

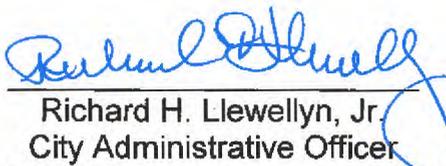
0150-11430-0000

**TRANSMITTAL**

TO Council	DATE 08-07-19	COUNCIL FILE NO. 19-0045
FROM Municipal Facilities Committee		COUNCIL DISTRICT 1

At its meeting held on July 25, 2019, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, as amended, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a new non-profit license agreement with the Los Angeles Fire Department Foundation (Foundation) for office space at 1700 Stadium Way, Suite 100, Los Angeles, CA 90012 that is approximately 1,400 square feet and for a rental rate of \$0 per year. The MFC provided a verbal amendment to modify the license agreement terms from upon execution and concurrent with the Memorandum of Understanding to a nine-year remaining term, as year one has already been utilized. This amendment is hereby incorporated into the report by this reference.

There is no impact on the General Fund as a result of the recommended action.

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

RHL:BSW:05200017

CITY OF LOS ANGELES  
CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
GENERAL SERVICES  
ROOM 701  
CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
(213) 928-9555  
FAX NO. (213) 928-9515

July 25, 2019

Honorable City Council  
City of Los Angeles  
c/o City Clerk  
Room 395, City Hall  
Los Angeles, CA 90012

Attention: Leyla Campos, Legislative Assistant

**REQUEST AUTHORIZATION TO NEGOTIATE AND EXECUTE  
A NEW NON-PROFIT LICENSE AGREEMENT WITH  
THE LOS ANGELES FIRE DEPARTMENT FOUNDATION**

The Department of General Services (GSD) requests authorization to negotiate and execute a new license agreement with Los Angeles Fire Department (LAFD) Foundation for an office space approximately 1,400 square feet at the Frank Hotchkin Memorial Training Center at 1700 Stadium Way Suite 100 Los Angeles, CA 90012.

**BACKGROUND**

On January 15, 2019, the City Council adopted a motion (C.F. 19-0045) instructing GSD to negotiate and execute a license agreement that reflects the current needs of the Foundation. The LAFD Foundation was founded in 2010 as a non-profit organization, 501(3)c that supports the department in protecting life, property and the environment by helping to invest in equipment, training programs, and public outreach programs. They have assisted with providing youth programs, veterinary care for the "Search and Rescue" canines and equipment for firefighters.

These services are outlined in a Memorandum of Understanding (MOU) effective July 1, 2018 between the Los Angeles Fire Department (LAFD) and the LAFD Foundation, with a three-year term. Therefore, the term of the license agreement for the office space is proposed to run concurrently with the MOU upon full execution by both parties and attested by the City Clerk.

The site is 1.42 acres with 64,000 square feet building. The LAFD Foundation's 1,400 square foot office suite is on the main floor and was previously vacant. The entire property serves as the LAFD's Critical Incident Planning and Training Section to provide comprehensive training, support, and analysis for the command and management of large-scale, all risk, emergency incidents and specialized training events for the LAFD and its area partners.

The LAFD Foundation received permission from LAFD to relocate to the location on May 1, 2019 as their lease at a former location expired.

### TERMS AND CONDITIONS

LOCATION: 1700 Stadium Way, Suite 100 Los Angeles, CA 90012

LANDLORD: City of Los Angeles

TENANT: Los Angeles Fire Department Foundation

USE: Office Use

SQUARE FEET: Approximately 1,400 SF out of 64,000 SF Office Building

TERM: Upon execution of the license agreement and concurrent with the MOU

OPTION TERM: At City's discretion with renewal of the MOU

RENTAL RATE: \$0

ESCALATIONS: None

ADDITIONAL RENT: None

HOLDOVER OPTION: Month to month basis at City's discretion

TERMINATION RIGHTS: City's sole discretion with 30 day written notice

SECURITY DEPOSIT: None

UTILITIES: City provides, no separate meter

CUSTODIAL: Tenant shall provide custodial services within the office

TENANT IMPROVEMENTS: None - "As-is"

MAINTENANCE: Landlord shall maintain major building systems such as HVAC, electrical, lighting, common area restrooms. Tenant to provide minor maintenance within the suite.

PARKING: Tenant may use two parking spaces in front of the building subject to availability at no cost.

**COMMUNITY BENEFIT ANALYSIS**

The CAO completed the attached CBA and recommends approval of the terms and conditions of the lease. The total CBA is \$2,768,512 annually which exceeds the market value of \$24,360 for the leased space by \$2,744,152.

**FISCAL IMPACT**

This is a zero-rent lease and will not impact the General Fund.

**RECOMMENDATION**

That the Los Angeles City Council authorize, subject to approval of the Mayor, the Department of General Services to negotiate and execute a license agreement with the LAFD Foundation under the terms and conditions as substantially outlined in this report.

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Tony M. Royster  
General Manager

Attachments

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

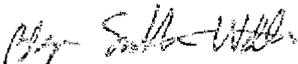
<b>I. Proposed Lease Terms and Conditions</b>	
Facility Location:	1700 Stadium Way, Suite 100, Los Angeles, CA 90012
Lessee:	Los Angeles Fire Department Foundation, a non-profit 501(c) 3 organization
Council File Reference:	19-0045 (Motion adopted February 26, 2019)
Space Assignment:	Approximately 1,400 square feet
Term & Renewal Option:	2 Years (with unlimited options to renew) (coinciding with LAFD Foundation MOU)
Market Rate:	\$1.45 per square foot (\$2,030 monthly or \$24,360 annually)
Proposed Rental Rate:	\$0 per year during the first term, with rate under any renewal options to be subject to negotiation at the discretion of the City.
Clean-up and Associated Cost:	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:	The Los Angeles Fire Department Foundation (Foundation) supports the City of Los Angeles Fire Department (LAFD) in protecting life, property, and the environment by providing essential equipment, training, and public outreach programs to supplement city resources.
Vision:	To make the LAFD the strongest fire department in the nation by providing the resources they need.
Background / History:	The Foundation was founded in 2010 by a committed group of community activists. Since then, the Foundation has given more than 8 million dollars in grants to the LAFD, providing equipment such as: <ul style="list-style-type: none"> <li>• Brush helmets</li> <li>• Specialty flashlights</li> <li>• Thermal imaging cameras</li> <li>• Extractors</li> <li>• Hydration backpacks</li> </ul>
Current Services:	The Foundation's only client is the Los Angeles Fire Department. The Foundation provides funding in four main categories: equipment, technology, training, and public outreach.

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

<b>III. Community Benefit Analysis</b>	
Value of Direct Services:	<p>A. <u>Value of Dedicated Staff</u>: \$361,000</p> <ul style="list-style-type: none"> <li>• Calculated as five full time staff working 40 hours per week with average hourly earnings of \$37 per hour.</li> </ul> <p>B. <u>Value of Services to Participants</u>: \$2,045,200 (per 2018 financials) Support for the following programs:</p> <ul style="list-style-type: none"> <li>• Youth programs ~\$250,000</li> <li>• Hydration backpacks ~\$774,000</li> <li>• Behavioral health ~\$7,500</li> <li>• Leadership academy ~14,500</li> <li>• Technology (e.g. laptops, iPads, etc.) ~38,000</li> <li>• Fitness equipment ~\$90,000</li> <li>• Advanced Practitioner Response Unit ~\$67,000</li> <li>• Jet Ski for rescue and accessories \$13,500</li> <li>• Specialized flashlights ~\$18,300</li> <li>• Events and public outreach ~\$5,900</li> <li>• Thermal Imaging Cameras ~\$766,500</li> </ul>
Value of Operational Budget:	<p>C. <u>Value of Operational Budget</u> - specify: \$307,512 <i>Includes:</i> Health insurance, 403b plan, office supplies, cloud-based donor database, postage, IT, web hosting, general program operating costs (e.g. meetings and trainings), bank charges for transaction fees, telephone.</p>
Additional Offsets / In-Kind Services:	<p>D. <u>Value of Additional Offsets</u> - specify: \$100,000 <i>Includes:</i> equipment needed by fire stations and to support departmental needs.</p>
Total Community Benefit:	<b>\$ 2,768,512</b> annually (=A+B+C+D above)
Market Value for Leased Space	<b>\$ 24,360</b> annually*  (* calculated as: average market rate of \$ 1.45 per s.f. multiplied by assigned space of 1400 s.f. multiplied by 12 months = \$24,360)

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

Benefits Finding & Recommended Action.	<p>Community benefits estimated at \$2,768,512 annually, exceeds the market value for the leased space by \$2,744,000.</p> <p>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.</p>
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0220-05629-0000			
Work Assignment Number	Analyst	Chief	Assistant CAO

RHL/BSW/05200003

Released Date: 07-18-19

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
LOS ANGELES FIRE DEPARTMENT  
AND  
LOS ANGELES FIRE DEPARTMENT FOUNDATION, INC.

This Memorandum of Understanding (“MOU” or “Agreement”) is entered into, effective as of July 1, 2018 (“Effective Date”), by and between the City of Los Angeles, a municipal corporation, acting by and through the Los Angeles Fire Department (“Fire Department” or “LAFD”), on the one hand, and the Los Angeles Fire Department Foundation, Inc., a California non-profit public benefit corporation (“Foundation”) on the other hand (hereafter “Party” or “Parties”).

RECITALS

WHEREAS, the Fire Department is a Department of the City of Los Angeles and the Chief Administrative Officer of the Fire Department is the Fire Chief; and

WHEREAS, the Board and Fire Department support the establishment of the Foundation; and

WHEREAS, the Foundation is a California non-profit public benefit corporation in good standing with the California Secretary of State; and

WHEREAS, the purpose of this MOU is to establish a written understanding between the Parties to define each Party's respective role and responsibilities,

NOW, THEREFORE, in consideration of the recitals and mutual obligations herein contained, the Parties hereby agree that the understanding between them is as follows:

I. REPRESENTATIVES OF PARTIES

- A. The representatives of the respective Parties who are authorized to administer this MOU, and to whom formal notices, demands, requests and communication shall be given are as follows:

For Fire Department: Ralph M. Terrazas, Fire Chief  
Los Angeles Fire Department  
200 North Main Street, Room 1800  
Los Angeles, CA 90012  
(213) 473-9989

For Foundation: Liz Lin, President  
Los Angeles Fire Department Foundation  
1875 Century Park East, Suite 200  
Los Angeles, CA 90067  
(310) 552-4139

- B. All notices required or permitted by this MOU shall be in writing and may be delivered in person, or by electronic mail, facsimile transmission or regular, certified or registered mail during normal business hours, and shall be deemed sufficiently given if served in a manner specified in this paragraph.

## II. TERM AND TERMINATION

The term of this MOU shall be for three (3) years beginning on the Effective Date. This Agreement may be terminated by either Party at any time, with said termination becoming effective thirty (30) days following receipt of written notice of such termination.

## III. ROLES AND RESPONSIBILITIES OF PARTIES

- A. The Parties hereby agree that the understanding between them as to the respective roles and responsibilities is as follows:

1. Authority for Fundraising. The Foundation will raise funds to provide essential equipment, training, and public outreach programs in support of the Fire Department's mission to protect life, property, and the environment.
2. Employment Practices. The Foundation will make all hiring, retention and compensation decisions respecting its employees, consultants and advisors. All such decisions shall be subject to all applicable laws. The employees, consultants and advisors of the Foundation are not and shall not be deemed employees, consultants and/or advisors of the Board, the Fire Department or the City of Los Angeles.
3. Indemnification. The Foundation shall defend, indemnify and hold harmless the City from any and all liability, including but not limited to claims, losses, suits, injuries, damages, costs and expenses arising from or as a result of any acts, errors or omissions of the Foundation or its officers, agents or employees. The Foundation shall acquire and maintain such insurance protection as is necessary to defend and indemnify the City.
4. Intellectual Property. Prior to usage of any LAFD trademarks, the Foundation agrees to enter into a license agreement pursuant to which the City of Los Angeles may grant to the Foundation, a non-exclusive, royalty-free, license to use the Fire Department's trademarks for the term of the MOU in connection with the Foundation's purposes.
5. Limitation of Overhead. The Foundation hereby agrees that its overhead will be no higher than the limits recommended as best practice by Charity

Navigator and Guidestar who set the standards for non-profit organizations.

6. Funding Requests. The Fire Department will provide the Foundation with non-confidential information relating to the Fire Department's approved funding requests. The Foundation may use such information in determining the use of the Foundation's assets.
7. Financial Statements. Annual financial statements of the Foundation will be provided by the Foundation to the Fire Chief and the Board.
8. Disposition of Assets Upon Dissolution. Pursuant to the Articles of Incorporation, upon dissolution, the net assets of the Foundation will be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or shall be distributed to local government, for a public purpose. Upon dissolution, any funds raised with the support or cooperation of the Fire Department for the Fire Department shall be transferred to another non-profit benefit corporation with similar purposes or to the Fire Department for public purposes.

#### IV. PROVISION OF LAW AND SEPARABILITY

The Parties agree that this MOU is subject to all applicable federal, state, and local laws, the Los Angeles City Charter, and any applicable rules and regulations enacted by independent commissions of the City (collectively, "Laws"). If any article, part, or provision of this MOU is in conflict or inconsistent with such laws, or is otherwise held to be invalid or unenforceable by any court of competent jurisdiction, such MOU article, part, or provision will be suspended and superseded by such Laws and/or court ruling, and the remainder of this MOU will not be affected thereby, unless the essential purpose of this MOU will be materially impaired thereby.

#### V. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties. Any prior agreements, promises, negotiations, or representations not set forth in this MOU are of no force or effect. Any amendment to this MOU shall be in writing and signed by the Parties.

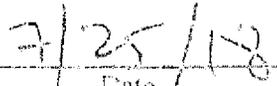
IN WITNESS WHEREOF, the Parties hereto have agreed and signed this MOU as of the Effective Date.

LOS ANGELES FIRE DEPARTMENT  
FOUNDATION, Inc., a California  
non-profit public benefit corporation

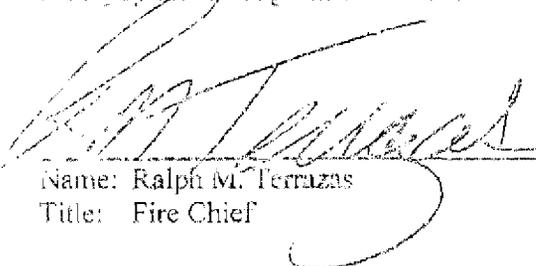
  
\_\_\_\_\_  
Name: Liz Lim  
Title: President

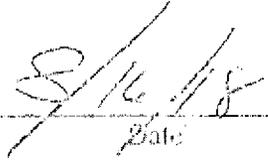
  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Name: Mike Amador  
Title: Chairman

  
\_\_\_\_\_  
Date

LOS ANGELES FIRE DEPARTMENT,  
a Department of the City of Los Angeles,  
acting by and through its Fire Chief

  
\_\_\_\_\_  
Name: Ralph M. Terrazas  
Title: Fire Chief

  
\_\_\_\_\_  
Date

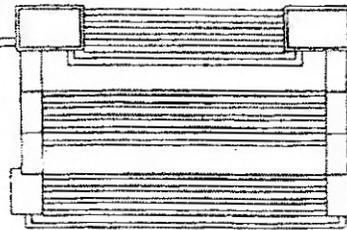
# FRANK HORAKIWA Memorial Training

Proposed  
Foundation

④ CHANGES  
2/22/78



1700 STADIUM Way Los Angeles



MAIN FLOOR

INSTALL

- 1 WALL w/ DOOR
- 2 WALL w/ DOOR
- 3 (2) WALLS w/ DOOR
- 4 (2) WALLS - (1) DOOR
- 5 (2) WALLS - (1) DOOR