



Board Report 22-27

Date: April 19, 2022

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: New Office Facility

Board of Deferred Compensation Administration
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Raymond Ciranna <i>Vice-Chairperson</i>
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Discussion:

Presentation regarding establishing a facility plan for Deferred Compensation Plan staff.

A. Background

At its February 15, 2022 meeting, the Board adopted a strategic goal to establish a facility plan for Deferred Compensation Plan (DCP) staff. The search for new office space had been expedited by the need to identify suitable office space for the DC Plan Manager, who is expected to be hired in calendar year 2022. But aside from that position, looking to the future, space in the DCP's current office within the Employee Benefits Division office does not leave sufficient room for growth. A new office space may also provide certain enhancements that the limited space at the EBD office can't provide:

- Enclosed offices for all professional staff to ensure improved confidentiality;
- Dedicated conference space to meet with DCP service providers; and
- Adequate space for the number of program staff to grow.

The Department of Los Angeles Fire & Police Pensions (LAFPP) owns the building it occupies, and is seeking to lease out space on the first floor. DCP staff toured the building to determine whether it could meet the DCP's needs.

The building is located at 701-721 E 3rd St, Los Angeles, CA 90013. The space available for lease spans 3,571 square feet at a price of approximately \$39 per square foot per year, subject to negotiation. The space offers the following benefits:

- Ample space for the current complement of DCP staff members with room to grow;
- Close proximity to the Civic Center;
- Dedicated parking for staff and visitors; and
- Because the space is not built out yet, it could be designed in accordance with the DCP's particular needs.

There are a few potential obstacles regarding this space. Firstly, the space was previously used for manufacturing and is not yet built out for office space. Per LAFPP's realtor, that work can be done by LAFPP subject to negotiation of the lease's terms. The final cost for this space won't be known until DCP staff engages in discussions with LAFPP about its space needs, the duration of the lease, and related terms.

Secondly, the office space is on the corner of the busy intersection of Alameda Street and 3rd Street. As its currently designed, the space has two large front doors that open to the intersection. Because the office wouldn't be open to the public, the program would seek to remove those front doors and instead build access to the space via the building's main entryway corridor. The realtor indicated that this should be possible, but it would have to be confirmed with the Fire Department to ensure that modifications would still meet the fire code. Finally, the space may be larger than what the DCP program staff needs. A smaller space that is already designed to be used as an office may still meet the DCP's needs at a lower cost.

Photos of the office space are included below:



Included below are also photos of the LAFPP office space, which provides an example of how the DCP office could be designed:



DCP staff is continuing to consider other options in the downtown area. Staff has been in contact with the Los Angeles City Employees' Retirement System (LACERS) regarding this topic. LACERS currently leases space at the LA Times Building at 202 W. First Street. They intend to continue occupying this space until their new building at 977 N. Broadway is ready for move-in, which they estimate to be around August 2022.

DCP staff have communicated with LACERS both about leasing a single office at the LA Times building short-term for the DC Plan Manager, and about leasing space at the 977 N. Broadway building long-term for the entire DCP team. DCP staff toured the office available at the LA Times Building.

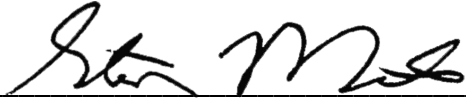
The LA Times office could serve the DC Plan Manager's needs; however, given that the timing of the DC Plan Manager appointment is uncertain, and given that the time left for LACERS in the LA Times Building is short, this option no longer appears needed or practical. Further research and discussion is needed, particularly with regard to the possibility of leasing space at LACERS' Broadway building. Staff will provide the Board with an additional update on this item at its May 17, 2022 meeting.

Submitted by:



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Approved by:



Steven Montagna, Chief Personnel Analyst