



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Introduction of Ordinance Authorizing Execution of a Lease Agreement between the City of Glendale and Babak B. Golbahar for the Verdugo Jobs Center (VJC) facility located at 1255 South Central Avenue, Glendale, CA 91204 for a 3-year period from April 1, 2023 to March 31, 2026.

1. Introduction of Ordinance authorizing execution of a three year lease agreement between the City of Glendale and Babak B. Golbahar for the Verdugo Jobs Center (VJC) facility.
2. Motion authorizing the City Manager, or designee, to execute all agreements, certifications, and documents necessary to accept and implement the funding the lease.

COUNCIL ACTION

Item Type: Ordinance Introduction

Approved for March 21, 2023 **calendar**

EXECUTIVE SUMMARY

The Verdugo Jobs Center (VJC) has been operating workforce services of the Community Services & Parks (CSP) department from its location at 1255 South Central Avenue, Glendale, CA 91204 since 1999.

The existing ten-year lease and addendums for the VJC facility will expire on March 31, 2023. The new three-year lease agreement will be a monthly flat rate of \$58,135.00 beginning April 1, 2023, up to and through March 31, 2026. Glendale Charter Article VI, Section 15, requires the council to adopt an ordinance for the lease of property longer than five years than a period of longer than five (5) years, except by ordinance. The cumulative amount of time the City will have leased this property exceeds five (5) years, accordingly this staff report offers an ordinance for introduction authorizing execution of the proposed lease.

City owned SR zoned property or property dedicated as park land which property is either an individual parcel of five (5) acres or more, or parcels which are adjoining and collectively equal or exceed five (5) or more acres shall not be sold or transferred except upon approval of a majority of the voters at an election held for such purpose.

During the Verdugo Workforce Development Board (VWDB) – Special Executive Committee meeting on March 8, 2023, the VWDB provided its approval to use Workforce Innovation and Opportunity Act (WIOA) funds to pay for the monthly rent amount at VJC.

COUNCIL PRIORITIES

N/A

RECOMMENDATION

- (1) Introduce the Ordinance Authorizing execution of a three year Lease Agreement between the City of Glendale and Babak B. Golbahar for the Verdugo Jobs Center facility located at 1255 South Central Avenue, Glendale, CA 91204 for a 3-year period from April 1, 2023 to March 31, 2026; and
- (2) Authorize the City Manager, or their designee, to execute all agreements, certifications, and documents necessary to accept and implement the funding the lease.

BACKGROUND

The Verdugo Consortium is a Joint Powers Agreement (JPA) comprised of the cities of Glendale, Burbank, and La Cañada-Flintridge. The Consortium's purpose is to provide workforce programs within the three cities. Through the JPA, the City of Glendale is responsible for the administration of all Consortium activities, including executing all contracts on behalf of the Consortium. These contracts include the lease agreement for the Verdugo Jobs Center (VJC) where the City has been the lease holder since 1999.

The VJC has been operating workforce services from its location at 1255 South Central Avenue, Glendale, CA 91204. This site is a 2-story, 23,254 square foot facility with office space, meeting/conference rooms and ample parking spaces that fulfills the program needs of the workforce section. The VJC consists of employment counseling, job search, job listings, self-service, workshops, business outreach, customized recruitment, and job training programs.

ANALYSIS

The current lease, first addendum, and the second addendum to the lease (collectively, the "Lease") for the VJC facility expires on March 31, 2023. After this period, the Lease terms will be in effect and City will be on a month-to-month basis.

The lease negotiation has been a steady process since last year with the assistance of Overland, Pacific & Cutler, LLC (OPC), a real estate service company previously procured through the City of Glendale's Community Development Department. Under the guidance of OPC and the assistance of City Attorney's office, the terms of the lease were finalized and also signed off by the property owner, Mr. Babak B. Golbahar.

Under the new lease agreement, the current lease rate will slightly decrease from \$2.53 a square foot to \$2.50 a square foot, with this remaining a flat rate through the lease period. This translates to a monthly rent payment of \$58,135.00. Currently, the Workforce Section pays for fifty-nine percent (59%) of the monthly rent and the State of California Employment Development Department (EDD) pays the remaining forty-one percent (41%) of the cost. The Workforce Section does not anticipate any changes to EDD's percentage contribution to the monthly rent in upcoming sublease negotiations which is approximately for 9,451 square footage of 41% of the useable space. The VJC programs are part of an integrated workforce system with EDD. As a result, EDD has been co-located in the center for over twenty years.

Section 9 of the Lease Agreement (please see Exhibit 1) on page 4 outlines the owner's responsibilities for interior improvement and building systems that include HVAC maintenance, roofing repairs, painting, flooring, and pest control. Staff will work with the owner to ensure ongoing accountability of these items.

During the Verdugo Workforce Development Board (VWDB) – Special Executive Committee meeting on March 8, 2023, the VWDB provided its approval to use Workforce Innovation and Opportunity Act (WIOA) funds to pay for the monthly rent amount at VJC as stipulated in Exhibit 2.

Overall, since there are no options for continuing the Lease beyond March 31, 2026, staff will be conducting significant analysis to explore the potential to move to alternate facilities within the City of Glendale after March 31, 2026.

STAKEHOLDERS/OUTREACH

The VJC assists the most vulnerable populations. The VWDB and EDD promote WIOA services to the Verdugo region. With established partnerships with organizations in the region, the VWDB will work collaboratively to promote WIOA services to those with limited access to services and with multiple barriers, so they are connected to WIOA programs offered at the VJC.

FISCAL IMPACT

The Lease Agreement for a 3-year period from April 1, 2023 to March 31, 2026 will cost \$2,092,860. The cost for the remainder of the three months of the fiscal year will cost \$174,405, which was approved as a part of the FY 2022-23 budget. The funding for

future years will be requested as a part of the annual budget process. No new appropriation is being requested at this time. The City Council approved funding is outlined below:

Existing Appropriation		
Amount	Account String	Funding Source
\$174,405	GL: 47180-2060-CSP-0020-P0000- PL: G65013-LEASES-0000-2060	Workforce Fund

The State of California Employment Development Department is co-located in the center, and as a result pays forty-one percent (41%) of the cost. The Workforce Section does not anticipate any changes to their percentage contribution to the monthly rent in upcoming sublease negotiations.

ENVIRONMENTAL REVIEW (CEQA/NEPA)

The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

CAMPAIGN DISCLOSURE

In accordance with the City Campaign Finance Ordinance No. 5768, the following are the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest in the company proposed for the contract in this Agenda Item Report. Please see Exhibit 3.

Ownership Interest in more than 10% in Property at 1255 South Central Avenue:

Full Name	Title	Business Address	City	State	Zip
Babak B. Golbahar	Owner	2020 Cotner Ave	Los Angeles	CA	90025

ALTERNATIVES

Alternative 1: The City Council may introduce the ordinance authorizing execution of the Lease Agreement between the City of Glendale and Babak B. Golbahar for the Verdugo Jobs Center facility located at 1255 South Central Avenue, Glendale, CA 91204 for a 3-year period from April 1, 2023 to March 31, 2026; and authorize the City Manager, or their designee, to execute all agreements, certifications, and documents necessary to accept and implement the funding.

Alternative 2: The City Council may decide not to introduce the ordinance and authorize the City Manager to execute the Lease Agreement for Verdugo Jobs Center facility.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Prepared by:

Judith Velasco, Workforce Development Administrator

Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS/ATTACHMENTS

Exhibit 1: Copy of Lease Agreement 3-13-2023

Exhibit 2: VWDB Special Meeting Minutes 3-8-2023

Exhibit 3: Campaign Disclosure Form