

0220-05479-0005

**TRANSMITTAL**TO  
CouncilDATE  
02-04-19COUNCIL FILE NO.  
16-0756FROM  
Municipal Facilities CommitteeCOUNCIL DISTRICT  
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At its meeting held on January 31, 2019, the Municipal Facilities Committee approved the recommendation of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a non-profit lease with United Firefighters of Los Angeles (UFLAC) at Fire Station 7 located at 14123 Nordhoff Street to provide a wellness and an employee assistance program, for a term of ten years with two ten-year options to renew. The rental rate is \$0 per year on the basis that the value of the community benefit provided (\$958,751) exceeds the market value of the leased space (\$40,129). There is no impact on the General Fund.



Richard H. Llewellyn, Jr.  
City Administrative Officer  
Chair, Municipal Facilities Committee

RHL:KH:05190094

# CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
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January 31, 2019

Richard H. Llewellyn Jr., Chair  
Municipal Facilities Committee  
200 N. Main Street, Suite 1500  
Los Angeles, CA 90012

## **REQUEST AUTHORIZATION TO NEGOTIATE AND EXECUTE A NEW LEASE AT FIRE STATION 7, 14123 NORDHOFF STREET WITH THE UNITED FIREFIGHTERS OF LOS ANGELES (UFLAC)**

The Department of General Services (GSD) requests authorization to negotiate and execute a new lease agreement with the United Firefighters of Los Angeles, (UFLAC) a non-profit organization for approximately 2,355 square feet of commercial space on a 25,658 square foot lot at Old Fire Station 7 at 14123 Nordhoff Street, Arleta, CA 91331.

### **BACKGROUND**

Fire Station 7 was built approximately 65 years ago and decommissioned because it could not house the additional resources needed to meet the demands of fire protection services. A new replacement fire station was built in the nearby vicinity and opened in October 2015.

On June 24, 2016, the Council and Mayor adopted a motion (C.F. 16-07576) to allow a non-profit group UFLAC a right of entry to do tenant improvement work and, once completed, a right to enter into lease agreement.

### **LEASE AGREEMENT**

The new lease agreement with UFLAC will provide wellness and employee assistance to all current and past Los Angeles Fire Department employees at Old Fire Station 7. To

date, UFLAC has completed the major tenant improvement work needed to make the property habitable and meet City code requirements.

A 10 year term with two 10 year options is proposed. The terms and conditions are detailed below.

#### **TERMS AND CONDITIONS**

LOCATION: 14123 Nordhoff Street, Arletta, CA 91331

LANDLORD: City of Los Angeles

USE: Wellness and employee assistance program

TERM: 10 years

OPTION TERM: Two 10 year options to renew

RATE: Zero

SQUARE FEET: 2,355 rentable square feet/25,658 s.f. lot

SECURITY  
DEPOSIT: None

INSURANCE: Tenant shall furnish the City with evidence of insurance as required by the City's Risk Management Office

UTILITIES: Tenant will be responsible for all utility costs

PARKING: Tenant entitled to use all available parking on site

MAINTENANCE: Tenant will pay for all maintenance costs

TENANT  
IMPROVEMENTS: Tenant will pay for all tenant improvements on property

#### **COMMUNITY BENEFIT ANALYSIS**

The CAO completed the attached Community Benefit Analysis (CBA) and recommends approval of the terms and conditions of the lease. As detailed in the CBA, the total community benefit is estimated at \$958,751.00 annually, which exceeds the market rent value of annually for the space by \$918,621.80.

The market rate utilized in the Community Benefit Analysis was determined by gathering rates of comparable properties throughout the area. The market rate was calculated at \$1.42 per square foot at 2,355 square foot for \$3,344.10 monthly or \$40,129.20 annually.

**FISCAL IMPACT**

There is no impact to the General Fund as the City will incur no costs for this lease agreement and it does not generate revenue back to the City.

**RECOMMENDATION**

That the City Council authorize the Department of General Services to negotiate and execute a new lease agreement with the United Firefighters of Los Angeles County to operate an employee wellness/assistance center at Old Fire Station 7 located at 14123 Nordhoff Street, Arleta, with the terms and conditions as substantially outlined in this report.

A handwritten signature in dark ink, appearing to read "Tony M. Royster", is written over a horizontal line.

Tony M. Royster  
General Manager

### Community Benefit Analysis for Proposed Non-Profit Lease

<b>I. Proposed Lease Terms and Conditions</b>	
Facility Location:	14123 Nordhoff Street, Pacoima, CA 91331 - Old Fire Station 7
Lessee:	United Firefighters of Los Angeles, a non-profit 501(c)3 organization
Council File Reference:	16-0756 (Adopted on July 5, 2016)
Space Assignment:	Approximately 2,355 usable square feet
Term & Renewal Option:	(10) years, with two 10 year options to renew. Approval of the renewal options at the existing rate will be at the discretion of the City.
Market Rate:	\$1.42 per sq foot (Monthly Rate: \$3,344.10; Annual Rate: \$40,129.20)
Proposed Rental Rate:	\$0.00 per year (Monthly Rate: \$0; Annual Rate: \$0)
Utilities/Custodial:	Lessee shall be financially responsible for all applicable utility and custodial costs.
Tenant Improvements:	Lessee shall have full responsibility for the cost of any needed tenant improvements.
<b>II. History and Current Services</b>	
Mission:	United Firefighters of Los Angeles City (UFLAC) is a labor representation organization of firefighters and emergency medical personnel serving the City of Los Angeles. The mission of UFLAC is to promote the well being of those that protect the lives of others.
Vision:	The UFLAC Center for Health and Wellness is designed to provide Behavioral and Physical Health support for our members.
Background / History:	The UFLAC Center for Health and Wellness was designed following a dramatic increase of suicides, post-traumatic stress, depression, and addictions in Firefighters. In addition, it was recognized that Firefighters who have been injured on the job, do not always receive the best care and benefits. There was a need for additional physical therapy, diet education, exercise and strength conditioning, and financial assistance.

### Community Benefit Analysis for Proposed Non-Profit Lease

Current Services:	<p>Current services offered by UFLAC include:</p> <ul style="list-style-type: none"> <li>• Representation in contract negotiations, pension issues, department investigative procedures;</li> <li>• Assistance in workers' compensation cases and health and safety matters;</li> <li>• Medical, dental, life and long-term disability insurance;</li> <li>• Wellness/Employee Assistance Program;</li> <li>• Full time Behavioral Health Specialist (LMFT), providing counselling services to members and their families; and,</li> <li>• Full time addiction medicine specialist.</li> </ul>
<b>III. Community Benefit Analysis</b>	
Value of Direct Services:	<p><b>A. <u>Value of Dedicated Staff:</u> \$392,951</b></p> <p>Staff salaries include full-time equivalent Behavioral Health Specialist, Addiction Medicine Specialist, and one part-time equivalent IT specialist (\$336,500); and other staff member at full-time equivalency as Administrative Assistant earning \$27.14 per hour for 40 hours a week, totaling \$56,451 per year.</p> <p><b>B. <u>Value of Services to Participants:</u> \$462,800</b></p> <p>Services for Firefighters and families include counseling sessions, physical therapy and wellness coach, all charged at industry standard:</p> <ul style="list-style-type: none"> <li>• Counseling session: 40 per week for 52 weeks</li> <li>• Physical therapy and wellness coaching session: 12 per week for 52 weeks</li> </ul>
Value of Operational Budget:	<p><b>C. <u>Value of Operational Budget - specify:</u> \$103,000</b></p> <p>Value includes utilities, office supplies and maintenance, maintenance services, and training courses.</p>
Additional Offsets / In-Kind Services:	<p><b>D. <u>Value of Additional Offsets - specify:</u> N/A</b></p>
Total Community Benefit:	<p><b><u>\$958,751 annually</u></b></p>
Market Value for Leased Space	<p><b><u>\$40,129.20 annually</u></b></p> <p><i>Calculated as: average monthly market rate of \$ 1.42 per s.f. multiplied by assigned space of 2,355 sq. ft. multiplied by 12 months= \$40,129.20.</i></p>

**Community Benefit Analysis for Proposed Non-Profit Lease**

Benefits Finding & Recommended Action.	Community benefits estimated at \$958,751 annually, exceeding the market value for the leased space by <u>\$918,621</u> .  Approval of the proposed lease terms is recommended on the basis that the value of the community benefits exceed the market value of the leased space.
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0220-05479-0003	<i>KH</i>	<i>12-2-18</i>	<i>Glenda Chavis</i>
Work Assignment Number	Analyst	Chief	Assistant CAO

YC:KH/RS:05190056c

Released Date: 12-14-18