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Kenneth Hahn Hall of Administration
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Chief Executive Officer
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"To Enrich Lives Through Effective and Caring Service"

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 April 23, 2024


JEFF LEVINSON
INTERIM EXECUTIVE OFFICER

April 23, 2024

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**THREE-YEAR AND FIVE-MONTH LEASE AMENDMENT
FIRE DEPARTMENT
16200 DAILY DRIVE, VAN NUYS
(THIRD DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed three-year and five-month lease amendment to an existing lease to provide the Los Angeles County Fire Department (Fire) with an additional use of 1.28 acres of land, which includes 32,753 square feet of hangar space for Fire to store firefighting helicopter(s), and ancillary materials/supplies that are directly related to providing fire and life safety services.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with the City of Los Angeles (Landlord), for 1.28 acres of land including approximately 32,753 square feet of hangar space located at 16200 Daily Drive (Premises) to be occupied by Fire. The proposed amendment will add the additional Premises to the existing Premises, so the termination dates will be conterminous. The estimated maximum cost for the first two months of the term for the proposed additional Premises is \$15,200, and the first full year of base rental costs for the proposed additional Premises is \$93,400. The estimated total proposed lease amendment cost is \$335,000 over the three-year and five-month term. The rental costs will be funded independently from the County's General Fund and is already included in Fire's existing budget. Fire, as a Special District, relies primarily on property tax revenue to provide essential fire protection, lifeguard

services, and emergency medical services. Fire will not be requesting additional net County Cost (NCC) for this action and there will be no impact to NCC.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment, and to take actions necessary and appropriate to implement the proposed lease amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Fire has been leasing 1.75 acres of ramp space at the Van Nuys airport since 1994. The existing lease with the City of Los Angeles, Los Angeles World Airports (LAWA) does not expire until September 6, 2027. Fire currently uses the subject property as a staging location for the deployment of water-dropping aircraft and to station emergency personnel associated with aircraft operations.

The proposed lease amendment is for an additional use of approximately 1.28 acres of land, which includes 32,753 square feet of hangar space. Currently, Fire houses most of its firefighting and life-safety helicopters at its Air Operations heliport in Pacoima. Expanding to the proposed Premises will alleviate congestion at the Pacoima heliport. In addition to the hangar space, the larger footprint will provide additional area needed to properly stage Fire's water-dropping aircraft, which currently do not fit within the existing leased premises.

No employees will be assigned to this hangar. The 32,753 square feet of hangar space will serve as a storage space for aircraft and various fire and safety related equipment. The Premises is easily accessible for Fire, and this is the only airport that could accommodate this type of use.

The existing lease was executed by the Chief Executive Officer's designee under delegated authority provided under Los Angeles County Code Section 2.08.163. This proposed amendment is submitted for the Board's approval because the aggregate costs for the existing lease and the proposed lease amendment exceed the Chief Executive Officer's authority limits established under Los Angeles County Code Section 2.08.163.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 3 – “Realize Tomorrow’s Government Today” – provides that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good.

The proposed lease amendment is also consistent with Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions and Key Objective No. 4 Guide Strategic Decision-Making.

The proposed lease amendment supports the above goals and objective by providing adequate hangar space to store firefighting helicopter(s), and ancillary materials/supplies that are directly related to providing vital fire and life safety services to the entire County.

The proposed lease amendment conforms with the Asset Management Principles outlined in Enclosure A.

FISCAL IMPACT/FINANCING

The estimated maximum base rental cost for the first two months of the term for the proposed additional Premises is \$15,200 and the first full year of base rent for the proposed additional Premises is \$93,400. The aggregate cost associated with the proposed lease amendment over the entire three year and five months term, is \$335,000 as shown in Enclosure B-1. The aggregate cost associated with the existing lease and the proposed lease amendment over the remaining balance of the term, is \$713,000, as shown in Enclosure B-1. Fire, as a Special District, is funded independently from the County's General Fund, and relies primarily on property tax revenue to provide essential fire protection, lifeguard services, and emergency medical services. Sufficient funding is included in Fire's Fiscal Year (FY) 2023-24 Final Adopted Budget. There is no impact to NCC.

Sufficient funding to cover the proposed rent for the first year of the proposed lease amendment term is included in the FY 2023-24 Rent Expense budget and will be billed back to Fire. Fire has sufficient funding in its FY 2023-24 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease amendment will be addressed through the annual budget process for Fire.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed lease amendment incorporates the existing lease terms, including the following provisions:

- Base rent is subject to annual increases based on fixed annual increases of 3 percent.
- The County is responsible for the operating and maintenance cost of the building, and all utilities and janitorial costs.
- A three-year and five-month initial term which coincides with the existing lease term. The expiration date remains September 6, 2027.
- The County does not have the right to terminate the proposed lease early.
- There is no holdover upon the proposed lease amendment expiration, and instead the proposed lease amendment will revert to month-to-month at the same lease terms and conditions.
- The City of Los Angeles has asked the County to sign the proposed lease amendment first and then the proposed lease amendment will be taken to LAWA's Board of Airport Commission for approval. The proposed lease amendment will be effective upon approval by the City of Los Angeles and full execution of the proposed lease amendment, including the term and rent commencement.

Due to the unique location and use of this site, the Chief Executive Office did not issue a flyer soliciting proposals for available space to address this space need. Further, the Chief Executive Office did not conduct a market search of available space for lease since the subject property is located at the Van Nuys airport, which is governed by the Board of Airport Commissioners. The Board of Airport Commissioners sets the rates at all the various airports and the rates are non-negotiable, and similar airport space in close proximity would fall under these same rates. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

The required notification letter to the City of Los Angeles has been sent in accordance with Government Code Section 25351.

County Counsel has reviewed the proposed lease amendment and approved it as to form. The proposed lease amendment is authorized by Government Code Section 25351, which allows the County to enter into leases and agreements for the leasing of buildings, as necessary, to carry out the work of the county government.

The proposed lease amendment will continue to provide a suitable location for Fire's Air Operations program, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease amendment, which involves the leasing of existing office space with minor tenant improvements within an existing building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in section 15301 of the State CEQA Guidelines (Guidelines), and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled, pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary hangar space for this County requirement. Fire concurs with the proposed lease amendment and recommendations.

The Honorable Board of Supervisors

4/23/2024

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fesia A. Davenport', with a stylized, flowing script.

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC:JLC

HD:ANR:EG:gb

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Fire

**FIRE DEPARTMENT
16200 DAILY DRIVE**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²		X	
	B	Does lease co-locate with other functions to better serve clients? ²		X	
	C	Does this lease centralize business support functions? ²		X	
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ²			X
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ²			X
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>				
	A.	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long-term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			N/A
	F	Is Building Description Report attached as Enclosure C?	X		
	G	Was build-to-suit or capital project considered? ²		X	
3.	<u>Portfolio Management</u>				
	A	Did department use CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?		X	
	D	Why was this program not co-located with other County departments?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full-service lease? ²		X	
	F	Has growth projection been considered in space request?			X
	G	¹ Has the Dept. of Public Works completed seismic review/approval?			X
¹ As adopted by the Board of Supervisors 11/17/98					
² If not, why not?					

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

**16200 Daily Drive
Fire Department**

Basic Lease Assumptions

Total Leased Area - Ramp Space (acres)	3.0275
Total Leased Area - Building Space (SF)	2,276
Total Leased Area- Hangar Space (SF)	32,753
Existing Leased Area - Expanded Ramp Premises (acres)	1.75
Existing Leased Area - Building Space (SF)	2,276
Additional Leased Area - Expanded Ramp Premises (acres)	1.28
Additional Leased Area - Hangar Space (SF)	32,753

Monthly

Additional Rent - Expanded Ramp Premises (\$45,219.22 per acre per year)	\$4,823.38
Additional Rent- Hangar Space (\$1.00 per SF per year)	\$2,729.42
Term (Months)	41
Annual Rent Adjustment	3%

	1 st Year ⁽¹⁾	2 nd Year	3 rd Year	4 th Year	5 th Year ⁽²⁾
Additional Annual Rent Costs - Expanded Ramp Premises	\$9,647	\$59,617	\$62,000	\$64,000	\$17,000
Additional Annual Rent Costs - Hangar Space	\$5,459	\$33,736	\$35,000	\$37,000	\$10,000
Total Annual Lease Costs for Additional Space	\$15,106	\$93,353	\$97,000	\$101,000	\$27,000

Footnotes

(1) Existing lease year begins July 7th. This is a partial year for two months of rent.

(2) Existing lease year end September 6th. This is a partial year for three months of rent.

***Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.**

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease amendment for the Fire Department (Fire) – 16200 Daily Drive – Third District.

A. Establish Service Function Category – Air Operations - Fire and Life Safety services

B. Determination of the Service Area – Air operation for entire LA County

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: N/A
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by LA Metro and is in close proximity to the 405 freeway.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available that meet the Fire's space needs.
- Compatibility with local land use plans: The City of Los Angeles has been notified of the proposed County use which is consistent with its use and zoning for hangar space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease amendment over the entire term is \$335,000. The aggregate cost associated with the existing lease and the proposed lease amendment over the entire term is \$712,000.

D. Analyze results and identify location alternatives

Due to the unique location and use of this site, we were unable to identify any sites that could accommodate Fire's need for hangar space for the storage firefighting helicopter(s), and ancillary materials/supplies that are directly related to providing fire and life safety services. We recommend the proposed Premises as the most suitable to meet the County's space requirements for Fire's Air Operations.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria

The proposed lease amendment will provide adequate and efficient storage space of firefighting helicopter(s), and ancillary materials/supplies that are directly related to providing fire and life safety services consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

FIRST AMENDMENT TO LEASE NO. VNA-9197 BETWEEN THE CITY OF LOS ANGELES AND COUNTY OF LOS ANGELES AT VAN NUYS, CALIFORNIA AT VAN NUYS AIRPORT

This FIRST AMENDMENT TO LEASE NO. VNA-9197 ("First Amendment") is made and entered into this _____ day of _____ 2024 ("Effective Date"), by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through its Board of Airport Commissioners of the Department of Airports also known as Los Angeles World Airports or LAWA (hereinafter referred to as "City" or "LAWA"), and COUNTY OF LOS ANGELES, a body corporate and politic (hereinafter referred to as "Lessee" and together with City or LAWA, the "Parties").

RECITALS

A. WHEREAS, on November 2, 2022, City and Lessee entered into Lease No. VNA-9197 ("Lease") at Van Nuys Airport ("Airport"); and

B. WHEREAS, City and Lessee, by mutual agreement, desire to amend the Lease, as set forth in this First Amendment;

NOW, THEREFORE, the parties hereto, for and in consideration of the terms, covenants and conditions herein contained, City and Lessee do hereby mutually agree that the Lease shall BE AMENDED AS FOLLOWS:

AMENDMENTS

1. Section 1. Article 1, Section 1.1 of the Lease is hereby deleted in its entirety and replaced with the following:

"1.1. Description. The subject property is located at 16200 Daily Drive, Van Nuys, California, located at Van Nuys Airport, (hereinafter referred to as "Airport") and includes approximately 3.0275 acres of land, 2,276 square feet of office building space, and 32,753 square feet of hangar space ("Demised Premises"). The Demised Premises are identified in the drawing attached hereto as Exhibit A, and are also identified on Exhibit B, both of which are attached hereto and incorporated by reference herein."

2. Section 2. Exhibit "A" and Exhibit "B" of the Lease are hereby deleted in their entirety and replaced with the following new Exhibit "A" and Exhibit "B" attached hereto to this First Amendment and shall be incorporated into the Lease by reference.

3. Section 3. It is understood and agreed by and between the parties hereto that, except as specifically provided herein, this First Amendment shall not in any manner alter, change, modify or affect any of the rights, privileges, duties or obligations of either of the parties hereto under or by reason of the Lease, and except as expressly amended herein, all of the terms, covenants, and conditions of the Lease shall remain in full force and effect.

4. Section 4. Counterparts; Electronic Signatures. This First Amendment may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this

First Amendment and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this First Amendment had been delivered that had been signed using a handwritten signature. All parties to this First Amendment (i) agree that an electronic signature, whether digital or encrypted, of a party to this First Amendment is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this First Amendment based on the foregoing forms of signature. If this First Amendment has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and the California Uniform Electronic Transactions Act ("UETA") (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

IN WITNESS WHEREOF, the Parties hereto have themselves or through their duly authorized officers caused this First Amendment to be executed as of the Effective Date.

CITY OF LOS ANGELES,
a municipal corporation

By: _____
Chief Executive Officer
Department of Airports

APPROVED AS TO FORM:

HYDEE FELDSTEIN SOTO
City Attorney

By: _____
Deputy/Assistant City Attorney

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
JOHN T. COOKE
Assistant Chief Executive Officer
Asset Management Branch

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

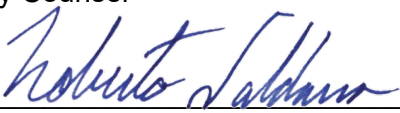
By: _____
Senior Deputy

Exhibit A



Exhibit B

Rental Payment
16200 Daily Drive

Rent Payment

Rental, fees and other charges effective on Commencement Date of the Lease

<u>Property Address</u>	<u>Monthly Rent</u>
16200 Daily Drive	
<u>Ramp Space</u> (3.0275 Acres @ \$45,219.22 per acre per year/12)	\$11,408.43
<u>Building</u> (2,276 Square Feet @ \$10.80 per square foot per year/12)	\$2,048.40
<u>Hangar</u> (32,753 Square Feet @ \$1.00 per square foot per year/12)	\$2,729.42
Total:	<u>\$16,186.25</u>

Faithful Performance Guarantee Amount: \$48,558.75

**Note: rental, fees and other changes, as set forth in this Exhibit B are subject to adjustments pursuant to this Lease.*