

Community College Trustees Pull Back Lease and Spending At Van de Kamps Building

Van de Kamps Coalition Accuses Vice Chancellor Linked to Mayor's Office of Contract Conflict-of-Interest in Lease That Would Benefit His Own Non-Profit

(Los Angeles, CA) On Wednesday, April 14, 2010, a grim-faced Los Angeles Community College District ("LACCD") Board of Trustees, started its meeting almost one hour late and "pulled" from its agenda a proposed five-year lease of the historic Van de Kamps Bakery building to a non-profit corporation linked to Los Angeles Mayor Antonio Villaraigosa. The corporation, Community Career Development, Inc., was proposed by LACCD staff to receive a "sweetheart" no-bid lease of the newly reconstructed historic landmark building, and in turn the lease would have allowed the non-profit to sublease to other non-profits lined up to get space for their unemployment programs in the building.

"We have been told by other workforce providers in the Los Angeles region that Deputy Mayor Larry Frank played a role in steering at least \$240,000 to Community Career Development without the federally required competitive bidding among workforce center operators for the right to open a new workforce center. In turn, we believe LACCD staff, led by Vice-Chancellor Marvin Martinez, General Counsel Camille Goulet and others, tried to illegally give the Van de Kamps building away without meeting state law competitive bidding requirements for leases," said Van de Kamps ("VDK") Coalition member Miki Jackson.

On Monday, April 12, 2010, the VDK Coalition's attorney, Daniel Wright, sent a objection letter to the proposed lease that identified at least four laws that would have been broken if the lease had been approved. Because the LACCD Board continues to refuse to conduct environmental review of changes at the Van de Kamps campus, the California Environmental Quality Act is violated.

Further, the particular sections of the Education Code the District proposed to award the no-bid lease did not grant authority to award the lease to a mere unemployment program. Furthermore, because the District's bond counsel has previously informed the Board of Trustees that expenditure of bond funds to pay for construction of offices for the proposed tenants is unlawful, Wright argued that the Proposition 39 restrictions would be knowingly violated by Board members. Finally, Vice-Chancellor Martinez's conflict-of-interest was alleged to nullify the proposed lease under Government Code Section 1090 anti-corruption law.

"The LACCD staff has acted with reckless disregard for the most basic laws governing community colleges and led its Board of Trustees into illegal actions at Van de Kamps. As a result, the students who need the adult, for-credit educational opportunity intended by voters who approved bonds for the Van de Kamps site, are at risk of having it snatched away by the Mayor's office and his non-profit allies who want the building for their own purposes," said Wright.

In testimony before the Board, East LA Activist Jose Aguilar warned that he guaranteed that their bond abuse would be remembered by voters when they run for re-election and any time a new bond measure is put on the ballot in the future.

New LACCD Board of Trustees, Miguel Santiago and Tina Park, have emerged as uncomfortable with the actions of the Board “old guard” who have ruled the Board for years. Santiago expressed frustration that for three Board meetings, the Interim Chancellor, Tyree Wieder, has failed to bring to the Board a report he requested on the extent that voter-approved bond funds may have been used to construct tenant improvements inside what is supposed to be a community college classroom building.

Weider deferred to LACCD Facilities Director, Larry Eisenberg. He told the Board that in the construction industry, the term “tenant improvements” means “any interior wall of a building.” Laura Gutierrez of the VDK Coalition scoffed at this claim. “Anyone with common sense knows that tenant improvements are undertaken by a landlord and the tenant’s lease payments recover the cost of constructing those improvements. At Van de Kamps, we tabulated \$7.1 million of tenant improvements and in no way will the District ever recover the cost of those changes,” she observed. “LACCD staff ordered the tenant improvements out of bond funds before bond counsel informed them that such expenditures violate the constitutional spending limitations under Proposition 39. Now they are scrambling to cover it up.”

Trustee Santiago concurred with concerns of the VDK Coalition that a second item on the agenda to award \$99,499 to a contractor to build custom reception desks, shelving and other items in the tenant spaces might also be an unlawful expenditure. In a split vote, Santiago made a motion to pull this second contract from the consent calendar and ask the Chancellor to investigate whether any of the items were more tenant improvements. Trustees Santiago, Park and Pearlman voted in favor of pulling the item and investigating. Trustees Mercer, Canale, and Scott-Hayes voted to approve the expenditure without further inquiry. In a moment of drama, Board President Mona Field hesitated and moaned that the vote was “difficult.” Then she cast the deciding vote in favor of investigation.

In discussing the tenant improvements at Van de Kamps, Trustee Sylvia Scott-Hayes appeared to coach Facilities Director Eisenberg and Los Angeles City College President Jamillah Moore to make a claim that all of the re-designed office space and smaller training rooms inside the Van de Kamps building were actually intended to support the College’s educational program. Dr. Moore hesitated before claiming that City College had been consulted in the plans for the new configuration of walls in Van de Kamps.

“Those claims that there was an educational purpose in the re-design of the building are false,” charged VDK Coalition members. “We have Eisenberg’s e-mails showing he directed the conversion of the Van de Kamps building into a ‘building shell, leased tenant facility’ as they called it at the time,” said Miki Jackson. “We have documents that contradict the statements made by Eisenberg and Moore at last Wednesday’s Board meeting,” said Gutierrez, “Their own documents tell a devastating story of the misuse of taxpayer funds to deliberately destroy the classrooms in that building.”