



RALPH M. TERRAZAS  
FIRE CHIEF

November 23, 2020

BOARD OF FIRE COMMISSIONERS  
FILE NO. 20-120

TO: Board of Fire Commissioners

FROM: *RMT* Ralph M. Terrazas, Fire Chief

SUBJECT: UNIVERSAL STUDIOS, LLC REIMBURSEMENT AGREEMENT

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

### SUMMARY

The Los Angeles Fire Department (LAFD) provides plan check and inspections interpreting and enforcing fire protection and life safety provisions of Titles 19 and 24 of the California Code of Regulations concerning new construction.

In 2012, the City approved a master plan development for the Universal Studios property (the Evolution Plan), which provides for over 1 million square feet of studio, studio office, office, hotel, entertainment and entertainment retail uses within the City portions of the Universal Studios property. (Universal Studios is located partly within the City and partly within unincorporated County of Los Angeles.) The City approvals for the Evolution Plan included, among other approvals, certification of an Environmental Impact Report (ENV-20007-254-EIR; SCH No. 1007071036) and adoption of a Mitigation Monitoring and Reporting Program (MMRP) dated October 23, 2012.

The City adopted MMRP includes the following mitigation measure related to fire services during project construction:

“Mitigation Measure K.1-3 (Ci): Upon the issuance of the first building permit for new Project construction in the City portion of the Project Site, the Project Applicant or its successor shall enter into an agreement with the City to reimburse the City for the cost of a City Fire Department Inspector II (to include travel time, inspection and research time) who will be assigned to the City portion of the Project during its construction.”

This Reimbursement Agreement provides for the reimbursement of the City for the cost of the fire inspector consistent with the MMRP. The City Attorney has reviewed and approved the Reimbursement Agreement as to legal form.

**RECOMMENDATION**

That the Board:

Approve the Reimbursement Agreement.

Board report prepared by Ngozi Mbamalu, Senior Management Analyst II, Bureau of Administrative Services and Assistant Chief Orin Saunders, Assistant Fire Marshal, Fire Prevention Bureau.

Attachments

## REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2020, by and between Universal Studios LLC ("Universal") and the City of Los Angeles (the "City") (referred to herein collectively as the "Parties" and individually as a "Party").

WHEREAS, the City has approved a master plan (the "Evolution Plan") for the Universal property commonly known as Universal Studios and the Universal Studios Hollywood Theme Park and CityWalk.

WHEREAS, the Parties entered into that certain Development Agreement (City Contract No. C-121996) effective April 5, 2013 (the "Development Agreement") which provides for the development of the Evolution Plan consistent with then applicable requirements and the provision of certain public benefits as set forth in more detail in the Development Agreement.

WHEREAS, the Mitigation Monitoring and Report Program (MMRP) adopted by the City in connection with the approval of the Evolution Plan requires that, upon the issuance of the first building permit for new Evolution Plan project construction in the City, Universal shall enter into an agreement with the City to reimburse the City for certain fire inspection costs during construction (MMRP Mitigation Measure K 1-3).

WHEREAS, Universal and the City wish to formalize the reimbursement provisions by executing this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. The City Fire Department ("LAFD") shall make available an LAFD Inspector II as needed to perform fire inspection services in support of construction of the Evolution Plan in the City.
2. The City shall have the sole discretion to direct the work of any LAFD employee providing services pursuant to this Agreement. The standards of performance and the discipline and management of all LAFD personnel shall remain under the sole direction of the LAFD, and said personnel will be at all times under the jurisdiction and supervision of the LAFD. This Agreement is not contingent upon the hiring of any specific employee.
3. For and in consideration of the LAFD inspection services provided for herein, Universal agrees to reimburse the City on a quarterly basis for the actual hours spent by the LAFD Inspector II providing the inspection services (including travel time, inspection and research time) at the billing rate of \$258.00 per hour as set forth in the LAFD 2019-20 schedule of fees for inspection services established by the Los Angeles City Council pursuant to the Los Angeles Municipal Code. During the term of this Agreement, the billing rate may be increased consistent with the annual adjustment to the cost of special services fee as approved by the Los Angeles City Council on a yearly basis pursuant to the Los Angeles Municipal Code. The City shall notify Universal of any such billing rate increase within thirty (30) days after such change is effective.

4. The LAFD employee(s) providing services under this Agreement shall make a daily record of specific time spent performing the inspection services. Such record shall include a description of the tasks performed during such time and a reference to the services. LAFD shall retain the records created pursuant to this paragraph. Universal or its representatives may, from time to time and upon reasonable notice, examine and copy such records during normal business hours; provided, however, that in lieu of providing physical access to such records for review and copying, LAFD may instead provide electronic copies of such records to Universal upon receipt of reasonable notice as provided above.
5. On or before the 10<sup>th</sup> day of each calendar quarter, commencing with the execution of this Agreement by the Parties, the City shall submit an invoice to Universal for the LAFD Inspector II inspection services provided for Evolution Plan project construction during the prior calendar quarter. The invoice shall include the name of the LAFD employee who performed the inspection services, the number of hours worked during the quarter and a description of the tasks performed. Except as otherwise provided herein, Universal agrees to pay the City by check issued to the City of Los Angeles Fire Department and delivered to the Los Angeles Fire Department Administrative Service Bureau at the address provided in Section 8, within thirty (30) days of receipt. If Universal questions any invoice, Universal shall notify the City and the Parties shall meet within ten (10) business days of such notice to resolve in good faith any invoicing questions and Universal shall instead pay the City within sixty (60) days of the date of the conclusion of such meeting.
6. Nothing in this Agreement shall control, limit or influence any LAFD approval or disapproval of any inspections performed under this Agreement.
7. This Agreement shall become effective upon the execution by the Parties and shall continue in effect for a term of five (5) years from the date of this Agreement, which term may be automatically extended upon the execution of an extension by the LAFD Chief and an authorized representative of Universal.
8. Unless otherwise provided herein, any notice, request, instruction or other document to be given hereunder by any Party to the other shall be in writing and delivered (i) in person or by courier, (ii) mailed by certified or registered mail, postage prepaid and return receipt requested, or (iii) sent by electronic mail (provided that the notice is subsequently also sent as provided by clause (i), (ii) or (iii) above) as set forth below, or to such other place and with such other copies as any Party may designate as to itself by written notice to the other.

If to Universal:

Universal Studios LLC  
Attention: Mark Lyum  
100 Universal City Plaza, Bldg. 1280, 8<sup>th</sup> Floor  
Universal City, CA 91608  
Mark.Lyum@nbcuni.com

With a copy to:

Universal Studios LLC  
Attention: Bridget Hauler, Esq., Senior Counsel  
100 Universal City Plaza, Bldg. 1280, 9<sup>th</sup> Floor  
Universal City, CA 91608  
[Bridget.Hauler@nbcuni.com](mailto:Bridget.Hauler@nbcuni.com)

With a copy to:

Latham & Watkins LLP  
Attention: Maria Hoye, Esq.  
355 South Grand Avenue, Suite 100  
Los Angeles, California 900071-1560  
maria.hoye@lw.com

If to the City:

Administrative Services Bureau  
Attention: S. Jenny Park  
Los Angeles Fire Department  
200 N Main Street, room 1630  
Los Angeles, CA 90012

With a copy to:

Los Angeles City Attorney's Office  
Attention: Sam Petty  
General Counsel Division  
8th Floor, City Hall East  
200 North Main Street  
Los Angeles, CA 90012

9. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understanding, negotiations and discussions, whether oral or written, of the Parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Parties and approved by the City Attorney as to form. For the avoidance of any doubt, the Parties agree that billing rate increases in accordance with Section 3, above, do not constitute supplements, modifications, or waivers, of this Agreement necessitating execution in writing pursuant to this Section 9. Notwithstanding this Section 9 or anything in this Agreement to the contrary, this Agreement neither does, nor is intended to, modify, amend, or supersede the Development Agreement in any way.

10. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement. Photocopies and portable document format (PDF) copies of executed originals of this Agreement may be used as originals.
11. If any one or more of the provisions contained in this Agreement shall be found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not, in any way, be affected or impaired thereby.
12. This Agreement shall be construed in accordance with and governed by the laws of California.

IN WITNESS WHEREOF, The Parties hereto have executed this Agreement as of the date first written above.

CITY OF LOS ANGELES, a municipal corporation  
of the State of California

By: \_\_\_\_\_  
Name:  
Title:  
Date:

APPROVED AS TO FORM:  
Michael Feuer, City Attorney

By: \_\_\_\_\_  
Name:  
Title:  
Date:

ATTEST:  
Holly Wolcott, City Clerk

By: \_\_\_\_\_  
Name:  
Title:  
Date:

UNIVERSAL STUDIOS LLC

By: \_\_\_\_\_  
Name:  
Title:  
Date:

By: \_\_\_\_\_  
Name:  
Title:  
Date:

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name:  
Title:  
Date: