



November 1, 1995

Los Angeles County  
Metropolitan  
Transportation  
Authority

TO: MTA BOARD MEMBERS

THROUGH: FRANKLIN E. WHITE

FROM: JUDITH PIERCE, STANLEY G. PHERNAMBUCQ

SUBJECT: **BOARD REQUEST FOR INFORMATION REGARDING OFFICE  
LEASES (Request No. 95-78 and 95-79)**

818 West Seventh Street  
Suite 300  
Los Angeles, CA 90017

213.972.6000 **ISSUE**

Mailing Address: Staff was requested to report on the following issues related to the lease of office space  
for consultants:  
P.O. Box 194

Los Angeles, CA 90053

- Overall real estate policies and procedures for consultants
- MTA's involvement in the selection of office space
- Space plan analysis of consultant office space
- Use of Consultant's office space
- Cost savings by having project office for consultants

In addition, staff was requested to verify if an inventory of MTA lease office space has been conducted and determine if there is any office space available, including the EMC office space.

### **DISCUSSION**

#### ***Overall real estate policies and procedures for consultants***

MTA is obligated to reimburse the EMC contractor and other professional services contractors for their project related expenses. Project related lease costs can be covered in any one of three methods: (1) Reimbursement of lease payments, (2) direct payment of lease payments or (3) provide space in MTA facilities. The selected option is determined based on availability of space in MTA facilities, the availability of space in the open market; and the preference of the consultant.

*MTA's involvement in the selection of office space*

MTA's involvement in the selection of office space has been generally to approve the selected space and the total budget for rental payments. The consultants usually work with local real estate brokers to negotiate lease terms and to provide analysis of comparative space.

*Space plan analysis of consultant office space*

The amount of space required for each consultant is based on the projected number of employees and auxiliary space that will be needed to support the scope of work of the consultant's contract over the term of the project. The level of staff is approved by MTA as part of the contract negotiations. The space required to house the consultant team may fluctuate from time to time and attempts are made at that time to sublease the space to other consultants.

*Use of Consultant's Space*

The consultant's office space is generally under the consultant's control. If space is needed for MTA staff or other consultant staff, an agreement is usually made for joint use or shared space.

*Cost savings by having a project office for consultants*

The cost of the project office is included in the total contract budget. A cost savings is not always achieved by having a project office for consultants; however, if space is not available in an existing MTA facilities, there are few alternatives available except lease of office space.

*Inventory of MTA office lease space*

The MTA's inventory of office space that is not used by MTA staff is very limited. The following locations are currently owned or leased by MTA and are either unoccupied or has excess space:

1. **6141 Century Boulevard**

This MTA owned location is improved with a 1 story building containing approximately 33,000 square feet. The property has not been occupied since September 1993 and is in a state of disrepair and is contaminated with asbestos. Plans are currently under way to demolish the building and lease the remainder of the site for surface parking.

2. **2250 Imperial Highway**

MTA leased approximately 19,228 square feet of office space for the Green Line Construction Manager. This space is available for MTA use until July 1996.

3. **818 West 7th Street**

The second and third floors of the 818 Building will remain under MTA control after the MTA staff is relocated to the Gateway Building. The existing leases will not expire until

April 1997. The 4th floor contains approximately 32,000 square feet and the 3rd floor approximately 16,000 square feet.

A portion of the 4th floor will be occupied by the office of the Inspector General. The remainder of the space will be available for sublease, use by other MTA staff or available for use by various consultants.

4. **Former Johnson & Johnson Site in Pasadena**

MTA recently obtained possession of this multi-building complex as part of the acquisition requirements for the Pasadena Blue Line. The complex consists of 8 buildings containing approximately 220,000 square feet of space. Approximately 28,000 square feet being office space. Portions of the site are currently occupied by MTA for use as storage of construction items and as a holding facilities for excess properties prior to disposition.

The remainder of the property is available for interim uses.

*Status of EMC Office Lease*

A Board Report on the status of the Engineering Management Consultant (EMC) office lease was submitted to the Board by report dated September 14, 1995.

Staff is available to provide additional clarification of the information contained in this report if desired.

Prepared by: Velma C. Marshall  
Director of Real Estate