CORNERSTONE PLATFORM TO INCLUDE PERFORMANCE EVALUATION AND SUCCESSION PLANNING WILL SAVE THE COUNTY APPROXIMATELY \$800,000 PER YEAR. THESE SAVINGS WILL ALLOW DHR TO REDUCE BILLINGS TO DEPARTMENTS.

RISKS:

1. As with any large system implementation project, there are risks in the areas of quality, cost and schedule. In this case, the technology component of the project will be based on Software-as-a-Service architecture and web-based technology. DHR has mitigated the quality risks by engaging with Gartner Consulting to assess the department's talent management tools and conduct a high-level fit-gap analysis between the County's requirements and available solutions. The Gartner Consultants met with executive management and HR/training professionals from each department and gathered department specific requirements. This led DHR to adopt the strategy to leverage to existing Cornerstone platform to support the County's talent management needs. The order of implementation will be MAPP Evaluation, Standard Evaluation and Succession Planning. The department also developed a well thought-out implementation services Statement of Work that includes 15 major deliverables and 49 sub-deliverables. Some of the key deliverables include a project schedule, discover/design and requirement refinement workshops, risk assessment, prototype demonstrations, test plans for each module, training plans for each module, report mockups, and data design documents/dictionaries. Because the Cornerstone platform will be extended to support talent management, all of the terms and conditions of the existing ISD Cornerstone Master Agreement will be applicable. The cost risk has been mitigated by developing a cost schedule and not to exceed cost. For the implementation services component of the project, a 20% holdback will be in place for each major deliverable. The schedule risk will be mitigated by following a detailed project plan.
2. Because the existing footprint of the Cornerstone platform, which currently hosts the County's Learning Management System, will be extended to include Performance Management and Succession Planning, it is critical that DHR provide strong vendor management practices to Cornerstone.

REQUEST APPROVAL OF AN APPROPRIATION ADJUSTMENT TO ACQUIRE AND
IMPLEMENT AN ENTERPRISE TALENT MANAGEMENT SOLUTION
FISCAL YEAR (FY) 2021-22

3. The Acting Chief Information Security Officer has reviewed the Contract and did not identify any IT security or privacy related issues. However, it was pointed out to DHR that the existing Cornerstone Master Agreement did not reflect the latest approved privacy and security exhibit. DHR has requested that ISD incorporate the latest privacy and security exhibit as part of this Amendment.

PREPARED BY:

HENRY BALTA, DEPUTY CHIEF INFORMATION OFFICER

DATE

APPROVED:

PETER LOO, ACTING COUNTY CHIEF INFORMATION OFFICER

DATE

PINK

BA FORM 11162021

BOARD OF SUPERVISORS
OFFICIAL COPY

May 03, 2022

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HUMAN RESOURCES

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE

FY 2021-22

4 - VOTES

SOURCES

USES

GENERAL FUND

A01-3052

COMMITTED FOR IT ENHANCEMENTS

DECREASE OBLIGATED FUND BALANCE

2,050,000

HUMAN RESOURCES

A01-HM-2000-11201

SERVICES & SUPPLIES

INCREASE APPROPRIATION

2,050,000

SOURCES TOTAL

\$ 2,050,000

USES TOTAL

\$ 2,050,000

JUSTIFICATION

Reflects the use of obligated fund balance Committed for IT Enhancements to develop and implement the Department of Human Resources' Countywide Talent Management System.



AUTHORIZED SIGNATURE

LISA GARRETT, DIRECTOR OF PERSONNEL

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR---

☐

ACTION

☐

RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO.

DATE

☐

APPROVED AS REQUESTED

☐

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

DATE

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	4/20/2022	
BOARD MEETING DATE	5/17/2022	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input checked="" type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Chief Executive Office	
SUBJECT	Vermont Corridor Site 2 – Approve Change in Scope and Pre-development Agreement	
PROGRAM	Vermont Corridor Site 2 Project	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	No	
COST & FUNDING	Total cost: \$6,591,000	Funding source: Additional Fund Balance approved FY 2021-22 Supplemental Budget
	TERMS (if applicable): N/A	
	Explanation: N/A	
PURPOSE OF REQUEST	Seeking approval for the proposed change in scope of development from mixed-use market-rate housing to a County administrative office building located at 550 South Vermont Avenue and 3175 West 6th Street and authorizing the CEO to begin pre-development activities and oversee the development of the proposed Vermont Corridor Site 2. Also, the Board letter seeks delegated authority for the CEO to negotiate and execute the Pre-Development Agreement, in the amount of \$5.7M, with Los Angeles Community Facilities II, Inc. for Vermont Corridor Site 2.	
BACKGROUND (include internal/external issues that may exist including any related motions)	On August 9, 2016, the Board approved the County to enter into negotiations in the future with TCLA Development, Inc. for the development of the mixed-use, market-rate housing at 550 South Vermont Avenue and 3175 West 6th Street. LACDA was designated to serve as the agent of the County to negotiate with TCLA for the future development of Site 2 and Site 3.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Katrin Aslanian-Vartan, Principal Analyst, (213)974-1461, kaslanian-vartan@ceo.lacounty.gov Matthew Diaz, Manager, (213)974-4260, mdiaz@ceo.lacounty.gov	



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Chief Executive Officer

May 17, 2022

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

**VERMONT CORRIDOR PROJECT
APPROVE CHANGE IN SCOPE AND PRE-DEVELOPMENT AGREEMENT
FOR VERMONT CORRIDOR SITE 2
APPROVE APPROPRIATION ADJUSTMENT
(SECOND DISTRICT) (FISCAL YEAR 2021-22)
(3-VOTES)**

SUBJECT

This Board letter with its accompanying appropriation adjustment seeks approval for the proposed change in scope of development from mixed-use market-rate housing to a County administrative office building located at 550 South Vermont Avenue and 3175 West 6th Street (Vermont Corridor Site 2), and further authorizes the Chief Executive Office to begin pre-development activities and oversee the development of the proposed Vermont Corridor Site 2. Furthermore, this letter seeks delegated authority for the Chief Executive Officer, or her designee, to negotiate and execute the Pre-Development Agreement with Los Angeles Community Facilities II, Inc. for Vermont Corridor Site 2.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the authorization for feasibility and preliminary site testing activities included in the proposed Pre-Development Agreement for the proposed development of the Vermont Corridor Site 2 properties is exempt from the California Environmental Quality Act and find that the remaining recommended actions included in the Pre-Development Agreement do not constitute a project under California Environmental Quality Act Guidelines for the reasons stated in this letter and in the record of the proposed activities.

2. Approve a change in the proposed scope of development from mixed-use market-rate housing to a County administrative office building for the Vermont Corridor Site 2 at 550 South Vermont Avenue and 3175 West 6th Street and designate the Chief Executive Officer, or her designee, to manage and oversee pre-development activities related to the proposed development of the Vermont Corridor Site 2.
3. Approve an appropriation adjustment to transfer \$591,000 from Project and Facility Development budget to Vermont Corridor Site 2 Renovation project, Capital Project No. 87802, to fund County and consultant services.
4. Approve a total pre-development budget of \$6,591,000, and authorize the Chief Executive Officer, or her designee, to negotiate and execute the Pre-Development Agreement, upon approval as to form by County Counsel, in the amount of \$5,700,000 with Los Angeles Community Facilities II, Inc., for pre-development activities related to the County-owned properties at 550 South Vermont Avenue and 3175 West 6th Street in the City of Los Angeles.
5. Authorize the Chief Executive Officer, or her designee, to execute any additional transactional documents approved as to form by County Counsel, and take any other actions consistent with, and/or necessary for, the implementation of the foregoing actions.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this Board letter and associated recommendations will find that the proposed actions, including execution of the Pre-Development Agreement (PDA), are exempt or do not constitute a project under the California Environmental Quality Act (CEQA), approve the proposed change in scope of development for Vermont Corridor Site 2 from mixed-use market-rate housing to an approximately 243,000 square foot County administrative office building by renovating and expanding the County-owned and vacated former Department of Mental Health (DMH) headquarters, located at 550 South Vermont Avenue, and demolishing the former Department of Workforce and Development, Aging and Community Services (WDACS) headquarters, located at 3175 West 6th Street. The recommended actions will further approve an appropriation adjustment to transfer funds from Project and Facility Development budget (PFD) to fund pre-development activities of the County and consultant services, approve a total pre-development budget of \$6,591,000, designate the Chief Executive Office (CEO) to manage the pre-development and oversee the development of the proposed Vermont Corridor Site 2, and authorize the Chief Executive Officer, or her designee, to negotiate and execute the PDA (Enclosure A) with Los Angeles Community Facilities II, Inc. (LACF II).

Background

On August 9, 2016, the Board approved the County to enter into negotiations with LACF for a new, approximately 400,000 square foot DMH headquarters facility, and construction of a new parking structure at 523 Shatto Place (Site 1) and to enter into negotiations in the future with TCLA Development, Inc. (TCLA, aka Trammell Crow Company) for the development of the mixed-use, market-rate housing at 550 South Vermont Avenue and 3175 West 6th Street (Vermont Corridor Site 2), and affordable housing at 433 South Vermont Avenue (Site 3). The Los Angeles County Development

Authority (LACDA) was designated to serve as the agent of the County to negotiate with TCLA for the future development of Vermont Corridor Site 2 and Site 3.

On May 22, 2018, the Board certified the Final Environmental Impact Report (EIR) for all three sites and approved an ordinance authorizing execution of the Ground Lease and Facilities Lease Agreements for Site 1. The Board also authorized LACDA, on behalf of the County, to execute, upon completion of negotiations, the Option to Lease Agreement and Ground Lease and Facilities Agreements for the future adaptive reuse of Vermont Corridor Site 2, the existing 12-story DMH headquarter building, into market rate housing, retail, and parking uses; and approved the Option to Lease Agreement for the future development of senior affordable housing at 433 South Vermont Avenue Site 3. The Board letter also adopted a Resolution authorizing the issuance of tax-exempt and federally taxable bonds by LACF, on behalf of the County, for Site 1.

On October 17, 2018, Meta Housing Corporation broke ground on Site 3, demolishing the existing structure at 433 South Vermont Avenue. After significant delays due to oil well and water level issues, the project has resumed construction and it is scheduled for completion in the fourth quarter of 2022. Once completed, the Site 3 development will provide 72 units of high-quality affordable housing for seniors, with fifty percent of those units being available for the most vulnerable seniors, and 116 underground parking spaces. It will also contain a much-needed community recreation center.

On October 7, 2021, a Certificate of Occupancy was issued for Site 1. The building is currently occupied by DMH headquarters, Department of Human Resources-exam unit, WDACS, Second District area office, and Executive Office's Human Immunodeficiency Virus (HIV) Commission. The Department of Children and Family Services is also coordinating with the CEO for occupancy within the building. With the increase in teleworking, additional County departments and entities are now able to occupy the building beyond what was initially proposed. Relocation of most of the aforementioned County departments and entities has been from leased office space throughout the County, thus reducing County's lease footprint and reallocating lease payments from the terminated leases to pay for the debt service and operations of Site 1. The project was delivered on schedule and substantially under budget, validating the County's delivery approach through the Public Private Partnership (PPP) process.

Proposed Scope Change

The proposed change in scope of development from market-rate housing to a County administrative office building is intended to reduce the County's lease footprint by relocating departments from leased facilities to a County-owned facility and will also revitalize and upgrade a deteriorated County asset in a transit-oriented location, in furtherance of the Board's Strategic Plan Goal III, Realizing Tomorrow's Government Today, Strategy III.3.2. - Manage and Maximize County Assets, and Strategy III.3.6 - Implement a Workplace of the Future.

The proposed renovation of 550 South Vermont Avenue would upgrade the vacated DMH headquarters building to current seismic and building code standards. The scope would include new building façade, mechanical, electrical, plumbing, and fire life safety infrastructure, and interior improvements, as well as retrofitting the structural system and exterior site improvements. The renovation would include extending the floorplate of the existing 165,012 square feet building to add approximately 78,121 square feet of new occupiable space. Parking for the proposed Vermont Corridor Site 2 administrative

office building will be provided by the newly constructed parking structure at 523 Shatto Place and approximately ten new spaces in front of the proposed administrative office building.

The PDA provides for additional review necessary under CEQA, preparation of design development documents, approved basis of design, and negotiation of Ground and Facilities Leases for Vermont Corridor Site 2 development. The CEO will negotiate the PDA, manage the pre-development, and oversee development of the proposed Vermont Corridor Site 2 project, which will aim to eliminate blight and generate substantial economic benefit to the area through the creation of hundreds of construction jobs for local residents, as well as growth and expansion opportunities for local and small businesses.

County Department Relocation

Within a three-mile radius of the Vermont Corridor area, there is approximately 228,600 square feet of County leased office space with termination dates within six months of the projected completion of Vermont Corridor Site 2 development. During the pre-development phase, departments in local leased facilities will be assessed to identify potential tenants for the new administrative office building. Identification of these potential tenants will assist in the design and development of the build to suit building. Furthermore, because of the COVID-19 pandemic, departments have reassessed telework options to more effectively manage and maintain office space and staff presence. The shift of the work environment to a hybrid of in-person and telework for various County departments has reduced the need for office space, allowing more effective use of County-owned space. To date, DMH, Department of Public Health, and the proposed Economic and Workforce Department have expressed interest in occupying space in the building.

Contractual Agreements

It is important to note that the proposed PDA will not obligate the County to contract with LACF II, a special purpose entity for this proposed project, to renovate or demolish the proposed County facilities on Vermont Corridor Site 2. At the completion of the PDA services, the negotiated development contract, and ground and facilities leases will be brought to the Board for consideration.

FISCAL IMPACT/FINANCING

The total pre-development budget for Vermont Corridor Site 2 is \$6,591,000.

The pre-development activities will be funded with \$6,000,000 previously appropriated in the Vermont Corridor Site 2 Renovation project, Capital Project No. 87802, in the Fiscal Year 2021-22 Supplemental budget. The attached appropriation adjustment will transfer \$591,000 from PFD to the Vermont Corridor Site 2 Renovation project, Capital Project No. 87802, to fund County and consultant services. On August 9, 2016, the Board approved these funds for LACDA to negotiate with TCLA for the development of Vermont Corridor Site 2.

This Board letter further requests authority for the Chief Executive Officer, or her designee, to negotiate and execute a Pre-Development Agreement with LACF II in the amount of \$5,700,000. Approval of the recommendations will transfer the negotiations and management of the PDA and oversight of the development of Vermont Corridor Site 2 to the CEO.

During the pre-development process, TCLA, under a pre-development agreement with LACF II, will provide to the County a Guaranteed Maximum Price (GMP) of an estimated \$171,000,000 to build the proposed County administrative office building. The CEO anticipates that it will ultimately recommend use of long-term financing to fund the development of Vermont Corridor Site 2. Financing for the proposed project is anticipated to be similar to Site 1, which was through a 63-20 lease/leaseback financing structure, with bonds issued by LACF on behalf of the County. The 63-20 lease/leaseback financing structure allows a nonprofit organization, on behalf of the County, to finance a public facility through issuance of tax-exempt bonds and “lease” the facility back to the County for the duration of the bond repayment, after which the County owns the building at no additional cost. Closing of the bonds and the financing of the proposed project is expected to occur in early 2023. However, the County retains the option to finance the project itself as a capital project and the project budget would be revised accordingly.

The annual debt service obligation will depend on the final project cost and interest rate in effect at the time the financing is completed. At the estimated project cost of \$171,000,000, LACF II projects that debt service obligation would be approximately \$10 million annually, for a repayment term of 30 years. County departments and entities occupying the proposed County administrative building will be relocated from County leased facilities and the lease payments associated with the terminated leases will be reallocated to pay the debt service.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Approval of the enclosed PDA with LACF II would begin the pre-development phase, during which time TCLA, acting as an authorized representative of LACF II under a separate predevelopment agreement (Enclosure B), will work directly with the CEO and County staff and entities to advance the design for the proposed project and establish a GMP for the project. This ensures that the County will receive a high-quality design at a GMP and is protected against change order risk. TCLA will engage consultants to amend the Final EIR for Vermont Corridor Site 2, as necessary. Concurrently, LACF II will work with the CEO and Treasurer and Tax Collector to prepare and negotiate a ground lease, facilities lease, and all necessary financial documents.

The current delivery schedule for the proposed project estimates that the pre-development phase will be completed in December 2022. At that time, the CEO will return to the Board for consideration of the leases, environmental documentation, and recommend issuance of tax-exempt bonds for the project. This financing structure yields the lowest possible cost of capital, which reduces the County’s lease cost and allows the County to own its office building at the expiration of the lease.

Upon the sale of the bonds, the development phase will begin, during which time TCLA will secure all necessary building permits and commence construction. Construction on Vermont Corridor Site 2 is estimated to begin in April 2023, with project completion and move in by July 2025.

The proposed agreements are authorized by Government Code Sections 25351, et seq., and 25536(c), which allow the County to construct, expand, lease, build, rebuild, furnish, refurnish, or repair public buildings as necessary to carry out the work of the County.

ENVIRONMENTAL DOCUMENTATION

On May 22, 2018, the Board certified an EIR for the Vermont Corridor Project. The currently recommended actions include authorization and funding for feasibility and preliminary site testing and investigation activities included in the PDA for the proposed Vermont Corridor Site 2 development. These pre-development activities, which include preparation of project programming and concept design, site due diligence, including but not limited to geotechnical report, phase two environmental (including, but not limited to, soil and groundwater sampling and analysis), site utility study, site title American Land Title Association survey and site construction survey, and schematic design/design development and basis of design deliverables are statutorily exempt under Section 15262 of the State CEQA Guidelines as they consist of feasibility or planning studies for possible future actions which the County has not approved, adopted, or funded, and for which environmental factors have not been considered. Additionally, the proposed feasibility and preliminary site testing activities are categorically exempt from CEQA under Sections 15304(f) and 15306 of the State CEQA Guidelines and Classes 4(k) and 6 of the County's Environmental Document Reporting Procedures and Guidelines since these activities involve minor public alterations to land which do not include removal of healthy, scenic, mature trees as well as basic data collection, research and resource evaluation activities, which do not result in a serious or major disturbance to an environmental resource as part of a study leading to a possible future action which has not yet been approved, adopted, or funded. The proposed activities would not be located in a sensitive environment, and there are no cumulative impacts, unusual circumstances, substantial adverse change in the significance of a historic resource or the limiting factors that would make the exemption inapplicable based on the records of the proposed activities.

The remaining recommended activities included under the PDA do not constitute a project under Section 21065 of the California Public Resources Code and Section 15378(b)(5) of the State CEQA Guidelines because it can be seen with certainty that they will not result in either direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and are administrative activities of government and/or government fiscal or funding activities, which do not involve commitment to any specific project which may result in potentially significant impacts on the environment.

Approval of project scope for environmental analysis does not approve a project under CEQA. Following completion of the pre-development activities and prior to commencing any additional activity that may be considered a project under CEQA, the CEO will return to the Board to recommend consideration of appropriate environmental documentation and findings under CEQA as necessary, for approval of the project, including final scope.

Upon the Board's approval of the recommended actions, the CEO will file a Notice of Exemption with the County Clerk in accordance with Section 21152 of the State CEQA Guidelines and will post the Notice to its website pursuant to Section 21092.2.

CONTRACTING PROCESS

On February 10, 2015, the Board authorized LACDA, on behalf of the County, in consultation with the CEO, to prepare a Request for Proposals (RFP) for the design and construction of a new DMH headquarters facility, and the future development of adjacent County-owned properties in the Vermont Corridor.

On August 18, 2015, the Board authorized the release of the RFP. Based on the proposals received, the highest scoring proposal was submitted by TCLA, a development team partnership led by TCLA that included Public Facilities Group, Meta Housing Corporation, and several architectural and engineering firms. TCLA proposed a PPP model that links private project management and delivery with tax-exempt public financing through a not-for-profit Special Purpose Entity (SPE). LACDA successfully used this model to develop its headquarters building in Alhambra. LACF is the SPE created for the development of Site 1. The sole member of LACF is Public Facilities Group. Under the proposed structure, the County entered into a PDA with LACF, and concurrently, LACF entered into a PDA with TCLA as the developer.

The County will contract with LACF II through a PDA, and LACF II will subsequently contract with TCLA. These two separate agreements, County to LACF II and LACF II to TCLA, allow the County to pass through the development obligation to TCLA while insulating the County from development risk through LACF II. The PDA between LACF II and TCLA is to be entered into simultaneously with the County's PDA with LACF II and is included as an exhibit to the agreement.

Under the terms of the PDA between the County and LACF II, the County reserves the right to terminate for convenience and thereupon replace Public Facilities Group as the sole member of LACF II. This provision assures the County proper protections throughout the lease term, providing the County with an additional layer of protection and oversight throughout the process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed PDA and recommended actions will allow the County to move forward with renovation and demolition of vacant dilapidated County properties, elimination of blight in the Vermont Corridor and the development of administrative office space for County staff and entities. The proposed Vermont Corridor Site 2 development is also expected to generate substantial economic benefit to the area by creating hundreds of construction jobs for local residents, as well as growth and expansion opportunities for local and small business.

The Honorable Board of Supervisors

May 17, 2022

Page 8

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Capital Programs Division.

Respectfully submitted,

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC

VBM:MJD:KAV:ns

Enclosures

c: Executive Office, Board of Supervisors
 County Counsel
 Children and Family Services
 Human Resources
 Los Angeles County Development Authority
 Mental Health
 Public Health
 Workforce Development Aging and Community Services

PRE-DEVELOPMENT AGREEMENT (County/LACF2)

This PRE-DEVELOPMENT AGREEMENT (County/LACF2) (this “**Agreement**”) is effective January __, 2022 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, acting by and through its CHIEF EXECUTIVE OFFICE, a body corporate and politic (“**County**”), and LOS ANGELES COUNTY FACILITIES 2, INC., a California nonprofit public benefit corporation (“**LACF2**”). County and LACF2 are each occasionally referred to herein as a “**Party**” or collectively as the “**Parties**.”

RECITALS

A. The County of Los Angeles (“**County**”) is the fee owner of property located in Los Angeles, California (“**City**”) at (i) 510, 526 and 532 South Vermont Avenue and 523 Shatto Place (collectively, “**Site 1**”), (ii) 550 South Vermont Avenue and 3175 West 6th Street (collectively, “**Site 2**”) and (iii) 433 South Vermont Avenue (“**Site 3**” and together with Site 1 and Site 2 the “**Properties**”). County currently operates facilities on Site 2, but has determined that the current facilities are obsolete, inefficient and contribute to blight in the area of the Properties. County desires to increase the efficiency of its facilities located on Site 2 and reduce blight in the area of Site 2.

B. LACF2 is a California nonprofit public benefit corporation established exclusively for purposes and activities that are permitted under Section 501(c)(3) of the Internal Revenue Code of 1986 (the “**Code**”). In particular, LACF2 has been formed for the purpose of construction, financing, and operation of the Proposed Site 2 Project (defined in Recital F) on behalf of County. Public Facilities Group (“**PFG**”) is a Washington nonprofit corporation, formed for the purpose of serving as a supporting organization, as described in Section 509(a)(3) of the Code to benefit, perform the functions of and/or assist in carrying out the governmental purposes of its supported governmental units, including County. PFG is the sole member of LACF2.

C. TC LA Development, Inc., a Delaware corporation (“**TCLA**”) is a national real estate development firm with experience in the oversight and management of design, permit processing and construction of office buildings. Pursuant to a County solicitation issued on August 18, 2015, TCLA submitted the highest ranked proposal (the “**TCLA Response**”) for the proposed master project at the Properties, to be constructed and operated pursuant to Government Code Sections 25549.1 *et seq.* County has selected TCLA initially to be the developer of the Proposed Site 2 Project.

D. The TCLA Response contemplated the construction of a new office building having up to approximately (i) four hundred twelve thousand (412,000) net usable square feet of Class A office, (ii) ten thousand (10,000) square feet of retail and (iii) one thousand eight hundred eighty-six (1,886) structured parking spaces to serve as the headquarters for County’s Department of Mental Health (“**DMH**”) on Site 1 (the “**Site 1 Project**”). The Site 1 Project was completed on June 15, 2021.

E. Pursuant to the TCLA Response, after construction of the Site 1 Project, TCLA proposed to: (i) adaptively reuse and renovate the existing County building on Site 2 as

approximately one hundred seventy two (172) market-rate rental housing units and up to 4,100 square feet of retail space; (ii) remove the existing 52,000 square foot Department of Workforce Development, Aging and Community Service Building; and (iii) construct a new five (5) story parking garage containing approximately two hundred twenty-five (225) parking spaces and approximately three thousand five hundred (3,500) square feet of retail and an optional 74 residential units. Pursuant to further discussions with County, County requested renovation of the existing 550 S. Vermont office building on Site 2.

F. TCLA and County now desire to revise and restate the project scope for Site 2 to eliminate the foregoing improvements set forth in Recitals E(i) through E(iii) and, instead, to include the following (collectively, the “**Proposed Site 2 Project**”): (i) adaptively reuse and renovate the existing County building on Site 2, which, upon completion, will contain (a) approximately 165,012 gross square feet of existing space renovated to Class A office space, (b) an extension of the existing building floorplates to include an additional approximately 78,121 gross square feet of new Class A office space, for a total of approximately 243,133 gross square feet of Class A Office Space, (c) approximately 20,900 gross square feet of renovated subterranean back-of-house support space, and (d) a site entrance, with vehicle drop off and valet area, providing access to the Site 2 and Shatto Place parking structures, approximately 10 surface parking spots, and landscaping; and (ii) demolish the existing 52,000 square foot Department of Workforce Development, Aging and Community Service Building.

G. The construction of the Site 1 Project was a necessary condition of the Proposed Site 2 Project and is a part of the overall master development of the Properties pursuant to Government Code Sections 25549.1 *et seq.*

H. Pursuant to California Government Code Sections 25351 and 25536(c), County now contemplates ground leasing (the “**Ground Lease**”) Site 2 to LACF2, which would finance, develop, construct, and maintain the Proposed Site 2 Project. The Ground Lease would have a term of approximately thirty-two (32) years. LACF2 would lease (the “**Facilities Lease**”) the Proposed Site 2 Project to County for use by County and its related entities, with not more than ten percent (10%) of the gross rentable square footage being leased to non-County related entities for non-County uses. The Facilities Lease would set forth in specific detail the obligations of County and LACF2 with regard to the financing, development, construction, leasing and maintenance of the Proposed Site 2 Project. When the Bonds (defined in Recital I) are retired, the terms of the Ground Lease and the Facilities Lease would terminate simultaneously and title to the Proposed Site 2 Project would pass to County.

I. Financing for the Proposed Site 2 Project is anticipated (but not required) to be from the proceeds of 63-20 bonds (the “**Bonds**”) issued by LACF2 or from conduit bonds or other bonds as determined by County. The Bonds are tax-exempt bonds issued by a nonprofit organization on behalf of a government entity to finance a public facility. The Bonds are governed by the Internal Revenue Service’s Revenue Ruling 82-26 and Letter Ruling 63-20. The estimated cost (including hard and soft cost but excluding financing and interest costs) of the Proposed Site 2 Project is one hundred seventy-one million dollars (\$171,000,000) and closing of the Bonds to finance the Proposed Site 2 Project is expected to occur by December 31, 2022.

J. LACF2 will engage TCLA to oversee and manage certain construction and development activities for the Proposed Site 2 Project pursuant to a separate development management agreement (“**Development Agreement**”), which would be between LACF2 and TCLA, but would be subject to County’s written approval, at its sole and absolute discretion. The Ground Lease, the Facilities Lease, and the Development Agreement for the Proposed Site 2 Project are collectively referred to herein as the “**Project Agreements**.”

K. The entering into of the Project Agreements is subject to and contingent upon the Los Angeles County Board of Supervisors’ (the “**Board**”) future: (i) approval of appropriate environmental documentation and findings under the California Environmental Quality Act, Public Resources Sections 21000 *et seq.* (“**CEQA**”) as determined necessary, together with the previously certified Environmental Impact Report (the “**EIR**”), prepared by County, as lead agency, for the Proposed Site 2 Project in compliance with CEQA; (ii) approval of the Proposed Site 2 Project; (iii) approval of the terms of the Project Agreements; and (iv) approval of project financing. By entering into this Agreement, the Parties acknowledge that no approval of the Proposed Site 2 Project is provided and the Board reserves the right to change, condition or decline to approve the Proposed Site 2 Project when such Project may be considered in the future.

L. Simultaneously with this Agreement, LACF2 intends to enter into a pre-development agreement with TCLA (“**LACF2/TCLA Agreement**”) in the form attached as Exhibit A, which will, among other things, provide for LACF2 to pay or reimburse TCLA for certain Pre-Development Costs (as defined in Section 4).

M. County desires LACF2 to commence the performance of the LACF2 Services (defined in Section 4) pursuant to this Agreement, and LACF2 is willing to proceed with the performance of the LACF2 Services pursuant to the terms of this Agreement.

AGREEMENT

Now, therefore, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and LACF2 agree as follows:

1. **Good Faith Negotiation of the Project Agreements.** During the Term (as defined in Section 2), County and LACF2 agree to proceed with the negotiation of the Project Agreements, in good faith and with due speed and diligence.

2. **Term.** The term of this Agreement (the “**Term**”) shall commence on the Effective Date and terminate on the earliest of (v) December 31, 2022, (w) ten (10) business days after LACF2 has received written notice from County terminating this Agreement, (x) ten (10) business days after either Party has received written notice from the other Party terminating this Agreement as a result of an uncured default under Section 12, (y) the effective date of the Project Agreements, or (z) the date on which the LACF2/TCLA Agreement expires or is terminated. If the Term is going to terminate pursuant to Clause (v) of this Section 2, the Parties may elect, at each Party’s discretion, to extend the Term for an additional ninety (90) days.

3. **Control and Staffing of LACF2.** Initially, the single member of LACF2 shall be PFG. LACF2 will have no employees, and PFG will staff LACF2. Following closing of the Bonds

to provide the financing for the Proposed Site 2 Project or at any time thereafter, County may, but is not obligated to, replace PFG as the sole member of LACF2 (with itself or any other party selected by County), by providing ten (10) business days written notice to LACF2 and PFG. By doing so, County would assume all of duties and obligations of PFG in its capacity as the sole member of LACF2 and thereby take control of LACF2.

4. **LACF2 Services.** During the Term, LACF2 shall work with TCLA to ensure timely completion of the Pre-Development Services described in the LACF2/TCLA Agreement (the “**Pre-Development Services**”) and LACF2 shall complete such other services as are set forth in this Agreement (collectively, the “**LACF2 Services**”). The LACF2 Services shall include, without limitation: (a) negotiating the proposed Development Agreement with TCLA; (b) negotiating the proposed Facilities Lease and Ground Lease with County; (c) negotiating an owner-architect agreement for design of the Proposed Site 2 Project with Gensler, the anticipated architect for the Proposed Site 2 Project (or another qualified architect approved by County); (d) negotiating a proposed guaranteed-maximum-price (“**GMP**”) construction agreement with Hathaway Dinwiddie Construction Company, the anticipated general contractor for the Proposed Site 2 Project (or another qualified general contractor approved by County); (e) estimating, monitoring, and reporting the Pre-Development Costs under the LACF2/TCLA Agreement (the “**Pre-Development Costs**”); (f) managing the payment of Pre-Development Costs to TCLA (including the review and preliminary approval of all Payment Applications submitted to LACF2 by TCLA pursuant to Sections 8 and 9 of the LACF2/TCLA Agreement); (g) procuring and facilitating the financing of the Proposed Site 2 Project through the issuance of the Bonds as set forth in Section 6; and (h) taking all such actions as may be reasonably required to advance the Proposed Site 2 Project during the Term, provided that no activities that would be considered a Project under CEQA, except for the Pre-Development Services, are authorized. LACF2, in conjunction with TCLA, shall regularly (and upon County’s request) update County with regard to the status of the Proposed Site 2 Project during the Term and shall seek input from County on key actions.

5. **Pre-Development Costs.**

5.1 **Estimate of Pre-Development Costs.** An estimate of the maximum Pre-Development Costs is set forth on Exhibit B attached hereto (the “**Estimated Pre-Development Costs**”). LACF2 shall actively monitor the expenditure and continued expected expenditure of Pre-Development Costs and shall promptly notify County in writing when LACF2 reasonably suspects that any category of expenditure or the aggregate total of the Pre-Development Costs will exceed the amounts set forth in the Estimated Pre-Development Costs.

5.2 **County Approval of Cost Increases.** LACF2 shall promptly seek County’s prior written approval if Pre-Development Costs in each primary category (but amounts within line items and within categories may vary) or in the aggregate are in excess (“**Excess Pre-Development Costs**”) of the estimated cost set forth in the Estimated Pre-Development Costs, as such amounts may be adjusted from time to time in writing by the Parties (each such writing, an “**Agreed Cost Adjustment**”).

5.3 **Exclusions from Pre-Development Costs.** Although other costs may be excluded by County from the Pre-Development Costs, the following costs and expenses are

explicitly excluded without County's express written consent: costs or expenses arising from or related to (a) travel, (b) any Excess Pre-Development Costs for which an Agreed Cost Adjustment has not been made, (c) any cost or expense not described by or contemplated in the Estimated Pre-Development Costs, (d) any cost incurred pursuant to a Key Contract that has not been approved in writing by County pursuant to Section 11.2, (e) TCLA's fees, overhead, labor, or work effort which are all deemed fully compensated by County's payment of the development management fee ("TCLA Fee") of twenty-two thousand seven hundred thirty and 58/100 dollars (\$22,730.58) per month, in arrears, for each calendar month, to a maximum of two hundred seventy two thousand seven hundred sixty-seven dollars (\$272,767), commencing on the Effective Date and continuing until the Term expires or the maximum amount is reached, and (f) LACF2's internal fees, costs, overhead, labor, or work effort which are all deemed fully compensated by County's payment of the LACF2 Fee (defined in Section 8).

5.4 Payment of Pre-Development Costs. Pre-Development Costs shall be paid in accordance with Section 9. If this Agreement is terminated, the Pre-Development Costs for the Proposed Site 2 Project shall be paid by County to TCLA as provided in Section 10.

6. Bond Financing. Subject to financial market conditions and County's requirements for the Proposed Site 2 Project, County may elect to have LACF2 use commercially reasonable efforts to (a) finance construction of the Proposed Site 2 Project (including, hard costs and soft costs, such as the costs of design, permitting, development, and construction) through the issuance of the Bonds in an amount sufficient to pay for all such costs and (b) utilize the services of the anticipated underwriter, Barclay's Capital, (or another qualified underwriter approved by County) for the sale of the Bonds. County, at its sole and absolute discretion, shall determine (u) whether or not the Bonds will be issued, (v) whether financing for the Proposed Site 2 Project will be through the Bonds issued by LACF2 or through conduit or other bonds as determined by County, (w) the total amount, interest rates, and amortization schedule of the Bonds, (x) the Bond documents, (y) the costs related to the Bonds, and (z) all other terms and conditions related to the Bonds.

7. No Commitment to Any Project; Independent Judgment.

7.1 No Commitment to Any Project. The County: has not committed to, authorized or approved the development of the Proposed Site 2 Project or any other proposed improvements on the Properties; retains the absolute sole discretion to modify the Proposed Site 2 Project as may be necessary to comply with CEQA or for any other reason; as Lead Agency, may modify the Proposed Site 2 Project, or decide not to proceed with the Proposed Site 2 Project, as may be necessary to comply with CEQA, or for any other reason as determined in County's sole and absolute discretion; and is not precluded from rejecting the Proposed Site 2 Project, or from weighing the economic, legal, social, technological, or other benefits of the Proposed Site 2 Project against its unavoidable environmental risks when determining whether to approve the Proposed Site 2 Project. Further, (i) other than Pre-Development Services approved by the Board, no activities that would constitute a project under CEQA, including the Proposed Site 2 Project, may be commenced until necessary findings and consideration of the appropriate documentation under CEQA are considered by the Board, as necessary and (ii) feasible mitigation measures and alternatives to the Proposed Site 2 Project, including the "no project" alternative, required in connection with CEQA, may be adopted by the Board, if applicable.

7.2 Independent Judgment. As Lead Agency under CEQA, County will exercise independent judgment and analysis in connection with any required environmental reviews or determinations under CEQA for the Proposed Site 2 Project, shall have final discretion over the scope and content of any document prepared under CEQA and shall have final discretion over the extent of any studies, tests, evaluations, reviews or other technical analyses. Any consultants retained for the purpose of preparing CEQA documentation shall reasonably comply with any directions from County with respect thereto.

8. **LACF2 Fees.**

8.1 LACF2 Pre-Development Fee. Subject to Section 9, County shall pay LACF2 a development management fee (“**LACF2 Fee**”) of ten thousand dollars (\$10,000) per month, in arrears, for each calendar month to occur during the Term, commencing on the Effective Date and continuing until the Term expires or is terminated. Any partial calendar month shall be paid on a pro rata basis. LACF2 shall submit an invoice for the LACF2 Fee to County (the “**LACF2 Invoice**”) at the end of each calendar month during the Term (or within thirty (30) days after the end of the Term) and County shall pay the amount of such invoice within thirty (30) days after receipt.

8.2 Bond Fee. If the Bonds are issued by LACF2 or if, at County’s direction, conduit bonds are issued for the benefit of LACF2, then, at closing, LACF2 shall receive from the proceeds of the Bonds (or conduit bonds issued for the benefit of LACF2) a fee not to exceed one percent (1%) of the principal amount of the Bonds (or conduit bonds issued for the benefit of LACF2) together with reimbursement to LACF2 for its reasonable out-of-pocket costs and expenses (including reasonable attorneys’ fees and costs) related to the issuance of the Bonds (or conduit bonds issued for the benefit of LACF2).

8.3 Asset Management Fee. If and when the Facilities Lease is entered into by the Parties, County will pay monthly to LACF2 an asset management fee as part of its rent obligation, throughout the term of the Facilities Lease. The monthly asset management fee shall be calculated as one-twelfth of an amount equal to one percent (1%) of total annual rent payments under the Facilities Lease.

9. **Payment of Pre-Development Costs.**

9.1 Responsibility of County. Notwithstanding anything to the contrary herein, payment of the Pre-Development Costs is the responsibility of County pursuant to this Agreement.

9.2 Payment Applications. During the Term, payment applications (each a “**Payment Application**”) may be submitted by TCLA to LACF2 for payment of Pre-Development Costs previously incurred during the Term. Once received from TCLA, LACF2 shall review each Payment Application and submit such Payment Applications together with its recommendation for payment to County. Payment Applications may be submitted to County by LACF2 once each calendar month. Each Payment Application shall include such lien releases and other supporting documentation as may be reasonably required by County.

9.3 Payment by County. Unless County disputes some or all of the amounts requested in a Payment Application, payment shall be made by County no later than thirty (30) days following submission of each acceptable Payment Application.

9.4 Dispute. County shall notify LACF2 in writing (“**Notice of Dispute**”) if County disputes (or otherwise requires more information before paying) any Payment Application within thirty (30) days after County’s receipt of such Payment Application. Such Notice of Dispute shall set forth the nature of such dispute in sufficient detail for LACF2 to understand and respond to County’s concerns. County shall promptly pay all undisputed portions of the Payment Application. Upon issuance of a Notice of Dispute, the Parties shall promptly meet and confer to resolve such dispute and LACF2 shall continue to provide the LACF2 Services while the Parties seek resolution.

9.5 Limits. Total payments of Pre-Development Costs shall not exceed the amounts set forth in each primary category (but amounts within line items and within categories may vary) or in the aggregate in the Estimated Pre-Development Costs without an Agreed Cost Adjustment.

10. **Payment of Fees upon Termination of this Agreement.** Upon expiration or termination of this Agreement, County shall pay the final Payment Application pursuant to the terms and conditions of Section 9 and final LACF2 Invoice pursuant to the terms and conditions of Section 8. In addition, if County terminates this Agreement pursuant to Clause (w) of Section 2, County shall reimburse LACF2 for any direct and actual costs, paid to third-party providers (including TCLA), reasonably incurred by LACF2 by reason of such termination.

11. **Ownership of Work Product; Third-Party Contracts.** All of the final work product (excluding drafts or notes) produced or owned by LACF2 shall be the property of County but subject to a license during the Term of this Agreement and during the construction of the Proposed Site 2 Project (if applicable) for the use of such work product by LACF2, TCLA, the Third-Party Providers and their respective employees, contractors and consultants solely in connection with the Proposed Site 2 Project. At County’s written request (which may be made upon expiration or early termination of this Agreement or at any other time), LACF2 shall promptly assign its ownership of the work product produced by TCLA, the Third-Party Providers, as defined in this Section 11, any other consultant, design professional or contractor, or their respective employees, contractors, subcontractors, or agents as part of the Pre-Development Services, including the Project Deliverables.

11.1 **Third-Party Contracts.** LACF2 shall cause TCLA, as its authorized representative, to retain and provide oversight and management of all third-parties providing Pre-Development Services (“**Third-Party Providers**”) pursuant to their respective contracts (“**Third-Party Contracts**”) for the pre-development of the Proposed Site 2 Project. All Third-Party Contracts shall be between LACF2 (acting through TCLA as its authorized representative) and a Third-Party Provider. Although County shall not be a party to any Third-Party Contract, (a) County shall be provided with a copy of each Third-Party Contract and (b) each Third-Party Contract shall include the Third-Party Provider’s indemnity of LACF2 and County and its consent to the assignment of such Third-Party Contract to County. At County’s written request (which

may be made upon expiration or early termination of this Agreement or at any other time), LACF2 shall promptly assign any or all of the Third-Party Contracts to County.

11.2 Key Contracts. Any Third-Party Contract that provides for payments to a Third-Party Provider of \$250,000 or more, in the aggregate during the term of such Third-Party Contract, shall be a “**Key Contract.**” LACF2, acting through TCLA as its authorized representative, shall not enter into any Key Contract without first submitting the Key Contract to County for review and approval at its reasonable discretion. In submitting any Key Contract to County, LACF2’s notice shall clearly state that it is a proposed Key Contract, subject to County’s review and approval. If County rejects any proposed Key Contract, its rejection notice shall state with specificity County’s objection in order to allow LACF2, acting through TCLA, to make revisions and resubmit such Third-Party Contract to County. If County fails to either approve or reject a proposed Key Contract within ten (10) business days after its receipt, such Key Contract shall be deemed approved.

12. Breach; Default; Remedy.

12.1 Breach. The occurrence of any one or more of the following events shall constitute a breach under this Agreement (each a “**Breach**”):

(a) The failure of a Party to perform any obligation, or to comply with any material covenant, restriction, term, or condition of this Agreement;

(b) Any material representation or warranty made by a Party proves to be false or misleading in any material respect at the time made; or

(c) Any “Default” (defined in the LACF2/TCLA Agreement) by LACF2 under the LACF2/TCLA Agreement.

12.2 Default. A Breach shall become a default under this Agreement (each a “**Default**”) if the Party committing the Breach fails to cure the Breach within the following time periods:

(a) For all monetary Breaches, ten (10) business days after the date such payment is due;

(b) For all non-monetary Breaches, twenty (20) business days after receipt of written notice (“**Cure Notice**”) thereof from the aggrieved Party specifying such non-monetary Breach in reasonable detail, delivered in accordance with the provisions of this Agreement, where such non-monetary Breach could reasonably be cured within such twenty (20) business day period; or

(c) Where such non-monetary Breach could not reasonably be cured within such twenty (20) business day period, such reasonable additional time as is necessary to promptly and diligently complete the cure but in no event longer than forty (40) business days; provided that the breaching Party promptly commences to cure such non-monetary Breach after receiving the Cure Notice and thereafter diligently and continuously pursues completion of such cure.

12.3 Remedies. Following a Default, the non-defaulting Party may terminate this Agreement and/or seek any and all remedies available at law or in equity.

13. Site Access. During the Term, all consultants performing site due diligence, design and pre-construction services shall provide LACF2 a notarized copy of a site access agreement in the form attached as Exhibit D to the LACF2/TCLA Agreement (each a “**Site Access Agreement**”).

14. Indemnity.

14.1 General Indemnity. LACF2 shall Indemnify (defined in Section 14.7(d)) County Indemnified Parties (defined in Section 14.7(b)) from and against all Claims (defined in Section 14.7(a)) caused by or arising directly or indirectly from (a) any acts or omissions of any LACF2 Party which constitute (i) a material breach of any LACF2 obligation under this Agreement, (ii) negligence by a LACF2 Party or (iii) willful misconduct by a LACF2 Party, including Claims that accrue or are discovered before or after termination of this Agreement; (b) any dispute among the LACF2 Parties, in each case without requirement that such Claims be paid first by any County Indemnified Party; and (c) LACF2’s or any LACF2 Party’s willful misconduct or negligence in connection with the pursuit of entitlements and/or approvals of the Proposed Site 2 Project issued by County or the City. LACF2 shall not be liable to any County Indemnified Party for any Claim to the extent that such Claim is caused by the negligence or willful misconduct of any County Indemnified Party. In the event any dispute as to the nature of County’s conduct with respect to any Claim, LACF2 shall defend County until such dispute is resolved by final judgment.

14.2 Intentionally Omitted.

14.3 No Protected Contractor or Construction Contract. LACF2 has entered into this Agreement and shall perform any actions under it in furtherance of LACF2’s interests and not for the benefit of, or as a contractor, subcontractor or supplier of goods or services (each a “**Protected Contractor**”) for or to County. Consequently, this Agreement shall not be construed as containing provisions, clauses, covenants, or agreements contained in, collateral to, or affecting any construction contract with a public agency pursuant to California Civil Code §§ 2782 *et seq.*, as it may be amended (“**Section 2782**”), and LACF2 shall not be considered a Protected Contractor under Section 2782.

14.4 Protected Contractor Indemnity. If, despite the explicit terms and conditions of this Agreement, LACF2 is determined by a court of competent jurisdiction to be a Protected Contractor when fulfilling certain of its rights or duties under this Agreement (the “**Protected Contractor Rights or Duties**”), then, solely with regard to indemnities for Claims arising from such Protected Contractor Rights or Duties, LACF2 shall not be subject to the indemnities set forth elsewhere in this Agreement and shall be subject only to the following indemnities: LACF2 shall Indemnify County Indemnified Parties from and against all Claims caused by or arising directly or indirectly from any act or omission by any LACF2 Party, related to or arising from such Protected Contractor Rights or Duties; provided, however, (a) LACF2 shall not be responsible for indemnifying County Indemnified Parties for (i) liability resulting from County Indemnified Parties’ sole negligence, willful misconduct or active negligence or (ii) any

other liability for which LACF2 is not permitted to Indemnify County under Section 2782, and (b) LACF2 shall be subject to the indemnities set forth elsewhere in this Agreement with regard to any Claims not caused by or arising directly or indirectly from any act or omission by any LACF2 Party, related to arising from any Protected Contractor Rights or Duties.

14.5 No Design Professional Contract. LACF2 has entered into this Agreement and shall perform any LACF2 Services in furtherance of LACF2's interests. This Agreement is not a contract for the provision of design professional services to a public agency (a "**Design Professional Contract**") and LACF2 is not a "design professional" as defined in California Civil Code § 2782.8, as it may be amended ("**Section 2782.8**"). Consequently, this Agreement shall not be construed as containing provisions, clauses, covenants, or agreements contained in, collateral to or affecting a Design Professional Contract.

14.6 Design Professional Contract Indemnity. If, despite the explicit terms and conditions of this Agreement, this Agreement is determined by a court of competent jurisdiction to be a contract for services of a design professional, as such term is defined in Section 2782.8, then, solely with regard to indemnities for Claims arising from the rights or duties in this Agreement that the presiding court has determined to be design professional rights or duties (the "**Design Professional Rights or Duties**"), LACF2 shall not be subject to any indemnities set forth elsewhere in this Agreement and shall be subject only to the following indemnities: LACF2 shall Indemnify County Indemnified Parties from and against all Claims (a) that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of a LACF2 Party, related to or arising from any Design Professional Rights or Duties or (b) for which LACF2 is permitted to Indemnify County under Section 2782.8; provided, however, LACF2 shall be subject to the indemnities set forth elsewhere in this Agreement with regard to any Claims not caused by or arising directly from any act or omission by any LACF2 Party, related to or arising from any Design Professional Rights or Duties.

14.7 Definitions. The following terms shall have the following meanings:

(a) "**Claim**" means any claim, loss, demand, action, liability, penalty, fine, judgment, lien, forfeiture, cost, expense, damage, or collection cost (including reasonable fees of attorneys, consultants, and experts related to any such claim).

(b) "**County Indemnified Parties**" means collectively, for purposes of indemnification only, County and its Special Districts and affiliates, including any nonprofit corporation or other entity in which County is a member, and its and their respective elected and appointed officials, subsidiaries, members, shareholders, beneficiaries, attorneys, agents, trustees, successors, assigns, and any individual (employee, officer, partner, director, member, commissioner or board member) employed by or acting on behalf of any of the above entities.

(c) "**Indemnify**" means collectively indemnify, defend (by counsel reasonably acceptable to indemnified Party), protect, and hold harmless, without requirement that the indemnified Party first pay any amounts.

(d) “**LACF2 Party**” means, for purposes of indemnification only, LACF2, or any entity or person acting on LACF2’s behalf or anyone employed by or contracted with LACF2 in the course of such employment or contracted work.

14.8 Survival. Notwithstanding anything else in this Agreement, the terms and conditions of this Section 14 shall survive the expiration or early termination of this Agreement.

15. **Miscellaneous**.

15.1 Governing Law. This Agreement shall be construed according to the internal laws of the State of California. Any claim or dispute arising out of this agreement shall be brought in the courts of County.

15.2 Full Information. County shall provide LACF2 all material information it has regarding the requirements for the Proposed Site 2 Project.

15.3 Prevailing Party. In the event that either Party to this Agreement brings an action to enforce the terms of this Agreement or declare the Party’s rights under this Agreement, each Party shall bear its own costs and expense, including attorneys’ fees, regardless of prevailing Party.

15.4 Counterparts. This Agreement may be executed in counterparts, including both counterparts that are executed on paper and in the form of electronic records that are executed electronically. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original.

15.5 Notices. All notices shall be in writing and either (a) personally served at the appropriate address (including by means of professional messenger service or recognized overnight delivery service, provided that any such delivery is confirmed by written receipts signed on behalf of the receiving Party or by adequate proof of service), (b) deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the appropriate addressee, or (c) delivered by electronic mail, provided that any notice of default shall also be delivered by one of the methods in clauses (a) and (b), and all such notices shall be deemed received and effective on the day such notice is actually received, if received before 5:00 p.m. on a regular business day, or on the following business day if received at any other time. All addresses of the Parties for receipt of any notice to be given pursuant to this Agreement are as follows:

If to County:

Chief Executive Office
County of Los Angeles
500 West Temple St., 7th Floor Room 754
Los Angeles, CA 90012-2932
Attention: Vanessa Moody
Email: vmooddy@ceo.lacounty.gov

With a copy to:

Office of County Counsel
County of Los Angeles
500 West Temple St., 6th Floor
Los Angeles, CA 90012-2932
Attention: Behnaz Tashakorian/Joseph Abdelkerim
Email: btashakorian@counsel.lacounty.gov/ jabdelkerim@counsel.lacounty.gov

If to LACF2:

Los Angeles County Facilities 2, Inc.
c/o Public Facilities Group
1700 Seventh Avenue
Suite 2100, PMB 552
Seattle, WA 98101
Attention: John Finke
johnfinke@publicfacilitiesgroup.org

With a copy to:

Hillis Clark Martin & Peterson, PS
999 Third Avenue, Suite 4600
Seattle, WA 98104
Attention: Michelle Gail
michelle.gail@hcmp.com

Either Party may change any of the above information by giving notice to the other Party of such change in accordance with the provisions of this Section 15.5.

15.6 Non-Discrimination. LACF2 shall not discriminate against any employee or applicant for employment on the basis of race, religion, sex, sexual orientation, age, physical handicap, or national origin and shall comply with all applicable provisions of federal, state and local law related to discrimination. LACF2 shall take affirmative action to ensure that applicants are employed and that employees are treated during their employment without regard to their race, religion, sex, sexual orientation, age, physical handicap, or national origin, including without limitation employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

15.7 No Modification or Termination of LACF2/TCLA Agreement. County has entered into this Agreement in reliance on TCLA's unique abilities to provide the Pre-Development Services pursuant to the LACF2/TCLA Agreement; consequently, LACF2 shall have no right to modify, amend, or terminate the LACF2/TCLA Agreement (except in connection with the termination of this Agreement) without County's written consent, which consent County may withhold, condition or delay at its sole and absolute discretion.

15.8 Assignment of LACF2/TCLA Agreement to County. Provided that County is not then in default under this Agreement, LACF2 shall, at County's request in its sole and

absolute discretion, assign its rights and obligations under the LACF2/TCLA Agreement to County, and upon LACF2's assignment to, and County's assumption of the LACF2/TCLA Agreement, LACF2 shall be released from any further rights and obligations under this Agreement.

15.9 No Assignment by LACF2. County has entered into this Agreement in reliance on LACF2's unique abilities to provide the LACF2 Services pursuant to this Agreement; consequently, LACF2 shall have no right to assign this Agreement.

15.10 Entire Agreement. This Agreement and the Exhibits hereto are the entire agreement between the Parties with respect to the subject matter hereof, and supersede all prior verbal or written agreements and understandings between the Parties with respect to the items set forth herein.

(Signatures Follow on Next Page.)

DATED as of the Effective Date.

COUNTY:

COUNTY OF LOS ANGELES
a public body, corporate and politic

By: _____

APPROVED AS TO FORM:

RODRIGO CASTRO- SILVA
County Counsel

By: _____ -
Behnaz Tashakorian, Senior Deputy

LACF2:

LOS ANGELES COUNTY FACILITIES 2, INC.,
a California nonprofit public benefit corporation

Name: John Finke
Title: President

EXECUTED as of the day and year first written above.

LACF2:

**LOS ANGELES COUNTY FACILITIES 2,
INC.,**
a California nonprofit public benefit corporation

By: _____
Name: John Finke
Title: President

TCLA:

TCLA DEVELOPMENT, INC.,
a Delaware corporation

By: _____
Name: Gregory B. Ames
Title: President

Exhibit A
LACF2/TCLA Agreement

Predevelopment Agreement
Narrative Scope & Deliverables

The below descriptions include a general listing of the deliverables which will be prepared during, and prior to the completion of, the Predevelopment Agreement period. This is not intended to be an exclusive nor all-encompassing list, but instead intended to capture the basic intent of having a fully defined, entitled, priced, financeable project ready for approval by the Board of Supervisors upon completion of the Pre-Development period.

Project Programming and Concept Design

TCLA, TCLA's design team, TCLA's Contractor, and County (collectively, the "**Development Team**") shall meet with the various County users groups (if applicable), as directed and coordinated by County, to define their specific space requirements, growth expectations, and necessary adjacencies (if any) with the intent of cooperatively defining tenant locations within the building. The expectation is that at the end of this 6 week period, the Development Team will have an agreed recommendation of the proposed tenant locations within the project, or shall have laid out a flexible floor plan for future County requirements. County shall have two weeks following this process to approve or make any necessary adjustments to the development program. This project scope will serve as the basis of project design, and will serve as the project scope for purposes of the CEQA Addendum.

Expected Timeframe: 6 weeks

County Approval Period: 2 weeks

Deliverables:

- Concept Drawings & Massing Plans (for review & approval)
- Blocking Plan (for review & approval)

Site Due Diligence

TCLA, TCLA's contractor, and TCLA's design team shall perform all necessary site due diligence to properly design and execute the project and mitigate unforeseen conditions during construction. While some of this has already been completed, a number of the reports will need to be updated specific to the project scope.

Expected Timeframe: 12 weeks

Deliverables

- Updated Geotechnical Report
- Updated Phase Two Environmental Studies
- Site Utility Study
- Updated Site Title (ALTA) Survey
- Site Construction Survey

Schematic Design/Design Development and Basis of Design Deliverables

Based on the approved Concept Drawings & Blocking Plans, the TCLA, and TCLA's design team shall advance the project drawings through Schematic Design and Design Development and will prepare Schematic Design drawings and Design Development Drawings and specifications and a Basis of Design Report for review and approval by County to ensure Building Systems Quality (A,S,M,E,P, FLS, Low Voltage, etc). The design shall be commensurate with "Class A" building standards and all design phase drawings and specifications shall be commensurate with AIA design completion standards. This is expected to take 16 weeks, and County will be afforded 4 weeks to review and comment on the 100% Schematic Design package and Basis of Design Report prior to the commencement of Design Development Drawings. TCLA and TCLA's design team shall then incorporate County's comments and advance the project drawings through Design Development.

The overall design process is intended to be a logical progression and advancement of the design based on prior approvals. In the event that there is a material deviation or change in design from the previous County approval, TCLA shall request a specific approval from County prior to proceeding with the change. County acknowledges that TCLA and TCLA's design team will introduce and recommend design changes throughout the process as opportunities for value engineering, better efficiencies, construction phasing, operations/maintenance/life cycle issues, and general architectural aesthetic are better understood throughout the design process. County shall endeavor to approve or disapprove these recommendations as expeditiously as possible, but in any event, no more than one work week for any given decision.

TCLA shall provide County with a more detailed schedule of any required activities and meetings required to accomplish the 16 week Schematic Design and Basis of Design Deliverables phase no less than 14 calendar days prior to the start of the aforementioned phase. County is advised that this is a fast tracked project schedule, and that unexpected meetings may occur during this process. TCLA shall provide County with one week's notice for any unexpected meeting requirements.

Expected Timeframe: 16 weeks

County Approval Period: 4 weeks

Deliverables

Core & Shell Design

- 50% Schematic Design Drawings & Basis of Design
- 100% Schematic Design Drawings & Basis of Design (for review & comment)
- 50% Design Development Drawings & Specifications
- 100% Design Development Drawings & Specifications (for comment)

Tenant Improvement Design

- 50% Schematic Design Drawings
- 100% Schematic Design Drawings & Basis of Design (for review and comment)
- 50% Design Development Drawings & Specifications
- 100% Design Development Drawings & Specifications (for comment)

Core & Shell Design

- 50% Design Development Drawings & Specifications
- 100% Design Development Drawings & Specifications (for comment)

Tenant Improvement Design

- 50% Design Development Drawings & Specifications
- 100% Design Development Drawings & Specifications (for comment)

CEQA

TCLA shall engage necessary land use and CEQA consultants and counsel to prepare all necessary documents to ensure compliance with CEQA under County's direction and retaining County's independent judgment and analysis, as lead agency, with respect to the CEQA process and any proposed discretionary actions by County,

Expected Timeframe: Approx. 5 months

Deliverables

- Completed environmental documentation necessary, as determined in County's sole authority, together with the previously certified Environmental Impact Report (ready for consideration and approval by Board of Supervisors), which contemplates the revisions to Site 2.

Construction Agreement & Budget

TCLA shall engage TCLA's contractor to provide pre-construction support throughout design process for purposes of guiding decision making process towards the preparation of a GMP contract including a construction schedule. This will occur throughout the duration of Term. TCLA's contractor shall provide updated cost estimates at the 100% Schematic Design and 100% Design Development stages, which shall be delivered to County no more than 4 weeks following the completion of the appropriate drawing set.

It is the intent that the TCLA's design team and the TCLA's contractor work under separate agreements throughout the Term, however, following financing, during the actual Development period, that TCLA's Design team will roll under TCLA's contractor in a Design-Build format for completion of the Proposed Site 2 Project under the GMP contract.

Expected Timeframe: Pre-Development Period

Deliverables

- 100% Schematic Design Cost Estimate
- 100% Design Development Cost Estimate
- Guaranteed Maximum Price Design-Build Contract (ready for execution), which shall include:
 - Completion of Construction Drawings & Specifications for Core & Shell
 - Completion of Construction Drawings & Specifications for Tenant Improvements
 - Turnkey Delivery of Project
 - Guaranteed Budget
 - Guaranteed Schedule

Transactional & Financing

TCLA shall provide all necessary support to LACF2 for purposes of putting the Proposed Site 2 Project in a “ready to finance” condition. It is expected that a lease-back revenue bond would be issued by LACF2. However, LACF2 will work closely with County in finalizing all proposed financial documents, and the structure and issuance of the Bonds may be altered at County’s discretion.

Deliverables

- Guaranteed Maximum Project Budget & Schedule
- Fully Negotiated Ground Lease Document (ready for consideration by the Board of Supervisors)
- Fully Negotiated Facility Lease Document (ready for consideration by the Board of Supervisors)
- Bond Issuance Documents and all necessary underlying funding documents (ready for consideration by the Board)
- Fully Negotiated Development Agreement between LACF2 & TCLA

Exhibit B

Estimated Pre-Development Costs

Exhibit C

DISCLOSURE AGREEMENT FOR CALIFORNIA ENVIRONMENTAL QUALITY ACT REVIEW OF THE VERMONT CORRIDOR PROJECT

This Disclosure Agreement for California Environmental Quality Act Review of the Vermont Corridor Project (this “**Agreement**”) is made by and between TC LA Development, Inc. (“**Developer**”), and _____ (“**CEQA Consultant**”), as of the date of _____, in connection with the environmental review pursuant to the California Environmental Quality Act (California Public Resources Code sections 21000, *et seq.*) (“**CEQA**”) for revisions to a proposed project to located in Los Angeles, California (“**City**”) at (i) 510, 526 and 532 South Vermont Avenue and 523 Shatto Place, (ii) 550 South Vermont Avenue and 3175 West 6th Street and (iii) 433 South Vermont Avenue (the “**Project**”).

RECITALS

(i) The County of Los Angeles (“**County**”) is the fee owner of the property on which the Project would be located.

(ii) County and Developer have entered into certain agreements pertaining to the management and development of the Project.

(iii) County is the lead agency pursuant to CEQA with discretionary approval the Project.

(iv) Developer has retained CEQA Consultant to undertake the additional environmental review for the Project pursuant to CEQA and related statutes and laws.

(v) Although CEQA Consultant has not contracted with County to conduct the environmental review for the Project, Developer and CEQA Consultant wish to acknowledge and verify their understanding that CEQA Consultant owes certain duties to County, as set forth herein, with respect to its work on the Project;

(vi) Developer and CEQA Consultant desire to acknowledge and verify their understanding that work performed by CEQA Consultant must be subject to the ultimate direction and discretion of County, consistent with the provisions and requirements of CEQA, which require County as lead agency to exercise ultimate decision-making authority and discretion with respect to the environmental review for the Project.

G. Developer and CEQA Consultant desire to memorialize their understanding that privileged attorney-client information shared by and among them related to the Project will remain privileged and confidential, and shall not be disclosed, subject to the conditions and limitations set forth herein.

NOW, THEREFORE, in view of the foregoing, Developer and CEQA Consultant hereby agree as follows:

AGREEMENT

1. Duty of Disclosure

1.1 CEQA Consultant agrees and acknowledges:

- (a) CEQA Consultant has to provide a complete and accurate further environmental document, as determined necessary pursuant to CEQA for the Project for the purposes of County's review of the Project pursuant to CEQA; and
- (b) CEQA Consultant shall require and ensure that all sub-consultants it hires or retains in connection with the environmental review for the Project comply with this Section 1.1.

2. County Authority as Lead Agency

- 2.1 County as lead agency shall have final discretion over the scope and content of any environmental document prepared by CEQA Consultant, and CEQA Consultant shall reasonably comply with any directions from County with respect thereto.
- 2.2 County as lead agency shall have final discretion over any and all procedures related to the further environmental review for the Project, including but not limited to any decision whether to recirculate, review, or withdraw environmental documents, and CEQA Consultant shall reasonably comply with any directions from County with respect thereto.
- 2.3 County as lead agency shall have final discretion over the extent of any studies, tests, evaluations, reviews, or other technical analyses, and CEQA Consultant shall reasonably comply with any directions from County with respect thereto.
- 2.4 Any disagreement regarding the environmental review for the Project shall be resolved by County in the exercise of its authority as lead agency.

3. Common Interest Doctrine

- 3.1 The parties have the mutual intent to prepare environmental review further documentation that complies with CEQA. To achieve these mutual intentions, the parties and County may, but are under no obligation to, share and exchange confidential advice from their respective attorneys. Such confidential advice shall be clearly marked "**CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATIONS – COMMON INTEREST DOCTRINE.**" Except as set forth in Sections 3.1 and 3.2, the parties agree to treat such communications as privileged and confidential, and will not disclose such communications to any person other than the parties or County except where agreed to by the parties or otherwise required by applicable law, including but not limited to the Public Records Act, or court order.

- 3.2 Notwithstanding Section 3.1, the parties acknowledge the Public Records Act (Government Code sections 6250, *et seq.*) compels County to disclose public records to any person requesting such records, with limited exceptions. Consistent with Government Code sections 6253.3 and 6270, County shall determine in its sole and exclusive discretion whether any document or record, including but not limited to documents or records marked as confidential pursuant to Section 3.1, are disclosable, whether in whole or in part, pursuant to the provisions of the Public Records Act.
- 3.3 Notwithstanding Section 3.1, County has the right in its sole and subjective discretion to disclose any information it deems necessary or desirable to disclose in the public interest.
- 3.4 Prior to any public disclosure by County pursuant to Section 3.2 or 3.3, of documents or records marked confidential pursuant to 3.2, County shall make a reasonable, good faith effort to notify the CEQA Consultant and Developer of the extent of any planned disclosure. CEQA Consultant and Developer agree to hold County harmless for any and all damages, claims, or injury of any kind arising from or relating to a disclosure of documents by County pursuant to Section 3.2 or 3.3, except that nothing herein prevents CEQA Consultant or Developer from filing an action in equity to enjoin the disclosure of any documents, records, or information. The parties shall not be entitled to an award of damages or attorneys' fees in connection with any such action.

4. Ownership of Documents and Records

Without limiting the duties of disclosure described in Section 1, nothing in this Agreement grants or shall be construed as granting County actual or constructive ownership, possession, custody, or control over the documents, materials, and/or records of or prepared by CEQA Consultant, Developer, and/or any of their third-party contractors or subcontractors, until such time as the documents, materials, and/or records are provided or submitted to County. By way of example only and without limitation or exclusion, documents, materials, and records for the purposes of this Section 4 include emails, memoranda, invoices, billing, studies, drafts of technical reports, or drafts of CEQA review documentation.

5. Indemnification

Developer shall indemnify, defend and hold harmless County, its Special Districts, and its elected and appointed officials, officers, directors, commissioners, agents, employees and contractors from and against any and all liability, loss, injury or damage, including, but not limited to, demands, claims, actions, fees, costs, and expenses (including attorneys' and expert witness fees), arising from or connected with any challenges by third-parties to County approvals or actions related to the Project and/or the validity of any lease, sublease, or assignment of any rights to Developer, including without limitation, challenges arising under CEQA.

6. Expiration

This Agreement shall expire at the time that the Project and the further environmental documentation becomes administratively final, and after all legal challenges associated with the Project and the environmental documentation has been finally adjudicated.

7. Counterparts

This Agreement may be executed in counterparts.

CEQA Consultant

By _____

Name:

Title:

Developer

By _____

Name:

Title:

Exhibit D

Site Access Agreement

RIGHT OF ENTRY PERMIT

This Right of Entry Permit ("Permit") is made and entered into this ____ day of _____, 2022, by and between County of Los Angeles a public body corporate and politic (the "County"), and _____ ("Permittee"). The County and Permittee agree as follows:

- I. PREMISES: Permittee, after execution by County, is hereby granted permission to enter County property identified as County Assessor's Parcel Numbers ("APN") _____, also known as _____, as described in Exhibit "A", attached hereto and incorporated herein by this reference ("Premises"). Entry constitutes acceptance by Permittee of all conditions and terms of this Permit.
- II. PURPOSE: The sole purpose of this Permit is to allow Permittee and its subcontractors to enter the Premises to conduct _____ (the "Work").
- III. TERM: The term of this Permit shall be for a period of _____ months, commencing upon the date that County executes this Permit. This Permit shall terminate _____ months after the Commencement Date. The hours of operation for this Permit shall be between 8:00 a.m. and 5:00 p.m. The term may be extended by mutual agreement in writing between Permittee and County.
- IV. CONSIDERATION: Consideration for this Permit shall be Permittee's faithful performance of its obligations under this Permit.
- V. ADDITIONAL CHARGES: Permittee agrees to pay any charges for utilities that may be required and for the safekeeping of the Premises for the prevention of any accidents as a result of the Permittee's activities thereon.
- VI. NOTICE: Notices desired or required to be given by this Permit or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope, certified mail, return receipt requested, addressed to the party for whom intended and depositing such envelope with postage prepaid in the U.S. Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to Permittee as follows:

or such other place in California as may hereinafter be designated in writing by the Permittee. The notices, certificates of insurance and envelopes containing the same to County shall be addressed to:

Chief Executive Office County of Los Angeles
500 West Temple St., 7th Floor Room 754
Los Angeles, CA 90012-2932
Attention: Vanessa Moody
Email: vmoody@ceo.lacounty.gov

VII. **INDEMNIFICATION:** Permittee shall indemnify, defend and hold harmless County, its special districts, elected and appointed officers, employees, agents, and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Permit, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees. Permittee shall assume all risks and bear all cost for loss of, damage to, or missing or stolen, equipment, tools, vehicles and materials owned, hired, leased or used by Permittee for the Work.

VIII. **GENERAL INSURANCE REQUIREMENTS:** While this Permit is in effect, Permittee or its contractor shall, at its sole cost and expense, obtain and maintain in full force and effect throughout the term of this Permit, insurance, as required by the CDC, in the amount and coverages specified on, and issued by insurance companies as described in Exhibit “B”.

Notification of Incidents, Claims or Suits: Permittee shall endeavor to report to County any accident or incident relating to Permittee’s entry which involves injury or property damage which may result in the filing of a claim or lawsuit against Permittee and/or County in writing within 24 hours of occurrence.

IX. **RESERVED**

X. **RESERVED**

XI. **OPERATIONAL RESPONSIBILITIES:** Permittee shall:

- A. Comply with and abide by all applicable rules, regulations and directions of County.
- B. Comply with all applicable County ordinances and all State and Federal laws, and in the course thereof obtain and keep in effect all permits and licenses required to conduct the permitted activities on the Premises.
- C. Maintain the Premises and surrounding area in a clean and sanitary condition to the satisfaction of County.
- D. Conduct the permitted activities in a courteous and non-profane manner; operate without interfering with the use of the Premises by County. County has the right to request Permittee to remove any agent, servant or employee who fails to conduct permitted activities in the manner heretofore described.

- E.** Assume the risk of loss, damage or destruction to any and all fixtures and personal property belonging to Permittee that are installed or placed within the area occupied.
- F.** Repair or replace any and all County property lost, damaged, or destroyed as a result of or connected with the conduct or activities of the Permittee. In the event utility services, including but not limited to sewer services, for the Premises are interrupted, Permittee shall promptly make repairs. Should Permittee fail to promptly make any and all repairs required by County during or following completion of the Work, County may have repairs made at Permittee's cost and Permittee shall pay costs in a timely manner.
- G.** Pay charges for installation and service costs for all utilities used for the conduct of the permitted activities, if needed.
- H.** Except for the purpose described in Section 2, Permittee agrees to restore the Premises, prior to the termination of this Permit, and to the satisfaction of County, to the conditions that existed prior to the commencement of the permitted activities, excepting ordinary wear and tear or damage or destruction by the acts of God beyond the control of Permittee. This shall include removal of all rubbish and debris, as well as structures placed on the Premises by Permittee in order that the Premises will be neat and clean and ready for normal use by County on the day following the termination of this Permit. Should Permittee fail to accomplish this, County may perform the work and Permittee shall pay the cost.
- I.** Allow County to enter the Premises at any time to determine compliance with the terms of this Permit, or for any other purpose incidental to the performance of the responsibilities of County.
- J.** Provide all security devices required for the protection of the fixtures and personal property used in the conduct of the permitted activities from theft, burglary or vandalism, provided written approval for the installation thereof is first obtained from County.
- K.** Prohibit all advertising signs or matter from display at the Premises, other than signs displaying the name of Permittee.
- L.** Prohibit the sale of food.
- M.** Keep a responsible representative of the Permittee available on the Premises during the times that Permittee is using said Premises for the purposes stated in Section 2 above. This person shall carry copies of this Permit for display upon request.
- N.** Prior to entry onto the Premises pursuant to this Permit, notify County, in writing, of the times and dates the work or activity is to take place.

- O.** Request, permission of County to enter the occupied building not less than twenty four (24) hours in advance, together with a description of the nature and extent of activities to be conducted on the Premises.
- P.** At Permittee's sole cost and expense, be responsible for the cost of repairing the parking lot, sidewalks, driveways, landscaping and irrigation systems on the Premises which may be damaged by Permittee or Permittee's agents, employees, invitees or visitors, during and/or following the performance of the Work, to County's satisfaction. Said repairs shall include the restoration of said landscaping and rerouting of said irrigation systems affected by the Work on the Premises, if necessary.
- XII. INDEPENDENT STATUS:** This Permit is by and between County and Permittee and is not intended and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association as between County and Permittee. Permittee understands and agrees to bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services performed on behalf of Permittee pursuant to this Permit.
- XIII. EMPLOYEES:** All references to the "Permittee" in the Permit are deemed to include the employees, agents, assigns, contractors, and anyone else involved in any manner in the exercise of the rights therein given to the undersigned Permittee.
- XIV. LIMITATIONS:** It is expressly understood that in permitting the right to use said Premises, no estate or interest in real property is being conveyed to Permittee, and that the right to use is only a nonexclusive, revocable and unassignable permission to enter the Premises in accordance with the terms and conditions of the Permit for the purpose of conducting the activities permitted herein.
- XV. ASSIGNMENT:** This Permit is personal to Permittee, and in the event Permittee shall attempt to assign or transfer the same in whole or part all rights hereunder shall immediately terminate.
- XVI. AUTHORITY TO STOP:** In the event that an authorized representative of County finds that the activities being held on the Premises unnecessarily endanger the health or safety of persons on or near said property, the representative may require that this Permit immediately be terminated until said endangering activities cease, or until such action is taken to eliminate or prevent the endangerment.
- XVII. DEFAULT:** Permittee agrees that if default shall be made in any other terms and conditions herein contained, County may forthwith revoke and terminate this Permit.
- XVIII. ALTERATIONS AND IMPROVEMENTS:** Permittee has examined the Premises and knows the condition thereof. Permittee accepts the Premises in the present state and condition and waives any and all demand upon County for alteration, repair, or improvement thereof. Permittee shall make no alteration or improvements to the Premises, except those identified in Section 2 hereof, without prior written approval from County, and any fixtures and/or personal property incidental to the purposes described in

Section 2 hereof shall be removed by Permittee prior to the termination of this Permit, and in the event of the failure to do so, title thereto shall vest in County. All betterments to the Premises shall become the property of County upon the termination of this Permit.

- XIX. COUNTY LOBBYIST ORDINANCE: Permittee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which County may terminate or suspend this Permit.
- XX. INTERPRETATION: Unless the context of this Permit clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes and "including" are not limiting.
- XXI. ENTIRE AGREEMENT: This Permit contains the entire agreement between the parties hereto, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both County and Permittee.
- XXII. TIME IS OF THE ESSENCE: Time is of the essence for each and every term, condition, covenant, obligation and provision of this Permit.
- XXIII. POWER AND AUTHORITY: The Permittee has the legal power, right and authority to enter into this Permit, and to comply with the provisions hereof. The individuals executing this Permit on behalf of any legal entity comprising Permittee have the legal power, right and actual authority to bind the entity to the terms and conditions of this Permit.
- XXIV. SURVIVAL OF COVENANTS: The covenants, agreements, representations and warranties made herein are intended to survive the termination of the Permit.
- XXV. GOVERNING LAW AND FORUM: This Permit shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Permit shall be conducted in the courts of County of Los Angeles, State of California.

[signature on next page]

PERMITTEE:

_____,

By: _____
 Name: _____
 Title: _____

Who hereby personally covenants, guarantees and warrants that he/she has the power and authority to obligate the Permittee to the terms and conditions in this Permit. Please sign before a Notary Public and return for approval. Upon approval a signed copy will be mailed to Permittee.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____
County of _____

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[Signatures continue on the next page]

This Permit has been executed on behalf of County on the _____ day of _____, 2016.

COUNTY:

COUNTY OF LOS ANGELES

By: _____

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA, County Counsel

By: _____

Deputy

RIGHT OF ENTRY PERMIT
PERMITTEE: _____

EXHIBIT "A"
LEGAL DESCRIPTION

RIGHT OF ENTRY PERMIT PERMITTEE: _____

EXHIBIT “B”

INSURANCE REQUIREMENTS

I. INDEMNIFICATION

The Permittee shall indemnify, defend and hold harmless the County, its special districts, elected and appointed officers, employees, agents and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Permit, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

The Permittee shall assume all risks and bear all cost for loss of, damage to, or missing or stolen, equipment, tools, vehicles and materials owned, hired, leased or used by the Permittee for the Work.

II. GENERAL INSURANCE PROVISIONS

Without limiting the Permittee’s indemnification of County, and in the performance of this Permit and until all of its obligations pursuant to this Permit have been met, Permittee shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Section, “General Insurance Provisions”, and the “Insurance Coverage Requirements – Types and Limits” Section of this Permit. These minimum insurance coverage terms, types and limits (the “Required Insurance”) also are in addition to and separate from any other contractual obligation imposed upon Permittee pursuant to this Permit. The County in no way warrants that the Required Insurance is sufficient to protect the Permittee for liabilities which may arise from or relate to this Permit.

A. Evidence of Coverage and Notice to County: Certificate(s) of insurance coverage (“Certificate” or “Certificates”) or other evidence of coverage satisfactory to the County shall be delivered to County prior to commencing services under this Permit. Such Certificates or other evidence shall:

- (1) Specifically identify this Permit by name or number.
- (2) Clearly identify all insurance coverage types and limits required in this Permit and be signed by an authorized representative of the insurer(s). The insured party named on the Certificate shall match the name of the Permittee identified as the contracting party in this Permit. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions, and list any County required endorsement forms.

- (3) Include a copy of the additional insured endorsement to the commercial general liability policy, adding the County Indemnities as additional insureds for all activities arising from this Permit. County's additional insured status shall apply with respect to liability and defense of suits arising out of the Permittee's acts or omissions, whether such liability is attributable to the Permittee or to the County. The full limits and scope of protection of the Permittee's policy shall apply to the County as an additional insured, even if they exceed the County's minimum insurance requirements herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies this and the other insurance requirement provisions herein.
- (4) Show the Permittee's insurance policies, with respect to any claims related to this Permit, are primary with respect to all other sources of coverage available to Permittee. Any County insurance and self-insurance coverage shall be excess of and not contribute to any Permittee coverage. This may be evidenced by adding a statement to the additional insured endorsement required in item (3) above, stating "It is further agreed that the insurance afforded by this policy is primary to any insurance or self-insurance programs maintained by the County and the County's insurance and self-insurance coverage are in excess of and non-contributing to the Named Insureds coverage."
- (5) Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles
Contracting Department, Division/Section
Contracting Department Address
Attention: Name Department Contract Administrator

Renewal Certificates shall be provided to County not less than 10 days prior to Permittee's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Permittee and/or subcontractor insurance policies at any time.
- (6) Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Permittee, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- (7) Permittee also shall promptly report to County any injury or property damage accident or incident, including any injury to a Permittee employee occurring on the Premises, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to the Permittee. Permittee also shall promptly notify County of any third party

claim or suit filed against Permittee or any of its subcontractors which arises from or relates to this Permit, and could result in the filing of a claim or lawsuit against Permittee and/or County.

- B. Insurer Financial Ratings.** Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the County, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the County.
- C. Waiver of Subrogation.** To the fullest extent permitted by law, the Permittee waives its and its insurer(s) rights of recovery against County under all required insurance policies for any loss arising from or related to this Permit. The Permittee shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.
- D. Cancellation of or Changes in Insurance:** Permittee shall provide County with, or Permittee's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Permit, in the sole discretion of the County, upon which the County may suspend or terminate this Permit.
- E. Failure to Maintain Insurance:** Permittee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Permit, upon which County immediately may withhold payments due to Permittee, and/or suspend or terminate this Permit. County, at its sole discretion, may obtain damages from Permittee resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Permittee, deduct the premium cost from sums due to Permittee or pursue Permittee reimbursement.
- F. Subcontractor Insurance Coverage Requirements.** Permittee shall include all subcontractors as insureds under Permittee's own policies, or shall provide County with each subcontractor's separate evidence of insurance coverage. Permittee shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name the County and Permittee as additional insureds on the subcontractor's General Liability Insurance policy. Permittee shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.
- G. Deductibles and Self-Insured Retentions (SIRs).** Confirm deductibles or self-insured retentions shall not exceed \$25,000. The County retains the right to require the Permittee to provide a bond guaranteeing payment of all such retained

losses and costs attributable to the Permittee's retention, or, withhold payment to Permittee in the amount of all or any deductibles/retentions as the County deems appropriate. Permittee's policies shall not obligate the County to pay any portion of any Permittee deductible or SIR.

- H. Claims Made Coverage.** If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Permit. Permittee understands and agrees it shall maintain such coverage for a period of not less than (*See Item 3 of Guideline*) following Permit expiration, termination or cancellation.
- I. Application of Excess Liability Coverage.** Permittee may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.
- J. Separation of Insureds.** All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.
- K. Alternative Risk Financing Programs.** The County reserves the right to review, and then approve, Permittee use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its agents shall be designated as an additional covered party under any approved program.
- L. County Review and Approval of Insurance Requirements.** The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

III. INSURANCE COVERAGE REQUIREMENTS — TYPES AND LIMITS

- A. Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million
- B. Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single

accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

- C. Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.
- D. Professional Liability/Errors and Omissions** Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

PRE-DEVELOPMENT AGREEMENT (LACF2/TCLA)

This PRE-DEVELOPMENT AGREEMENT (LACF2/TCLA) (this “**Agreement**”) is effective _____, 2022 (the “**Effective Date**”), by and between LOS ANGELES COUNTY FACILITIES 2, INC., a California nonprofit public benefit corporation (“**LACF2**”) and TC LA DEVELOPMENT, INC., a Delaware corporation (together with its permitted assigns, collectively, “**TCLA**”). LACF2 and TCLA are each occasionally referred to herein as a “**Party**” or collectively as the “**Parties**.”

RECITALS

A. The County of Los Angeles (“**County**”) is the fee owner of property located in Los Angeles, California (“**City**”) at (i) 510, 526 and 532 South Vermont Avenue and 523 Shatto Place (collectively, “**Site 1**”), (ii) 550 South Vermont Avenue and 3175 West 6th Street (collectively, “**Site 2**”) and (iii) 433 South Vermont Avenue (“**Site 3**”) and together with Site 1 and Site 2 the “**Properties**”). County currently operates facilities on Site 2, but has determined that the current facilities are obsolete, inefficient and contribute to blight in the area of the Properties. County desires to increase the efficiency of its facilities located on Site 2 and reduce blight in the area of Site 2.

B. LACF2 is a California nonprofit public benefit corporation established exclusively for purposes and activities that are permitted under Section 501(c)(3) of the Internal Revenue Code of 1986 (the “**Code**”). In particular, LACF2 has been formed for the purpose of construction, financing, and operation of the Proposed Site 2 Project (defined in Recital C) on behalf of County. Public Facilities Group (“**PFG**”) is a Washington nonprofit corporation, formed for the purpose of serving as a supporting organization, as described in Section 509(a)(3) of the Code to benefit, perform the functions of and/or assist in carrying out the governmental purposes of its supported governmental units, including the County. PFG is the sole member of LACF2.

C. TCLA is a national real estate development firm with experience in the oversight and management of design, permit processing and construction of office buildings. Pursuant to a County solicitation issued on August 18, 2015, TCLA submitted the highest ranked proposal (the “**TCLA Response**”) for the proposed master project at the Properties to be constructed and operated pursuant to Government Code Sections 25549.1 *et seq.* County has selected TCLA initially to be the developer of the Proposed Site 2 Project.

D. The TCLA Response contemplated the construction of a new office building having up to approximately (i) four hundred twelve thousand (412,000) net usable square feet of Class A office, (ii) ten thousand (10,000) square feet of retail and (iii) one thousand eight hundred eighty-six (1,886) structured parking spaces to serve as the headquarters for County’s Department of Mental Health (“**DMH**”) on Site 1 (the “**Site 1 Project**”). The Site 1 Project was completed on June 15, 2021

E. Pursuant to the TCLA Response, after construction of the Site 1 Project, TCLA proposed to: (i) adaptively reuse and renovate the existing County building on Site 2 as

approximately one hundred seventy two (172) market-rate rental housing units and approximately five thousand (5,000) square feet of retail space and (i) 165,012 gross square feet of existing space to be renovated to Class A office space; (ii) construct on Site 2 a five (5) story parking garage containing approximately two hundred twenty-five (225) parking spaces and approximately three thousand five hundred (3,500) square feet of retail 78,121 gross square feet of new Class A office space; and (iii) 20,900 gross square feet of subterranean support space. Pursuant to further discussions with the County, the County requested that an office building be constructed on Site 2, so TCLA has adjusted the project to reuse and renovate the existing County building on Site 2 which upon completion will contain (a) 165,012 gross square feet of existing space renovated to Class A office space; (b) extension of the existing building floorplates to include an additional 78,121 gross square feet of new Class A office space; and (c) 20,900 gross square feet of subterranean support space (the “**Proposed Site 2 Project**”).

F. County and TCLA previously entered into an exclusive negotiating agreement (the “**ENA**”) with regard to the development of the Site 1 Project and the Proposed Site 2 Project.

G. The construction of the Site 1 Project was a necessary condition of the Proposed Site 2 Project and is a part of the overall master development of the Properties pursuant to Government Code Sections 25549.1 *et seq.*

H. Pursuant to California Government Code Sections 25549.1 *et seq.*, County contemplates ground leasing (the “**Ground Lease**”) Site 2 to LACF2, which would finance, develop, construct and maintain the Proposed Site 2 Project. The Ground Lease would have a term of approximately thirty-two (32) years. LACF2 would lease (the “**Facilities Lease**”) the Proposed Site 2 Project to County for use by County tenants. The Facilities Lease would set forth in specific detail the obligations of County and LACF2 with regard to the financing, development, construction, leasing, and maintenance of the Proposed Site 2 Project. When the Bonds (defined in Recital I) are retired, the terms of the Ground Lease and the Facilities Lease would terminate simultaneously and title to the Proposed Site 2 Project would pass to County.

I. Financing for the Proposed Site 2 Project is anticipated (but not required) to be from the proceeds of 63-20 bonds (the “**Bonds**”) issued by LACF2 or from conduit bonds or other bonds as determined by County. 63-20 bonds are tax-exempt bonds issued by a nonprofit organization on behalf of a government entity to finance a public facility. 63-20 bonds are governed by the Internal Revenue Service’s Revenue Ruling 82-26 and Letter Ruling 63-20. The estimated cost (including hard and soft cost but excluding financing and interest costs) of the Proposed Site 2 Project is one hundred seventy-one million dollars (\$171,000,000) and closing of the Bonds to finance of the Proposed Site 2 Project is expected to occur by December 31, 2022.

J. LACF2 will engage TCLA to oversee and manage certain construction and development activities for the Proposed Site 2 Project pursuant to a separate development management agreement (“**Development Agreement**”), which would be between LACF2 and TCLA, but would be subject to County’s written approval, at its sole and absolute discretion. The Ground Lease, the Facilities Lease, and the Development Agreement for the Proposed Site 2 Project are collectively referred to herein as the “**Project Agreements**.”

K. The entering into of the Project Agreements is subject to and contingent upon the Los Angeles County Board of Supervisors' (the "**Board**") future (i) certification of an addendum to the previously certified Environmental Impact Report (the "**EIR Addendum**") for the Proposed Site 2 Project in compliance with the California Environmental Quality Act, Public Resources Sections 21000 *et seq.* ("**CEQA**"), (ii) approval of the Proposed Site 2 Project, and (ii) approval of the terms of the Project Agreements.

L. Simultaneously with this Agreement, LACF2 intends to enter into a pre-development agreement with County (the "**County/LACF2 Agreement**"), which will, among other things, provide for County to pay or reimburse LACF2 (which will in turn pay or reimburse) TCLA for certain Pre-Development Costs (as defined in Section 4).

M. LACF2 desires TCLA to commence the performance of the Pre-Development Services (defined in Section 3) pursuant to this Agreement, and TCLA is willing to proceed with the performance of the Pre-Development Services pursuant to the terms of this Agreement.

AGREEMENTS

Now, therefore, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LACF2 and TCLA agree as follows:

1. **Negotiation of the Development Agreement.** During the Term (as defined in Section 2), LACF2 and TCLA agree to proceed with the negotiation of the Development Agreement, in a commercially reasonable manner and with due speed and diligence.

2. **Term.** The term of this Agreement (the "**Term**") shall commence on the Effective Date and terminate on the earliest of (a) December 31, 2022, (b) ten (10) business days after TCLA has received written notice from LACF2 stating that County has notified LACF2 that it is terminating the County/LACF2 Agreement, (c) ten (10) business days after either Party has received written notice from the other Party terminating this Agreement as a result of an uncured default under Section 11, or (d) the effective date of the Project Agreements. If the Term is going to terminate pursuant to Clause (a) of this Section 2, the Parties may elect, at each Party's discretion, to extend the Term for an additional ninety (90) days.

3. **Pre-Development Services.** During the Term, TCLA shall provide Pre-Development services (the "**Pre-Development Services**") related to the Proposed Site 2 Project. The Pre-Development Services shall include, without limitation (a) provision of the deliverables set forth on Exhibit A (the "**Narrative Scope and Deliverables**"), (b) negotiating the Development Agreement with LACF2, (c) negotiating an owner-architect agreement for design of the Proposed Site 2 Project with Gensler, the anticipated architect for the Proposed Site 2 Project (or another qualified architect approved by LACF2 and County), (d) negotiating a guaranteed-maximum-price ("**GMP**") construction agreement with Hathaway Dinwiddie Construction Company, the anticipated general contractor for the Proposed Site 2 Project (or another qualified general contractor approved by LACF2 and County), (e) preparation of a development schedule for approval by County for construction of the Proposed Site 2 Project, (f) assisting LACF2 with the negotiation of the Facilities Lease and Ground Lease with County,

(g) preparation of the EIR Addendum, (h) the pursuit of Proposed Site 2 Project entitlements, (i) the oversight of design and other professionals in the preparation of preliminary drawings for the Proposed Site 2 Project (to a level at which a GMP bid may be obtained), (j) due diligence for the Proposed Site 2 Project, (k) retention (on behalf of LACF2), oversight and management of all third-parties providing Pre-Development Services (“**Third Party Providers**”) and their respective contracts (“**Third-Party Contracts**”) for the Pre-Development of the Proposed Site 2 Project, (l) estimating, monitoring, and reporting the Pre-Development Costs (defined in Section 4), (m) procuring and facilitating the financing of the Proposed Site 2 Project through the issuance of the Bonds as set forth in Section 5, and (n) taking all such actions as may be reasonably required to advance the Proposed Site 2 Project in the Term. TCLA, in conjunction with LACF2, shall regularly update County with regard to the status of the Proposed Site 2 Project during the Term and shall seek input from County on key actions.

4. **Pre-Development Costs.** In connection with the performance by TCLA of the Pre-Development Services and its entering (as authorized representative of LACF2) into Third-Party Contracts with Third-Party Providers, costs, expenses and other financial obligations will be incurred by TCLA in connection with the Proposed Site 2 Project (“**Pre-Development Costs**”). Without limitation, such Pre-Development Costs for the Proposed Site 2 Project are anticipated to include (a) third-party due diligence costs; (b) application processing; (c) financial underwriting and legal fees related to the Bonds; (d) design fees for architects, landscape architects, engineers, and other design professionals; (e) consultant fees; (f) fees to environmental consultants and engineers preparing the EIR Addendum, (g) title and survey expenses; and (h) other miscellaneous costs.

4.1 **Estimate of Pre-Development Costs.** An estimate of the maximum Pre-Development Costs is set forth on the attached Exhibit B (the “**Estimated Pre-Development Costs**”). TCLA shall actively monitor the expenditure and continued expected expenditure of Pre-Development Costs and shall promptly notify LACF2 in writing when TCLA reasonably suspects that the total cost of any one of the eight categories (each a “**Category**”) set forth in the Estimated Pre-Development Costs or the aggregate total of the Pre-Development Costs will exceed the amounts set forth in the Estimated Pre-Development Costs.

4.2 **LACF2 and County Approval of Cost Increases.** TCLA shall promptly seek LACF2’s prior written approval if any Pre-Development Costs in each primary category (but amounts within line items and within categories may vary) or in the aggregate are in excess (“**Excess Pre-Development Costs**”) of the estimated cost set forth in the Estimated Pre-Development Costs, as such amounts may be adjusted from time to time in writing by the Parties (each such writing, an “**Agreed Cost Adjustment**”).

4.3 **Exclusions from Pre-Development Costs.** Although other costs may be excluded by LACF2 from the Pre-Development Costs, the following costs and expenses are explicitly excluded without LACF2’s express written consent: costs or expenses arising from or related to (a) travel, (b) any Excess Pre-Development Costs for which an Agreed Cost Adjustment has not been made, (c) any cost or expense not described by or contemplated in the Estimated Pre-Development Costs, (d) any Key Contract (as defined in the County/LACF2 Agreement has not been approved in writing by County, and (e) TCLA’s fees, overhead, labor,

or work effort which are all deemed fully compensated by County's payment of the TCLA Fee (defined in Section 7).

4.4 Payment of Pre-Development Costs. Pre-Development Costs shall be paid in accordance with Section 8. If this Agreement is terminated, the Pre-Development Costs for the Proposed Site 2 Project shall be paid by County to TCLA as provided in Section 9.

5. Bond Financing. TCLA shall assist LACF2, if County elects to have LACF2 use commercially reasonable efforts to (a) finance construction of the Proposed Site 2 Project (including, hard costs and soft costs, such as the costs of design, permitting, development, and construction) through the issuance of the Bonds in an amount sufficient to pay for all such costs and (b) utilize the services of the designated underwriter, Barclay's Capital, for the sale of the Bonds. County, at its sole and absolute discretion, shall determine (u) whether or not the Bonds will be issued, (v) whether financing for the Proposed Site 2 Project will be through the Bonds issued by LACF2 or through conduit or other bonds as determined by the County, (w) the total amount, interest rates, and amortization schedule of the Bonds, (x) the Bond documents, (y) the costs related to the Bonds, and (z) all other terms and conditions related to the Bonds.

6. No Commitment to Any Project; Independent Judgment.

6.1 No Commitment to Any Project. The County: has not committed to, authorized or approved the development of the Proposed Site 2 Project or any other proposed improvements on the Properties; retains the absolute sole discretion to modify the Proposed Site 2 Project as may be necessary to comply with CEQA or for any other reason; as Lead Agency, may modify the Proposed Site 2 Project, or decide not to proceed with the Proposed Site 2 Project, as may be necessary to comply with CEQA, or for any other reason as determined in County's sole and absolute discretion; and is not precluded from rejecting the Proposed Site 2 Project, or from weighing the economic, legal, social, technological, or other benefits of the Proposed Site 2 Project against its unavoidable environmental risks when determining whether to approve the Proposed Site 2 Project. Further, no activities, which would constitute a project under CEQA, including the Proposed Site 2 Project, may be commenced until necessary findings and consideration of the appropriate documentation under CEQA are considered by the Board and feasible mitigation measures and alternatives to the Proposed Site 2 Project, including the "no project" alternative, required in connection with CEQA, may be adopted by the Board.

6.2 Independent Judgment. As Lead Agency under CEQA, County will exercise independent judgment and analysis in connection with any required environmental reviews or determinations under CEQA for the Proposed Site 2 Project, shall have final discretion over the scope and content of any document prepared under CEQA and shall have final discretion over the extent of any studies, tests, evaluations, reviews or other technical analyses. Any consultants retained for the purpose of preparing CEQA documentation shall reasonably comply with any directions from County with respect thereto and shall agree in substance to the terms set forth on Exhibit C.

7. TCLA Pre-Development Fee. Subject to Section 8, LACF2 shall pay TCLA a development management fee ("TCLA Fee") of twenty-two thousand seven hundred thirty and 58/100 dollars thousand dollars (\$22,730.58) per month, in arrears, for each calendar month, to a

maximum of two hundred and seventy two thousand seven hundred and sixty-seven dollars (\$272,767), commencing on the Effective Date and continuing until the Term expires or the maximum amount is reached. Any partial calendar month shall be paid on a pro rata basis. TCLA shall submit an invoice for the TCLA Fee to LACF2 (the “**TCLA Invoice**”) at the end of each calendar month during the Term (or within thirty (30) days after the end of the Term) and LACF2 shall pay the amount of such invoice within thirty (30) days after receipt.

8. **Payment of Pre-Development Costs.**

8.1 **Responsibility of County.** Notwithstanding anything to the contrary herein, payment of the Pre-Development Costs is the responsibility of County pursuant to the County/LACF2 Agreement, which payment LACF2 shall in good faith seek with all due diligence.

8.2 **Payment Applications.** During the Term, payment applications (each a “**Payment Application**”) may be submitted by TCLA to LACF2 for payment of Pre-Development Costs previously incurred during the Term. Once received from TCLA, LACF2 shall review each Payment Application and submit such Payment Applications together with its recommendation for payment to County. Payment Applications may be submitted to LACF2 by TCLA once each calendar month. Each Payment Application shall include such lien releases and other supporting documentation as may be reasonably required by LACF2 and County.

8.3 **Payment by County.** Unless LACF2 or County disputes some or all of the amounts requested in a Payment Application, payment shall be made by LACF2 upon receipt of payment for such amounts from County but not later than forty-five (45) days following submission of each Payment Application.

8.4 **Dispute.** LACF2 shall notify TCLA in writing (“**Notice of Dispute**”) if LACF2 disputes (or otherwise requires more information before paying) any Payment Application within forty-five (45) days after LACF2’s receipt of such Payment Application. Such Notice of Dispute shall set forth the nature of such dispute in sufficient detail for TCLA to understand and respond to LACF2’s concerns. LACF2 shall promptly pay all undisputed portions of the Payment Application. Upon issuance of a Notice of Dispute, LACF2 and TCLA shall promptly meet and confer to resolve such dispute, and TCLA shall continue to provide the Pre-Development Services while the Parties seek resolution.

8.5 **Limits.** Total payments of Pre-Development Costs shall not exceed the amounts set forth in each primary category (but amounts within line items and within categories may vary) or in the aggregate in the Estimated Pre-Development Costs without an Agreed Cost Adjustment.

9. **Payment of Fees upon Termination of this Agreement.** Upon expiration or termination of this Agreement, LACF2 shall pay the final Payment Application pursuant to the terms and conditions of Section 8 and final TCLA Invoice pursuant to the terms and conditions of Section 7. In addition, if LACF2 terminates this Agreement pursuant to Clause (b) of Section 2, LACF2 shall reimburse TCLA for any direct, and actual costs, paid to third-party providers, reasonably incurred by TCLA by reason of such termination.

10. **Ownership of Work Product; Third-Party Contracts.** All of the work product produced by TCLA, the Third-Party Providers, any other consultant, design professional or contractor, or their respective employees, contractors, subcontractors, or agents as part of the Pre-Development Services, including the Project Deliverables shall be the property of LACF2 (which shall have the right to assign such ownership to County).

10.1 **Third-Party Contracts.** All Third-Party Contracts shall be between TCLA as authorized representative for LACF2, and a Third-Party Provider. Although County shall not be a party to any Third-Party Contract, each Third-Party Contract shall include the Third-Party Provider's indemnity of LACF2 and County and consent to the assignment of such Third-Party Contract to County. At County's written request (which may be made upon expiration or early termination of this Agreement or at any other time), TCLA shall assist LACF2 in promptly assigning any or all of the Third-Party Contracts to County, as requested.

11. **Breach; Default; Remedy.**

11.1 **Breach.** The occurrence of any one or more of the following events shall constitute a breach under this Agreement (each a "**Breach**"):

(a) The failure of a Party to perform any obligation, or to comply with any material covenant, restriction, term, or condition of this Agreement;

(b) Any material representation or warranty made by a Party proves to be false or misleading in any material respect at the time made; or

(c) Any "Default" (as defined in the ENA) by TCLA under the ENA.

11.2 **Default.** A Breach shall become a default under this Agreement (each a "**Default**") if the Party committing the Breach fails to cure the Breach within the following time periods:

(a) For all monetary Breaches, five (5) business days after the date such payment is due;

(b) For all non-monetary Breaches, twenty (20) business days after receipt of written notice ("**Cure Notice**") thereof from the aggrieved Party specifying such non-monetary Breach in reasonable detail, delivered in accordance with the provisions of this Agreement, where such non-monetary Breach could reasonably be cured within such twenty (20) business day period; or

(c) Where such non-monetary Breach could not reasonably be cured within such twenty (20) business day period, such reasonable additional time as is necessary to promptly and diligently complete the cure but in no event longer than forty (40) business days; provided that the breaching Party promptly commences to cure such non-monetary Breach after receiving the Cure Notice and thereafter diligently and continuously pursues completion of such cure.

11.3 Remedies. Following a Default, the non-defaulting Party may terminate this Agreement and/or seek any and all remedies available at law or in equity.

12. Site Access. During the Term, all consultants performing site due diligence, design and pre-construction services shall provide LACF2 a notarized copy of a site access agreement in the form attached as Exhibit D (each a “**Site Access Agreement**”).

13. **Indemnity of County**.

13.1 General Indemnity. TCLA shall Indemnify (defined in Section 13.7(d)) LACF2 and the County Indemnified Parties (defined in Section 13.7(b)) from and against all Claims (defined in Section 13.7(a)) caused by or arising directly or indirectly from (a) any acts or omissions of any TCLA Party which constitute (i) a material breach of any TCLA obligation under this Agreement, (ii) negligence by a TCLA Party or (iii) willful misconduct by a TCLA Party, including Claims that accrue or are discovered before or after termination of this Agreement; (b) any dispute among the TCLA Parties, in each case without requirement that such Claims be paid first by any County Indemnified Party; and (e) TCLA’s or any TCLA Party’s willful misconduct or negligence in connection with the pursuit of entitlements and/or approvals of the Proposed Site 2 Project issued by County or the City. TCLA shall not be liable to LACF2 or any County Indemnified Party for any Claim to the extent that such Claim is caused by the negligence or willful misconduct of any County Indemnified Party. In the event any dispute as to the nature of County’s conduct with respect to any Claim, LACF2 shall defend County until such dispute is resolved by final judgment.

13.2 Intentionally Omitted.

13.3 No Protected Contractor or Construction Contract. TCLA has entered into this Agreement and shall perform any actions under it in furtherance of TCLA’s interests and not for the benefit of, or as a contractor, subcontractor or supplier of goods or services (each a “**Protected Contractor**”) for or to County. Consequently, this Agreement shall not be construed as containing provisions, clauses, covenants, or agreements contained in, collateral to, or affecting any construction contract with a public agency pursuant to California Civil Code §§ 2782 *et seq.*, as it may be amended (“**Section 2782**”), and TCLA shall not be considered a Protected Contractor under Section 2782.

13.4 Protected Contractor Indemnity. If, despite the explicit terms and conditions of this Agreement, TCLA is determined by a court of competent jurisdiction to be a Protected Contractor when fulfilling certain of its rights or duties under this Agreement (the “**Protected Contractor Rights or Duties**”), then, solely with regard to indemnities for Claims arising from such Protected Contractor Rights or Duties, TCLA shall not be subject to the indemnities set forth elsewhere in this Agreement and shall be subject only to the following indemnities: TCLA shall Indemnify the County Indemnified Parties from and against all Claims caused by or arising directly or indirectly from any act or omission by any TCLA Party, related to or arising from such Protected Contractor Rights or Duties; provided, however, (a) TCLA shall not be responsible for indemnifying the County Indemnified Parties for (i) liability resulting from the County Indemnified Parties’ sole negligence, willful misconduct or active negligence or (ii) any other liability for which TCLA is not permitted to Indemnify County under Section 2782,

and (b) TCLA shall be subject to the indemnities set forth elsewhere in this Agreement with regard to any Claims not caused by or arising directly or indirectly from any act or omission by any TCLA Party, related to arising from any Protected Contractor Rights or Duties.

13.5 No Design Professional Contract. TCLA has entered into this Agreement and shall perform any actions under it in furtherance of TCLA's interests. This Agreement is not a contract for the provision of design professional services to a public agency (a "**Design Professional Contract**") and that TCLA is not a "design professional" as defined in California Civil Code § 2782.8, as it may be amended ("**Section 2782.8**"). Consequently, this Agreement shall not be construed as containing provisions, clauses, covenants, or agreements contained in, collateral to or affecting a Design Professional Contract.

13.6 Design Professional Contract Indemnity. If, despite the explicit terms and conditions of this Agreement, this Agreement is determined by a court of competent jurisdiction to be a contract for services of a design professional, as such term is defined in Section 2782.8, then, solely with regard to indemnities for Claims arising from the rights or duties in this Agreement that the presiding court has determined to be design professional rights or duties (the "**Design Professional Rights or Duties**"), TCLA shall not be subject to any indemnities set forth elsewhere in this Agreement and shall be subject only to the following indemnities: TCLA shall Indemnify the County Indemnified Parties from and against all Claims (a) that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of a TCLA Party, related to or arising from any Design Professional Rights or Duties or (b) for which TCLA is permitted to Indemnify County under Section 2782.8; provided, however, TCLA shall be subject to the indemnities set forth elsewhere in this Agreement with regard to any Claims not caused by or arising directly from any act or omission by any TCLA Party, related to or arising from any Design Professional Rights or Duties.

13.7 Definitions. The following terms shall have the following meanings:

(a) "**Claim**" means any claim, loss, demand, action, liability, penalty, fine, judgment, lien, forfeiture, cost, expense, damage, or collection cost (including reasonable fees of attorneys, consultants, and experts related to any such claim).

(b) "**County Indemnified Parties**" means collectively, for purposes of indemnification only, County and its Special Districts and affiliates, including any nonprofit corporation or other entity in which County is a member, and its and their respective elected and appointed officials, subsidiaries, members, shareholders, beneficiaries, attorneys, agents, trustees, successors, assigns, and any individual (employee, officer, partner, director, member, commissioner or board member) employed by or acting on behalf of any of the above entities.

(c) "**TCLA Party**" means, for purposes of indemnification only, TCLA, or any entity or person acting on TCLA's behalf or anyone employed by or contracted with TCLA in the course of such employment or contracted work.

(d) "**Indemnify**" means collectively indemnify, defend (by counsel reasonably acceptable to indemnified Party), protect, and hold harmless, without requirement that the indemnified Party first pay any amounts.

13.8 Third Party Beneficiary. The Parties acknowledge and agree that County is a third-party beneficiary of this Section 13.

13.9 Survival. Notwithstanding anything else in this Agreement, the terms and conditions of this Section 13 shall survive the expiration or early termination of this Agreement.

14. **Miscellaneous.**

14.1 Governing Law. This Agreement shall be construed according to the internal laws of the State of California. Any claim or dispute arising out of this agreement shall be brought in the courts of County.

14.2 Full Information. LACF2 shall provide TCLA all material information it has received from County or any applicable third-party regarding the requirements for the Proposed Site 2 Project.

14.3 Scope of TCLA Services. TCLA is not a design professional, engineer, or construction contractor, and TCLA has no control over, charge of, and shall not be responsible for, any legal, design, engineering, consulting, contracting, or other professional or construction work or services performed in connection with the Proposed Site 2 Project nor shall TCLA be responsible for any act or omission of LACF2; provided, however, that TCLA shall be responsible for any services (including the Pre-Development Services) it actually provides in its capacity as a development manager for the Proposed Site 2 Project.

14.4 Prevailing Party. In the event that any Party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing Party shall be entitled to an award of its costs and expenses, including its reasonable attorneys' fees.

14.5 Counterpart and Electronic Signatures. Each Party hereto and its respective successors and assigns shall be authorized to rely upon signatures of each person and entity on this Agreement that are delivered by facsimile or electronic transmission as constituting a duly authorized, irrevocable, actual delivery of this Agreement with original signatures of each person and entity.

14.6 Notices. All notices shall be in writing and either (a) personally served at the appropriate address (including by means of professional messenger service or recognized overnight delivery service, provided that any such delivery is confirmed by written receipts signed on behalf of the receiving Party or by adequate proof of service), (b) deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the appropriate addressee, or (c) delivered by electronic mail, provided that any notice of default shall also be delivered by one of the methods in clauses (a) and (b), and all such notices shall be deemed received and effective on the day such notice is actually received, if received before 5:00 p.m. on a regular business day, or on the following business day if received at any other time. All addresses of the Parties for receipt of any notice to be given pursuant to this Agreement are as follows:

If to LACF2:

Los Angeles County Facilities 2, Inc.
c/o Public Facilities Group
1700 Seventh Avenue
Suite 2100, PMB 552
Seattle, WA 98101
Attention: John Finke
Email: johnfinke@publicfacilitiesgroup.com

With a copy to:

Hillis Clark Martin & Peterson, PS
999 Third Avenue, Suite 4600
Seattle, WA 98104
Attention: Michelle Gail
Email: michelle.gail@hcmp.com

With a copy to:

Chief Executive Office
County of Los Angeles
500 West Temple St., 6th Floor
Los Angeles, CA 90012-2932
Attention: Vanessa Moody
Email: vmoody@ceo.lacounty.gov

If to TCLA:

TC LA Development, Inc.
2221 Rosecrans Ave, Suite 200
El Segundo, CA 90245
Attention: Greg Ames
games@trammellcrow.com

With a copy to:

Chief Executive Office
County of Los Angeles
500 West Temple St., 6th Floor
Los Angeles, CA 90012-2932
Attention: Vanessa Moody
Email: vmoody@ceo.lacounty.gov

Either Party may change any of the above information by giving notice to the other Party of such change in accordance with the provisions of this Section 14.6.

14.7 Non-Discrimination. TCLA shall not discriminate against any employee or applicant for employment on the basis of race, religion, sex, sexual orientation, age, physical handicap, or national origin and shall comply with all applicable provisions of federal, state and local law related to discrimination. TCLA shall take affirmative action to ensure that applicants are employed and that employees are treated during their employment without regard to their race, religion, sex, sexual orientation, age, physical handicap, or national origin, including without limitation employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

14.8 No Assignment by TCLA. LACF2 has entered into this Agreement in reliance on TCLA's unique abilities to provide the Pre-Development Services; consequently, TCLA shall have no right to assign its rights or duties under this Agreement.

14.9 Assignment by LACF2. The Parties have entered into this Agreement with the understanding that LACF2 may elect, at its sole and absolute discretion, to assign its rights and obligations under this Agreement to County and that upon LACF2's assignment to, and County's assumption of, this Agreement, LACF2 shall be released from any further rights and obligations under this Agreement.

14.10 Entire Agreement. This Agreement and the Exhibits hereto are the entire agreement between the Parties with respect to the subject matter hereof, and supersede all prior verbal or written agreements and understandings between the Parties with respect to the items set forth herein.

(Signatures Follow on Next Page.)

EXECUTED as of the day and year first written above.

LACF2:

LOS ANGELES COUNTY FACILITIES 2, INC.,
a California nonprofit public benefit corporation

By: _____
Name: John Finke
Title: President

TCLA:

TCLA DEVELOPMENT, INC.,
a Delaware corporation

By: _____
Name: Gregory B Ames.
Title: President

EXHIBIT A
Predevelopment Agreement
Narrative Scope & Deliverables

The below descriptions include a general listing of the deliverables which will be prepared during, and prior to the completion of, the Predevelopment Agreement period. This is not intended to be an exclusive nor all-encompassing list, but instead intended to capture the basic intent of having a fully defined, entitled, priced, financeable project ready for approval by the Board of Supervisors upon completion of the Pre-Development period.

Project Programming and Concept Design

TCLA, TCLA's design team, TCLA's Contractor, and County (collectively, the "**Development Team**") shall meet with the various County users groups (if applicable), as directed and coordinated by County, to define their specific space requirements, growth expectations, and necessary adjacencies (if any) with the intent of cooperatively defining tenant locations within the building. The expectations is that at the end of this 6 week period, the Development Team will have an agreed recommendation of the proposed tenant locations within the project, or shall have laid out a flexible floor plan for future County requirements. County shall have two weeks following this process to approve or make any necessary adjustments to the development program. This project scope will serve as the basis of project design, and will serve as the project scope for purposes of the CEQA Addendum.

Expected Timeframe: 6 weeks

County Approval Period: 2 weeks

Deliverables:

- Concept Drawings & Massing Plans (for review & approval)
- Blocking Plan (for review & approval)

Site Due Diligence

TCLA, TCLA's contractor, and TCLA's design team shall perform all necessary site due diligence to properly design and execute the project and mitigate unforeseen conditions during construction. While some of this has already been completed, a number of the reports will need to be updated specific to the project scope.

Expected Timeframe: 12 weeks

Deliverables

- Updated Geotechnical Report
- Updated Phase Two Environmental Studies
- Site Utility Study
- Updated Site Title (ALTA) Survey
- Site Construction Survey

Schematic Design/Design Development and Basis of Design Deliverables

Based on the approved Concept Drawings & Blocking Plans, the TCLA, and TCLA's design team shall advance the project drawings through Schematic Design and Design Development and will prepare Schematic Design drawings and Design Development Drawings and specifications and a Basis of Design Report for review and approval by County to ensure Building Systems Quality (A,S,M,E,P, FLS, Low Voltage, etc). The design shall be commensurate with "Class A"

building standards and all design phase drawings and specifications shall be commensurate with AIA design completion standards. This is expected to take 16 weeks, and County will be afforded 4 weeks to review and comment on the 100% Schematic Design package and Basis of Design Report prior to the commencement of Design Development Drawings. TCLA and TCLA's design team shall then incorporate County's comments and advance the project drawings through Design Development.

The overall design process is intended to be a logical progression and advancement of the design based on prior approvals. In the event that there is a material deviation or change in design from the previous County approval, TCLA shall request a specific approval from County prior to proceeding with the change. County acknowledges that TCLA and TCLA's design team will introduce and recommend design changes throughout the process as opportunities for value engineering, better efficiencies, construction phasing, operations/maintenance/life cycle issues, and general architectural aesthetic are better understood throughout the design process. County shall endeavor to approve or disapprove these recommendations as expeditiously as possible, but in any event, no more than one work week for any given decision.

TCLA shall provide County with a more detailed schedule of any required activities and meetings required to accomplish the 16 week Schematic Design and Basis of Design Deliverables phase no less than 14 calendar days prior to the start of the aforementioned phase. County is advised that this is a fast tracked project schedule, and that unexpected meetings may occur during this process. TCLA shall provide County with one week's notice for any unexpected meeting requirements.

Expected Timeframe: 16 weeks

County Approval Period: 4 weeks

Deliverables

Core & Shell Design

- 50% Schematic Design Drawings & Basis of Design
- 100% Schematic Design Drawings & Basis of Design (for review & comment)
- 50% Design Development Drawings & Specifications
- 100% Design Development Drawings & Specifications (for comment)

Tenant Improvement Design

- 50% Schematic Design Drawings
- 100% Schematic Design Drawings & Basis of Design (for review and comment)
- 50% Design Development Drawings & Specifications
- 100% Design Development Drawings & Specifications (for comment)

Core & Shell Design

- 50% Design Development Drawings & Specifications
- 100% Design Development Drawings & Specifications (for comment)

Tenant Improvement Design

- 50% Design Development Drawings & Specifications
- 100% Design Development Drawings & Specifications (for comment)

CEQA Addendum

TCLA shall engage necessary land use and CEQA consultants and counsel to prepare all necessary documents for completion of the addendum to the CEQA documents,

Expected Timeframe: Approx 5 months

Deliverables

- Completed Environmental Impact Report (ready for adoption by Board of Supervisors), which contemplates all THREE development sites
- Notice of Determination from County Planning Commission (or other necessary approval) for Site Plan Review for Site One (only)

Construction Agreement & Budget

TCLA shall engage TCLA's contractor to provide pre-construction support throughout design process for purposes of guiding decision making process towards the preparation of a GMP contract including a construction schedule. This will occur throughout the duration of Term. TCLA's contractor shall provide updated cost estimates at the 100% Schematic Design and 100% Design Development stages, which shall be delivered to the County no more than 4 weeks following the completion of the appropriate drawing set.

It is the intent that the TCLA's design team and the TCLA's contractor work under separate agreements throughout the Term, however, following financing, during the actual Development period, that TCLA's Design team will roll under TCLA's contractor in a Design-Build format for completion of the Proposed Site 2 Project under the GMP contract.

Expected Timeframe: Pre-Development Period

Deliverables

- 100% Schematic Design Cost Estimate
- 100% Design Development Cost Estimate
- Guaranteed Maximum Price Design-Build Contract (ready for execution), which shall include:
 - Completion of Construction Drawings & Specifications for Core & Shell
 - Completion of Construction Drawings & Specifications for Tenant Improvements
 - Turnkey Delivery of Project
 - Guaranteed Budget
 - Guaranteed Schedule

Transactional & Financing

TCLA shall provide all necessary support to LACF2 for purposes of putting the Proposed Site 2 Project in a "ready to finance" condition. It is expected that a lease-back revenue bond will be issued by LACF2. However, LACF2 will work closely with the County in finalizing all financial documents, and the structure and issued of the Bonds may be altered at County's discretion.

Deliverables

- Guaranteed Project Budget & Schedule
- Fully Negotiated Ground Lease Document (ready for consideration by the Board of Supervisors)
- Fully Negotiated Facility Lease Document (ready for consideration by the Board of Supervisors)

- Bond Issuance Documents and all necessary underlying funding documents (ready for consideration by the Board)
- Fully Negotiated Development Agreement between LACF2 & TCLA

Exhibit B
Estimated Pre-Development Costs

Vermont Corridor SITE 2 PRE-DEV			
Updated 06/04/2021			
Entitlement Costs		SF	Budget
Pre-Development/Bond Closing			
Transactional Legal		\$	150,000
Land Use Legal		\$	100,000
Phase II		\$	200,000
Geotechnical		\$	30,000
ALTA Survey		\$	30,000
Traffic Consultant		\$	15,000
CEQA Consultant		\$	75,000
Entitlement Total		\$	600,000
Design and Project Consultants			
Design Consultants (Plan Check and Construction Administration)			
Design Fees Core & Shell + Consultants	243,133	\$	3,343,079
MEP Design Build Fees	243,133	\$	729,399
GC Pre-Construction	243,133	\$	316,073
Reimbursables	243,133	\$	219,428
Design Consultant Total		\$	4,607,978
Plan Check, Inspections, Site Utilities, Permit & Bonds			
Plan Check, Inspection, Site Utilities and Permit & Bonds			
DWP Electric Service Initiation	243,133	\$	246,567
Plan Check, Site Utilites Total		\$	246,567
Supplemental Scope, Insurance, Fees and Contingency			
Insurance, Fees & Contingency			
Developer Fee (5%)	5%	\$	272,727
Soft Project Contingency (10%)	5%	\$	272,727
Other Total		\$	545,455
Total Estimated Pre-Development Budget		\$	6,000,000

Exhibit C

DISCLOSURE AGREEMENT FOR CALIFORNIA ENVIRONMENTAL QUALITY ACT REVIEW OF THE VERMONT CORRIDOR PROJECT

This Disclosure Agreement for California Environmental Quality Act Review of the Vermont Corridor Project (this “**Agreement**”) is made by and between TC LA Development, Inc. (“**Developer**”), and _____ (“**CEQA Consultant**”), as of the date of _____, in connection with the environmental review pursuant to the California Environmental Quality Act (California Public Resources Code sections 21000, *et seq.*) (“**CEQA**”) for a project to located in Los Angeles, California (“**City**”) at (i) 510, 526 and 532 South Vermont Avenue and 523 Shatto Place, (ii) 550 South Vermont Avenue and 3175 West 6th Street and (iii) 433 South Vermont Avenue (the “**Project**”).

RECITALS

(i) The County of Los Angeles (“**County**”) is the fee owner of the property on which the Project would be located.

(ii) County and Developer have entered into certain agreements pertaining to the management and development of the Project.

(iii) County is the lead agency pursuant to CEQA with discretionary approval over the Project.

(iv) Developer has retained CEQA Consultant to undertake the environmental review for the Project pursuant to CEQA and related statutes and laws.

(v) Although CEQA Consultant has not contracted with County to conduct the environmental review for the Project, Developer and CEQA Consultant wish to acknowledge and verify their understanding that CEQA Consultant owes certain duties to County, as set forth herein, with respect to its work on the Project;

(vi) Developer and CEQA Consultant desire to acknowledge and verify their understanding that work performed by CEQA Consultant must be subject to the ultimate direction and discretion of County, consistent with the provisions and requirements of CEQA, which require County as lead agency to exercise ultimate decision-making authority and discretion with respect to the environmental review for the Project.

G. Developer and CEQA Consultant desire to memorialize their understanding that privileged attorney-client information shared by and among them related to the Project will remain privileged and confidential, and shall not be disclosed, subject to the conditions and limitations set forth herein.

NOW, THEREFORE, in view of the foregoing, Developer and CEQA Consultant hereby agree as follows:

AGREEMENT

1. Duty of Disclosure

1.1 CEQA Consultant agrees and acknowledges:

- (a) CEQA Consultant has to provide a complete and accurate environmental document for the Project for the purposes of County's review of the Project pursuant to CEQA; and
- (b) CEQA Consultant shall require and ensure that all sub-consultants it hires or retains in connection with the environmental review for the Project comply with (i) of this Section 1.A.i.

2. County Authority as Lead Agency

- 2.1 County as lead agency shall have final discretion over the scope and content of any environmental document prepared by CEQA Consultant, and CEQA Consultant shall reasonably comply with any directions from County with respect thereto.
- 2.2 County as lead agency shall have final discretion over any and all procedures related to the environmental review for the Project, including but not limited to any decision whether to recirculate, review, or withdraw and environmental documents, and CEQA Consultant shall reasonably comply with any directions from County with respect thereto.
- 2.3 County as lead agency shall have final discretion over the extent of any studies, tests, evaluations, reviews, or other technical analyses, and CEQA Consultant shall reasonably comply with any directions from County with respect thereto.
- 2.4 Any disagreement regarding the environmental review for the Project shall be resolved by County in the exercise of its authority as lead agency.

3. Common Interest Doctrine

- 3.1 The parties have the mutual intent to prepare environmental review documents that comply with CEQA. To achieve these mutual intentions, the parties and County may, but are under no obligation to, share and exchange confidential advice from their respective attorneys. Such confidential advice shall be clearly marked "**CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATIONS – COMMON INTEREST DOCTRINE.**" Except as set forth in Sections 3.A and 3.B, the parties agree to treat such communications as privileged and confidential, and will not disclose such communications to any person other than the parties or

County except where agreed to by the parties or otherwise required by applicable law, including but not limited to the Public Records Act, or court order.

- 3.2 Notwithstanding Section 3.A, the parties acknowledge the Public Records Act (Government Code sections 6250, *et seq.*) compels County to disclose public records to any person requesting such records, with limited exceptions. Consistent with Government Code sections 6253.3 and 6270, County shall determine in its sole and exclusive discretion whether any document or record, including but not limited to documents or records marked as confidential pursuant to Section 3.A, are disclosable, whether in whole or in part, pursuant to the provisions of the Public Records Act.
- 3.3 Notwithstanding Section 3.A, County has the right in its sole and subjective discretion to disclose any information it deems necessary or desirable to disclose in the public interest.
- 3.4 Prior to any public disclosure by County pursuant to Section 3.B or 3.C, of documents or records marked confidential pursuant to 3.B, County shall make a reasonable, good faith effort to notify the CEQA Consultant and Developer of the extent of any planned disclosure. CEQA Consultant and Developer agree to hold County harmless for any and all damages, claims, or injury of any kind arising from or relating to a disclosure of documents by County pursuant to Section 3.B or 3.C, except that nothing herein prevents CEQA Consultant or Developer from filing an action in equity to enjoin the disclosure of any documents, records, or information. The parties shall not be entitled to an award of damages or attorneys' fees in connection with any such action.

4. Ownership of Documents and Records

Without limiting the duties of disclosure described in Section 1, nothing in this Agreement grants or shall be construed as granting County actual or constructive ownership, possession, custody, or control over the documents, materials, and/or records of or prepared by CEQA Consultant, Developer, and/or any of their third-party contractors or subcontractors, until such time as the documents, materials, and/or records are provided or submitted to County. By way of example only and without limitation or exclusion, documents, materials, and records for the purposes of this Section 4 include emails, memoranda, invoices, billing, studies, drafts of technical reports, or drafts of CEQA review documentation.

5. Indemnification

Developer shall indemnify, defend and hold harmless County, its Special Districts, and its elected and appointed officials, officers, directors, commissioners, agents, employees and contractors from and against any and all liability, loss, injury or damage, including, but not limited to, demands, claims, actions, fees, costs, and expenses (including attorneys' and expert witness fees), arising from or connected with any challenges by third-parties to County approvals or actions related to the Project and/or the validity of

any lease, sublease, or assignment of any rights to Developer, including without limitation, challenges arising under CEQA.

6. Expiration

This Agreement shall expire at the time that the Project and the EIR Documents become administratively final, and after all legal challenges associated with the Project and the EIR Documents have been finally adjudicated.

7. Counterparts

This Agreement may be executed in counterparts.

CEQA Consultant

By _____
Name:
Title:

Developer

By _____
Name:
Title:

Exhibit C
Site Access Agreement

RIGHT OF ENTRY PERMIT

This Right of Entry Permit ("Permit") is made and entered into this ____ day of _____, 2021, by and between the County of Los Angeles a public body corporate and politic ("County"), and _____ ("Permittee"). County and Permittee agree as follows:

1. PREMISES: Permittee, after execution by County, is hereby granted permission to enter County property identified as County Assessor's Parcel Numbers ("APN") _____, also known as _____, as described in Exhibit "A", attached hereto and incorporated herein by this reference ("Premises"). Entry constitutes acceptance by Permittee of all conditions and terms of this Permit.
2. PURPOSE: The sole purpose of this Permit is to allow Permittee and its subcontractors to enter the Premises to conduct _____.
3. TERM: The term of this Permit shall be for a period of _____ months, commencing upon the date that County executes this Permit. This Permit shall terminate _____ months after the Commencement Date. The hours of operation for this Permit shall be between 8:00 a.m. and 5:00 p.m. The term may be extended by mutual agreement in writing between Permittee and County.
4. CONSIDERATION: Consideration for this Permit shall be Permittee's faithful performance of its obligations under this Permit.
5. ADDITIONAL CHARGES: Permittee agrees to pay any charges for utilities that may be required and for the safekeeping of the Premises for the prevention of any accidents as a result of the Permittee's activities thereon.
6. NOTICE: Notices desired or required to be given by this Permit or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope, Certified Mail, Return Receipt Requested, addressed to the party for whom intended and depositing such envelope with postage prepaid in the U.S. Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to Permittee as follows:

or such other place in California as may hereinafter be designated in writing by the Permittee. The Notices, Certificates of Insurance and Envelopes containing the same to County shall be addressed to:

Chief Executive Office
County of Los Angeles
500 West Temple St., 6th Floor
Los Angeles, CA 90012-2932
Attention: Vanessa Moody
Email: vmoody@ceo.lacounty.gov

7. **INDEMNIFICATION:** Permittee agrees to indemnify, defend and save harmless County and its agents, elected and appointed officers and employees from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage, including damage to County property, arising from or connected with Permittee's operations, or its services hereunder, including any Workers' Compensation suits, liability, or expense, arising from or connected with services performed by or on behalf of Permittee by any person pursuant to this Permit.

8. **GENERAL INSURANCE REQUIREMENTS:** While this permit is in effect, Permittee or its contractor shall, at its sole cost and expense, obtain and maintain in full force and effect throughout the term of this Permit, insurance, as required by County, in the amount and coverages specified on, and issued by insurance companies as described in Exhibit "B".

Notification of Incidents, Claims or Suits: Permittee shall report to County any accident or incident relating to Permittee's entry which involves injury or property damage which may result in the filing of a claim or lawsuit against Permittee and/or County in writing within three business days of occurrence.

9. **RESERVED**

10. **RESERVED**

11. **OPERATIONAL RESPONSIBILITIES:** Permittee shall:

- a. Comply with and abide by all applicable rules, regulations and directions of County.
- b. Comply with all applicable County ordinances and all State and Federal laws, and in the course thereof obtain and keep in effect all permits and licenses required to conduct the permitted activities on the Premises.
- c. Maintain the Premises and surrounding area in a clean and sanitary condition to the satisfaction of County.
- d. Conduct the permitted activities in a courteous and non-profane manner; operate without interfering with the use of the Premises by County. County has the right to request Permittee to remove any agent, servant or employee who fails to conduct permitted activities in the manner heretofore described.

- e. Assume the risk of loss, damage or destruction to any and all fixtures and personal property belonging to Permittee that are installed or placed within the area occupied.
- f. Repair or replace any and all County property lost, damaged, or destroyed as a result of or connected with the conduct or activities of the Permittee. In the event utility services, including but not limited to sewer services, for the Premises are interrupted, Permittee shall promptly make repairs. Should Permittee fail to promptly make any and all repairs required by County during or following completion of Permittee's project, County may have repairs made at Permittee's cost and Permittee shall pay costs in a timely manner.
- g. Pay charges for installation and service costs for all utilities used for the conduct of the permitted activities, if needed.
- h. Except for the purpose described in Section 2, Permittee agrees to restore the Premises, prior to the termination of this Permit, and to the satisfaction of County, to the conditions that existed prior to the commencement of the permitted activities, excepting ordinary wear and tear or damage or destruction by the acts of God beyond the control of Permittee. This shall include removal of all rubbish and debris, as well as structures placed on the Premises by Permittee in order that the Premises will be neat and clean and ready for normal use by County on the day following the termination of this Permit. Should Permittee fail to accomplish this, County may perform the work and Permittee shall pay the cost.
- i. Allow County to enter the Premises at any time to determine compliance with the terms of this Permit, or for any other purpose incidental to the performance of the responsibilities of County.
- j. Provide all security devices required for the protection of the fixtures and personal property used in the conduct of the permitted activities from theft, burglary or vandalism, provided written approval for the installation thereof is first obtained from County.
- k. Prohibit all advertising signs or matter from display at the Premises, other than signs displaying the name of Permittee.
- l. Prohibit the sale of food.
- m. Keep a responsible representative of the Permittee available on the Premises during the times that Permittee is using said Premises for the purposes stated in Section 2 above. This person shall carry copies of this Permit for display upon request.
- n. Prior to entry onto the Premises pursuant to this Permit, notify County, in writing, of the times and dates the work or activity is to take place.

- o. Request permission of County to enter occupied portions of the Premises not less than twenty-four (24) hours in advance, together with a description of the nature and extent of activities to be conducted on the Premises.
 - p. At Permittee's sole cost and expense, be responsible for the cost of repairing the parking lot, sidewalks, driveways, landscaping and irrigation systems on the Premises which may be damaged by Permittee or Permittee's agents, employees, invitees or visitors, during and/or following the construction of Permittee's project, to County's satisfaction. Said repairs shall include the restoration of said landscaping and rerouting of said irrigation systems affected by Permittee's work on the Premises, if necessary.
- 12. **INDEPENDENT STATUS:** This Permit is by and between County and Permittee and is not intended and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association as between County and Permittee. Permittee understands and agrees to bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services performed on behalf of Permittee pursuant to this Permit.
- 13. **EMPLOYEES:** All references to the "Permittee" in the Permit are deemed to include the employees, agents, assigns, contractors, and anyone else involved in any manner in the exercise of the rights therein given to the undersigned Permittee.
- 14. **LIMITATIONS:** It is expressly understood that in permitting the right to use said Premises, no estate or interest in real property is being conveyed to Permittee, and that the right to use is only a nonexclusive, revocable and unassignable permission to enter the Premises in accordance with the terms and conditions of the Permit for the purpose of conducting the activities permitted herein.
- 15. **ASSIGNMENT:** This Permit is personal to Permittee, and in the event Permittee shall attempt to assign or transfer the same in whole or part all rights hereunder shall immediately terminate.
- 16. **AUTHORITY TO STOP:** In the event that an authorized representative of County finds that the activities being held on the Premises unnecessarily endanger the health or safety of persons on or near said property, the representative may require that this Permit immediately be terminated until said endangering activities cease, or until such action is taken to eliminate or prevent the endangerment.
- 17. **DEFAULT:** Permittee agrees that if default shall be made in any other terms and conditions herein contained, County may forthwith revoke and terminate this Permit.
- 18. **ALTERATIONS AND IMPROVEMENTS:** Permittee has examined the Premises and knows the condition thereof. Permittee accepts the Premises in the present state and condition and waives any and all demand upon County for alteration, repair, or improvement thereof. Permittee shall make no alteration or improvements to the Premises, except those identified in Section 2 hereof, without prior written approval from County, and any fixtures and/or personal property incidental to the purposes described in Section 2

hereof shall be removed by Permittee prior to the termination of this Permit, and in the event of the failure to do so, title thereto shall vest in County. All betterments to the Premises shall become the property of County upon the termination of this Permit.

19. COUNTY LOBBYIST ORDINANCE: Permittee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which County may terminate or suspend this Permit.
20. INTERPRETATION: Unless the context of this Permit clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes and "including" are not limiting.
21. ENTIRE AGREEMENT: This Permit contains the entire agreement between the parties hereto, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both County and Permittee.
22. TIME IS OF THE ESSENCE: Time is of the essence for each and every term, condition, covenant, obligation and provision of this Permit.
23. POWER AND AUTHORITY: The Permittee has the legal power, right and authority to enter into this Permit, and to comply with the provisions hereof. The individuals executing this Permit on behalf of any legal entity comprising Permittee have the legal power, right and actual authority to bind the entity to the terms and conditions of this Permit.
24. SURVIVAL OF COVENANTS: The covenants, agreements, representations and warranties made herein are intended to survive the termination of the Permit.

PERMITTEE:

_____,

By: _____
Name: _____
Title: _____

Who hereby personally covenants, guarantees and warrants that he/she has the power and authority to obligate the Permittee to the terms and conditions in this Permit. Please sign before a Notary Public and return for approval. Upon approval a signed copy will be mailed to Permittee.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____
County of _____

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[Signatures continue on the next page]

This Permit has been executed on behalf of County on the ____ day of _____, 2021.

COUNTY:

By: _____

APPROVED AS TO FORM:

Mary C. Wickham, County Counsel

By: _____
Deputy

EXHIBIT “D”
INSURANCE REQUIREMENTS

Without limiting Permittee’s duties to indemnify and defend as provided in this Right of Entry Permit, Permittee shall procure and maintain, at Permittee’s sole expense, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State’s Office and the California Department of Insurance. Such carriers must be admitted and approved by the California Department of Insurance or must be included on the California Department of Insurance List of Approved Surplus Line Insurers (hereinafter “LASLI”). Such carriers must have a minimum rating of or equivalent to A:VIII in A.M. Best’s Insurance Guide. Permittee shall, concurrent with the execution of this Right of Entry Permit, deliver to County certificates of insurance with original endorsements evidencing the insurance coverage required by this Right of Entry Permit. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Right of Entry Permit, but no later than thirty (30) days following execution of this Right of Entry Permit. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. During the term of this Permit, Permittee shall ensure that County has current certificates of insurance and applicable endorsements. County reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to County and all deductible amounts must be provided in advance to County for its approval. Any self-insurance program and self-insured retention must be separately approved by County. In the event such insurance does provide for deductibles or self-insurance, Permittee agrees that it will defend, indemnify and hold harmless County and its elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Permittee shall provide County at least thirty (30) days’ written notice in advance of any cancellation or any reduction in limit(s) for any policy of insurance required herein. Permittee shall give County immediate notice of any insurance claim or loss which may be covered by insurance. Permittee represents and warrants that the insurance coverage required herein will also be provided by any entities with which Permittee contracts, as detailed below. All certificates of insurance and additional insured endorsements shall carry the following identifier:

The insurance policies set forth herein shall be primary insurance and non-contributory with respect to County. The insurance policies shall contain a waiver of subrogation for the benefit of County. Failure on the part of Permittee, and/or any entities with which Permittee contracts, to procure or maintain the insurance coverage required herein may, upon County’s sole discretion, constitute a material breach of this Right of Entry Permit pursuant to which County may immediately terminate this Right of Entry Permit and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of County, procure or renew such insurance and pay any and all premiums in

connection therewith and all monies so paid by County shall be immediately repaid by Permittee to County upon demand including interest thereon at the default rate. In the event of such a breach, County shall have the right, at its sole election, to participate in and control any insurance claim, adjustment, or dispute with the insurance carrier. Permittee's failure to assert or delay in asserting any claim shall not diminish or impair County's rights against Permittee or the insurance carrier.

When Permittee, or any entity with which Permittee contracts, is naming County as an additional insured on the general liability insurance policy set forth below, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85. In the alternative and in County's sole and absolute discretion, it may accept both CG 20 10 10 01 and CG 20 37 10 01 in place of CG 20 10 11 85.

The following insurance policies shall be maintained by Permittee and any entity with which Permittee contracts for the duration of this Right of Entry Permit, unless otherwise set forth herein:

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) including coverage for bodily injury, personal injury and property damage with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate.....	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

County and each of its elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as the "Public Agency and its Agents"), shall be named as additional insureds for contractor's work on such policy. If Permittee contracts for or performs any digging, excavation or any work below grade, Permittee shall require such contractor to provide coverage for explosion, collapse, and underground ("XCU") property damage liability in addition to insurance required in this Exhibit.

B. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California. This must include a waiver of subrogation in favor of the Public Agencies and their Agents. In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-Policy Limit.....	\$1,000,000
Disease-Each Employee.....	\$1,000,000

C. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each incident. Such insurance shall include coverage of all "owned", "hired", and "non-owned" vehicles, or coverage for "any auto."

D. POLLUTION LIABILITY INSURANCE (in the event that Permittee or any of its employees, agents or contractors intends to perform any invasive testing, remediation of hazardous substances or any other activity that might be reasonably expected to include or release hazardous substances) including coverage for bodily injury, personal injury, death, property damages, and environmental damage with limits of not less than the following:

General Aggregate	\$1,000,000
Completed Operations	\$1,000,000
Each Occurrence	\$500,000

Said policy shall also include, but not be limited to: coverage for any and all remediation costs, including, but not limited to, brownfield restoration and cleanup costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead containing materials where applicable. The Public Agency and its Agents shall be covered as additional insureds on the pollution liability insurance policy. If the general liability insurance policy and/or the pollution liability insurance policy is written on a claims-made form, then said policy or policies shall also comply with all of the following requirements:

- (i) The retroactive date must be shown on the policy and must be before the date of this Permit or the beginning of the work or services that are the subject of this Permit;
- (ii) Insurance must be maintained and evidence of insurance must be provided for the duration of this Permit or for five (5) years after completion of the work or services that are the subject of this Permit, whichever is greater;
- (iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Permit, then the contractor must purchase an extended period coverage for a minimum of five (5) years after completion of work or services that are the subject of this Permit;
- (iv) A copy of the claims reporting requirements must be submitted to County for review; and
- (v) If the work or services that are the subject of this Permit involve lead based paint or asbestos identification/remediation, then the pollution liability shall not contain any lead-based paint or asbestos exclusions.

PINK

BOARD OF SUPERVISORS
OFFICIAL COPY

BA FORM 11162021

April 06, 2022

COUNTY OF LOS ANGELES

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

REQUEST FOR APPROPRIATION ADJUSTMENT

AUDITOR-CONTROLLER:
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE
FY 2021-22
3 - VOTES

SOURCES		USES	
PROJECT AND FACILITY DEVELOPMENT A01-CF-5500-10190 OTHER CHARGES DECREASE APPROPRIATION	591,000	VARIOUS CAPITAL PROJECTS VERMONT CORRIDOR SITE 2 RENOVATION A01-CP-6014-65099-87802 CAPITAL ASSETS - B & I INCREASE APPROPRIATION	591,000
SOURCES TOTAL	\$ 591,000	USES TOTAL	\$ 591,000

JUSTIFICATION
Reflects the transfer of \$591,000 from the Project and Facility Development budget to Vermont Corridor Site 2 Renovation, Capital Project No. 87802, to fund the pre-development and development activities.

AUTHORIZED SIGNATURE
JAMES YUN, MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---	<input type="checkbox"/> ACTION	<input type="checkbox"/> APPROVED AS REQUESTED
	<input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> APPROVED AS REVISED
AUDITOR-CONTROLLER	BY	CHIEF EXECUTIVE OFFICER
B.A. NO.	DATE	DATE