

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

Agenda Item#7
Revised

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
FAX NO. (213) 828-9515

October 29, 2015

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

**APPROVAL OF A NEW LICENSE AGREEMENT
AT COUNCIL DISTRICT 7 FIELD OFFICE,
7747 FOOTHILL BLVD., SYLMAR, CALIFORNIA, 91042
FOR THE LOS ANGELES CONSERVATION CORPS**

The Department of General Services (GSD) requests approval of a license agreement for approximately 2,927 square feet (SF) of office space for Los Angeles Conservation Corp (LACC) within Council District 7 (CD 7) field office in Sylmar.

BACKGROUND

LACC, a non-profit established in 1986, is the nation's largest urban conservation corps and leading youth development organization in Los Angeles. LACC provides at-risk youth and school-aged youth job skills training, education and work experience with an emphasis on conservation and service projects that benefit the community. Examples include building parks, planting trees, refurbishing hiking trails, and building community gardens. Council Motion 15-0484 provides additional facts on LACC's four-month right of entry agreement that temporarily allows LACC to use CD 7's field office in Sylmar.

License agreements rather than leases with LACC are proposed because LACC will share their assigned space in the CD 7 field office with other service groups. License agreements are agreements under which owners give "licensees" the right to use real property for specified purposes, but without the right of exclusive possession of that property



Thus, license agreements (unlike leases) can provide for shared use of the same real property in which the licensees have no right to exclude others from the space. Here, LACC will share its 2,927 SF of office space with CD 7 field staff and possibly with another community service group which executes a license agreement with the City (Attachment 1).

COMMUNITY BENEFIT ANALYSIS

The CAO has completed the community benefit analysis reflected below and in attachment 2. Based on the analysis, CAO recommends approval of the proposed license terms.

Staff Time - (Three staff members' salaries of \$31.34 per hour for 40 hours a week per year) - **\$195,562**

Training Value - (10-30 participants receiving 28 hours of training per week at \$10 per hour) - **\$145,600 to \$436,800**

Additional Value (equipment and vehicles and in-kind services to maintain site)-**\$95,000** (\$80,000 for equipment and services and \$15,000 for in kind services to maintain CD 7 field office)

Total Community Benefit - **\$436,162 to \$727,362 annually**

Market Value of licensed space **\$56,199 annually** (calculated at \$1.60 per square foot for approximately 2,927 SF)

Please note that the proposed licensee would occupy underutilized space that has been vacant for approximately two years.

Total community benefits annually estimated between **\$436,162 to \$727,362** exceeds market value annually of **\$56,199** for the licensed space by **\$379,963 to \$671,163** annually.

TERMS AND CONDITIONS

The lease agreement contains the following terms and conditions:

LOCATION: 7747 Foothill Blvd, Sylmar CA 91342

LANDLORD: City of Los Angeles

TENANT: LACC

TERM: 10 years

OPTION TERM: Two five-year renewal options at City's discretion

RATE: \$1.00 per year

SQUARE FEET: 2,927 square feet

ESCALATIONS: None

UTILITIES: Licensee will be responsible for all utility costs based on percentage of square footage use relative to total building square footage. Exact percentages will be determined and verified through a site survey.

CUSTODIAL: City to maintain licensed premises through operational budget

TENANT: LACC

IMPROVEMENTS: Licensee shall be responsible for all space improvements

PARKING: Six dedicated parking spaces inclusive of storage unit

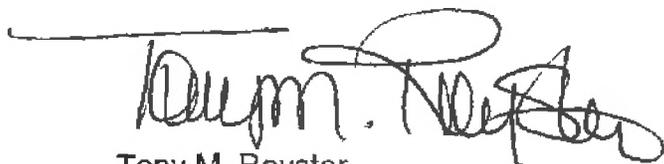
OTHER: City shall have right to terminate the license agreement should licensee lose its non-profit status or cease to operate program services from the subject premises. Licensee shall have the right to terminate license for any reason after the first year and completion of all space improvements as long as licensee is not in breach of license agreement. Notification to terminate must be in writing to City at least 60 days in advance.

FISCAL IMPACT

There is no additional impact on the General Fund for the cost of operations and maintenance as these expenses are already funded through GSD's operational budget. The City would receive a cost offset for the portion of utility costs that would be paid by the licensees in accordance with the proposed terms defined herein. CAO's report indicates total community benefit including support services, staff salaries and operational budget of LACC to be \$436,162 to \$727,362 annually.

RECOMMENDATION

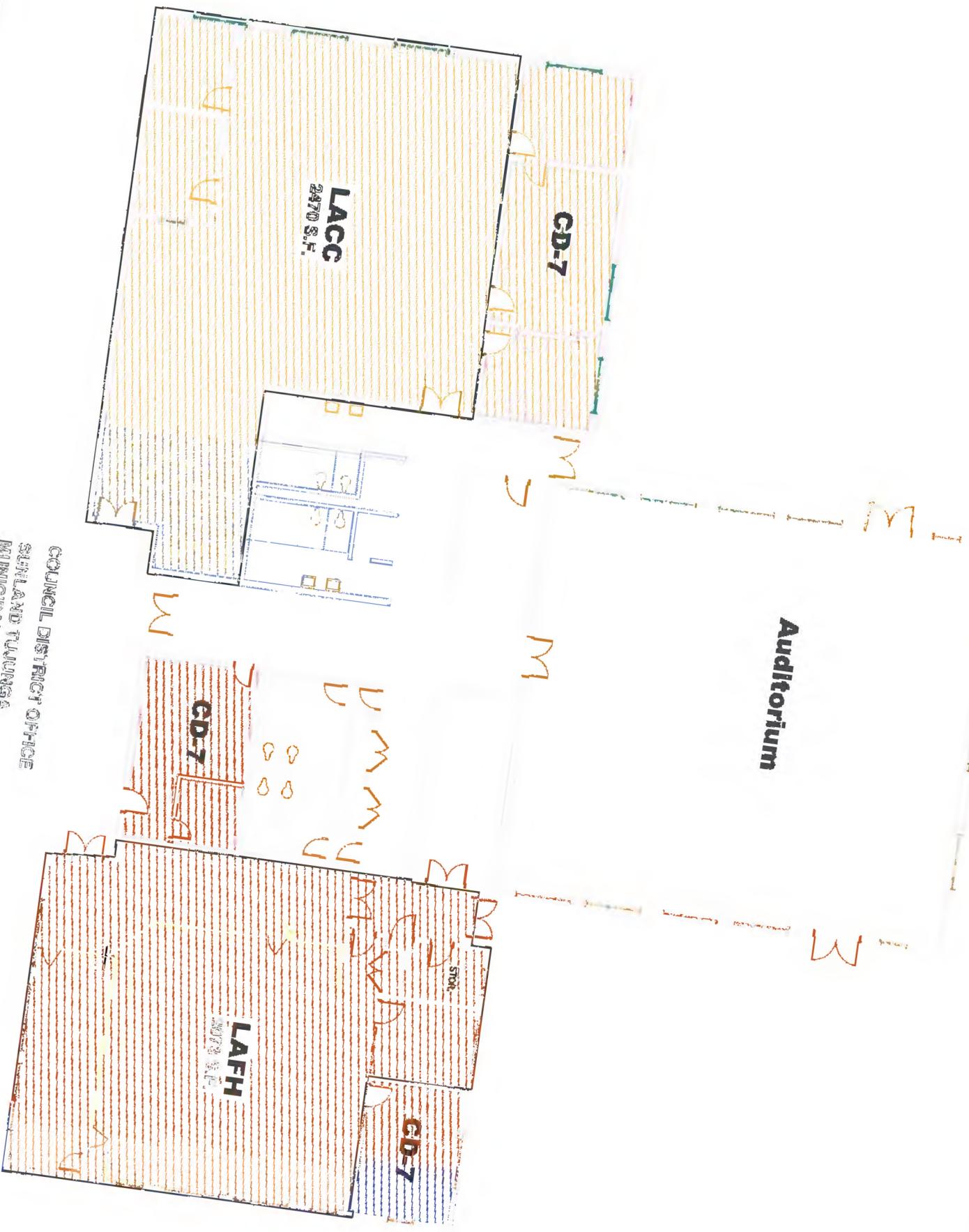
That the Los Angeles City Council approve the licensing of the described space at Council District 7 field office to Los Angeles Conservation Corps.

A handwritten signature in black ink, appearing to read "Tony M. Royster". The signature is written in a cursive style with a horizontal line above it.

Tony M. Royster
General Manager

Attachments:

- 1 - Drawing of Premises
- 2 - Community Benefit Analysis from CAO



COUNCIL DISTRICT OFFICE
 SUNLAND TUUNSA
 MUNICIPAL BUILDING
 7747 FOOTHILL BLVD., TUUNSA, CA 91760

Attachment 1

**Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Community Benefit Analysis for Proposed Non-Profit License Agreement**

I. Proposed License Terms and Conditions

Facility Location:	7747 Foothill Boulevard CD 7, Sunland –Tujunga Municipal Building
Licensee:	Los Angeles Conservation Corp (LACC), a non-profit 501(c)3 organization.
Council File Reference:	15-0484 (Amended Motion adopted June 23, 2015)
Space Assignment:	Approximately <u>2,927</u> s.f. square feet (located in the east wing of the Building)
Term & Renewal Options:	10 year term, with two five-year renewal options.
Market Rate:	\$1.60 per s.f. (Monthly Rate: \$4,683; Annual Rate \$56,198)
Proposed Rental Rate:	\$1 per year, on condition agency provides services defined herein, for total community benefits estimated between \$436,162 to \$727,362, annually.
Parking:	6 dedicated parking spaces, inclusive of storage unit.
Utilities:	To be paid by Licensee, proportionate to space assigned through License Agreement.

II. Agency Background and Current Services

Mission:	To provide at-risk young adults and school-aged youth with opportunities for success through job skills training, education and work experience with an emphasis on conservation and service projects that benefit the community.
Background / History:	<p>LACC was founded in 1986 by former U.S. Secretary of Commerce, Mickey Kantor. LACC has led the way in a national conservation and service corps movement that is more than 35 years old, and now encompasses more than 100 corps in every state and the District of Columbia. LACC is modeled on the depression-era Civilian Conservation Corps which provided meaningful and paid environmental work to thousands of young men during one of our nation's most difficult periods. Today, these programs exist in urban and rural communities, and employ more than 26,000 young people annually in a variety of conservation and service projects.</p> <p>LACC has won numerous awards for its programs including the Kodak American Greenway Award, the Corps' Network 2012 Project of the Year Award for Paddle the LA River, and the PEPNet (Promising and Effective Practices Network) Award for the National Youth Employment Coalition.</p>

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<p>Current Services:</p>	<p>LACC helps at-risk young adults develop their potential. To date, more than 20,000 young people have participated in the Corps classes and service projects, learning new skills while contributing to the quality of life for residents of greater Los Angeles.</p> <p>LACC has sites in East Los Angeles, Northeast Los Angeles, Compton, Redondo Beach and South Los Angeles. All sites offer employment services, supportive services, career advice and an opportunity to achieve a High School Diploma to all participants.</p> <p>Projects currently planned include development and maintenance of community gardens at Howard Finn Park and El Cariso Park. LACC will also work in conjunction with the City Departments of Sanitation and Water and Power on the Laurel Canyon Green Streets Project, along with additional work in the Tujunga Wash and the National Forest.</p> <p><u>Estimated Value of Community Projects: \$2,845,000*</u></p> <ul style="list-style-type: none">a. Howard Finn Park - \$30,000b. El Cariso Park - \$15,000c. Laurel Canyon Green Streets Project - \$2,600,000d. Tujunga Wash project(s) - \$100,000e. National Forest project(s) - \$100,000 <p style="text-align: right;"><i>*All values are a combination of Labor and Materials.</i></p>
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III. Community Benefits Analysis

Direct Services
(to be provided through
licensed space):

Three full time staff will be assigned to the licensed space and will provide training to youth Corp members. The staff and youth will carry out vitally needed community projects through the San Fernando.

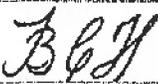
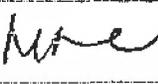
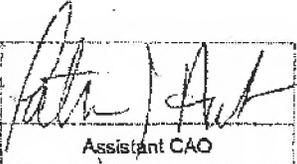
At this time there are approximately 10 students participating in the program with the goal of adding 20 more by July 2016.

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Value of Direct Services:	<p>1. <u>Value of Staff Time</u>: \$195,562</p> <p><i>Calculated as 3 staff members earning an average hourly wage of \$31.34 for 40 hours a week, converted into annual terms (x 52 weeks).</i></p> <p>2. <u>Value of Training to Participants</u>: \$145,600 to \$436,800</p> <p>a) At current service level of 10 participants – \$145,600</p> <p><i>Calculated as 10 participants receiving 28 hours of training and classroom instruction per week, valued at \$10 per hour, converted into annual terms (x 52 weeks).</i></p> <p>b) At expanded service level of 30 participants – \$436,800</p> <p><i>Calculated as 30 participants receiving 28 hours of training and classroom instruction per week, valued at \$10 per hour, converted into annual terms (x 52 weeks).</i></p>
Additional Offsets / In-Kind Services:	<p>3. <u>Other</u>: \$95,000</p> <ul style="list-style-type: none"> ◦ \$80,000 for equipment and vehicles ◦ \$15,000 for in kind services to help maintain the site.
Total Community Benefit:	<p>Between: \$436,162 - \$727,362 annually (= 1+2+3 above)</p>
Market Value for Licensed Space:	<p>\$56,199 annually</p> <p><i>Calculated as: average market rate of \$1.60 per s.f. multiplied by assigned space of 2,927 s.f. multiplied by 12 months = \$56,199</i></p>

The total community benefits estimated between \$436,162 - \$727,362 annually, exceed the market value of \$56,199 for the licensed space by \$379,963 to \$671,163 annually.

Benefits Finding & Recommended Action: The proposed License terms are recommended on the basis that the rental value of the space is significantly offset by the annual service provision that will be provided by the non-profit agency.

October 20, 2015			
Date	Analyst	Chief	Assistant CAO