

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Agenda Item No. 5

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
GENERAL SERVICES
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July 30, 2020

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

Attention: Armando Bencomo, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NON-PROFIT LEASE AGREEMENT WITH HOLLYWOOD UNITED METHODIST CHURCH

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with Hollywood United Methodist Church (HUMC), a 501(c)3 non-profit organization, for use of approximately 3,869 square feet (sf) of a vacant lot (APN# 2420-001-901) located at 4958 Cahuenga Blvd., North Hollywood, CA 91606 (Cahuenga) to operate urban gardening classes and field trips for local students.

BACKGROUND

On May 6, 2016, Council District 4 (CD4) introduced a motion (CF 16-0520) directing GSD to negotiate and execute a lease with The Greater Toluca Lake Neighborhood Council to stabilize and beautify this vacant City-owned substandard parcel at the corner of Cahuenga and Addison. However, The Greater Toluca Lake Neighborhood Council was unable to complete the project.

On April 10, 2018 an amending motion (CF 16-0520) was introduced instructing GSD to enter into a lease agreement with HUMC. HUMC will be contracting out the work to repair and revitalize the vacant parcel and secure the services of the Pacific Asian Volunteer Association to maintain the site. The motion also changes the original project scope from a "visual amenity" to urban gardening classes and field trips for local students. All other terms and conditions of the original Council action remain unchanged.

HUMC, founded in 1909 as a non-profit religious organization, has been located in Hollywood for over 100 years facilitating community benefit projects in North Hollywood and Toluca Lake. Their community services include Sunday church service, children's nursery care, study groups, homelessness and HIV/AIDS outreach programs and ministries and mission trips.



Cahuenga is a remnant parcel from a past street-widening project on Addison, which was abandoned and is too narrow to develop. It remained vacant for over a decade and has become an attractive nuisance for dumping of trash and bulky items and currently presents public safety issues.

TERMS AND CONDITIONS

HUMC will lease the site at no cost for five years, with two one-year options to renew at the City's discretion. A complete set of terms and conditions are outlined on the attached term sheet.

COMMUNITY BENEFIT

The City Administrative Office (CAO) completed the attached Community Benefit Analysis (CBA) and recommends approval of the proposed terms and conditions. The community benefit of \$64,252 annually exceeds the market value of \$8,357 for the leased space by \$55,895.

FUNDING

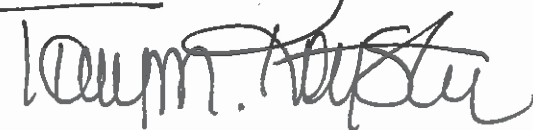
A funding motion (CF 18-0030), introduced January 10, 2018, instructs funds in the amount of \$5,064 within the Neighborhood Council Fund No. 59B-14 to be transferred from Account No. 2202 to special account No. 14N237 for this project. An amending funding motion (CF 18-0030-S1) was introduced on May 23, 2018, instructing a new amount of \$10,000 within the Neighborhood Council Fund No. 59B-14 be transferred from Account No. 2202 to Special Account No. 14N237, to complete the project.

FISCAL IMPACT

There is no additional impact to the General Fund. No revenue will be generated from this lease during the term.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this new lease with Hollywood United Methodist at 4958 Cahuenga Blvd., North Hollywood, CA 91606 to operate urban gardening classes and field trips for local students under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments: Leasing Term Sheet
Community Benefit Analysis

LEASING TERM SHEET

MFC DATE

LANDLORD

ADDRESS

TENANT

ADDRESS

LOCATION

AGREEMENT TYPE

USE

SQUARE FEET

TERM

RENT START DATE

LEASE START DATE

OPTION TERM

HOLDOVER

SUBLET/
ASSIGNMENT

TERMINATION

RENTAL RATE

ESCALATION

RENTAL ABATEMENT

ADDITIONAL RENT

PROPERTY TAX

OPEX

CAM

OTHER	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Other See 'Maintenance/Repair Details' section below.
MAINTENANCE/ REPAIR DETAILS	Tenant shall maintain the site and any/all improvements at solely their own costs, including, but not limited to basic and routine maintenance and repairs throughout the site.
TENANT IMPROVEMENTS	Tenant shall, at its own cost and expense, be responsible for all tenant improvements.
PARKING	Subject to availability at no extra cost.
UTILITIES	All utilities, including Internet, shall be paid by and assumed by the Tenant.
CUSTODIAL	All custodial services shall be paid by and assumed by the Tenant.
SECURITY	Other - See below (2)
PROP 13 PROTECTION	Other n/a
INSURANCE	Tenant shall indemnify and hold harmless the City
OTHER:	Termination: City shall have the unilateral right to terminate this lease at any time for any reason upon thirty (30) days' written notice to Tenant. SECURITY: Security Measures. Tenant, at its own cost and expense, shall provide security on the Property at a level that is necessary to ensure the safety of visitors thereto, including the participants of the urban garden and local student field trips.

Community Benefit Analysis for Proposed Non-Profit Lease

I. Proposed Lease Terms and Conditions	
Facility Location:	4958 Cahuenga Blvd, at the intersection of Addison Street, North Hollywood, CA, 91606
Lessee:	Hollywood United Methodist Church, a non-profit 501(c)3 organization.
Council File Reference:	CF: 16-0520 (Motion adopted April 10, 2018).
Space Assignment:	Approximately 3,869 square feet (Vacant Lot). APN# 2420-001-901
Term & Renewal Option:	Five years, with two one-year options to renew. Approval of the renewal options at the existing rate will be at the discretion of the City.
Market Rate:	\$0.18 per square foot. (Monthly: \$696.42; Annual \$8,357.04)
Proposed Rental Rate:	\$0 per year during the first term, with rate under any renewal options to be subject to negotiation.
Utilities/Custodial:	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.
II. History and Current Services	
Mission:	Hollywood United Methodist Church (HUMC) is a non-profit 501(c)(3) religious organization that was established in part to facilitate community benefit projects and efforts in the greater Los Angeles area, as a palpable beacon of love and grace.
Vision:	The vision of HUMC is to serve as a conduit for projects that benefit the community and bring people together.
Background / History:	HUMC was founded in 1909, as a non-profit organization, with a strong presence in Hollywood for nearly 100 years, serving Los Angeles as a conduit for volunteers seeking to improve the greater community at large. HUMC currently has two campuses located at: <ul style="list-style-type: none"> • Hollywood (6817 Franklin Ave, Hollywood, CA 90028) • Toluca Lake (4301 Cahuenga Blvd Toluca Lake, CA 91602)
Current Services:	HUMC will utilize the Cahuenga/Addison lot as an active and passive educational site focusing on urban sustainability, environmental stewardship, and the production of edible vegetation that will serve the population of Los Angeles in need of food assistance.

III. Community Benefit Analysis	
Value of Direct Services:	<p>A. <u>Value of Dedicated Staff: \$1,107</u></p> <p>1) \$328 – Program Management <u>HUMC / Staff time (est. 8 hours)</u> Coordinate with the Toluca Lake Garden Club ("TLGC"), a local 501-(c)(3) non-profit, to establish initial protocol for access to the site and oversight of its community events (educational programming).</p> <p>2) \$779 – Site Maintenance Coordination <u>HUMC / Staff time (est. 8 hours, initial + 11 hours)</u> Coordinate with Pacific Asian Volunteer Association ("PAVA"), to establish the site's maintenance plan and schedule. Monthly coordination to ensure maintenance plan is being adhered to in a timely fashion and according to the scope of work.</p> <p>B. <u>Value of Services to Participants: \$15,000</u></p> <ul style="list-style-type: none"> • <u>Sustainable Design Educational Center:</u> Visitors will participate in a self-guided walking tour and engage in both active and passive activities <i>via monument signs</i> on the means/methods of utilizing sustainable design planting techniques, including a hydroponic and seed bed system, native California plants, drought tolerant plants, renewable resources, and water conservation techniques. <i>\$50/hour per person (average per comparable courses, below), Est. 10 people/class x 1 hour class x \$50/hr per person = \$500/class \$500/class x 30 classes = \$15,000 Value</i> • <u>Education on available Incentive Programs (LADWP)</u> Educate either actively or passively on how to implement sustainable design techniques on private property with best practices and benefits of planting native/drought tolerant plants. • <u>Local/urban farming to support "Food Equity" in Los Angeles</u> Provide a demonstration garden on urban farming to promote local health and wellness utilizing the crop yield produced on site and delivered to homeless feeding centers in Los Angeles.

Community Benefit Analysis for Proposed Non-Profit Lease

Value of Operational Budget:	<p>C. Value of Operational Budget: \$5,895</p> <ul style="list-style-type: none"> • \$500 – Insurance Policy • \$5,395 – Staff Support HUMC staff support needed once the site has been established to coordinate with the maintenance partners. 																								
Additional Offsets /In-Kind Services:	<p>D. Value of Additional Offsets: \$42,250</p> <table border="1" data-bbox="521 552 1425 789"> <thead> <tr> <th>Source</th> <th>Item</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>NOW Institute</td> <td>Design and Construction</td> <td>\$20,000</td> </tr> <tr> <td>GTLNC</td> <td>NPG 2014-15 (Enrich LA)</td> <td>\$ 5,000</td> </tr> <tr> <td>GTLNC</td> <td>Clean Streets Grant 2016</td> <td>\$ 1,250</td> </tr> <tr> <td>GTLNC</td> <td>Fund Transfer per CC.Motion</td> <td>\$10,000</td> </tr> <tr> <td>CD4</td> <td>Discretionary Grant</td> <td>\$ 5,000</td> </tr> <tr> <td>TLGS</td> <td>Private Grant</td> <td>\$ 1,000</td> </tr> <tr> <td colspan="2">Total Sources</td> <td>\$42,250</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The budget listed above covers full cost of design, soft-scape, hardscape, permitting, construction administration and installation of the project and the ongoing contributions of the nonprofit partner organizations, Pacific Asian Volunteer Association, Toluca Lake Garden Club, and Greater Toluca Lake Neighborhood Council, will contribute to the ongoing maintenance of the site. <p><u>GTLNC / Volunteer time (est. 4 weeks)</u></p> <ul style="list-style-type: none"> • Construction administration support, coordination with design team, City departments (General Services, Building Dept., LADWP, etc.), and administering contractor and subcontractor bids, delivery and execution. Volunteers will operate and maintain the project. 	Source	Item	Amount	NOW Institute	Design and Construction	\$20,000	GTLNC	NPG 2014-15 (Enrich LA)	\$ 5,000	GTLNC	Clean Streets Grant 2016	\$ 1,250	GTLNC	Fund Transfer per CC.Motion	\$10,000	CD4	Discretionary Grant	\$ 5,000	TLGS	Private Grant	\$ 1,000	Total Sources		\$42,250
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Total Community Benefit:	<p>\$64,252 annually (=A+B+C+D above)*</p> <p>(* There are \$20,700 in one-time costs that are not included in the annual tabulation of Total Community Benefit.)</p>																								

Community Benefit Analysis for Proposed Non-Profit Lease

Market Value for Leased Space	<p><u>\$8,357 annually</u> *</p> <p>(* calculated as: average market rate of \$0.18 per s.f. multiplied by assigned space of 3,869 s.f. multiplied by 12 months = \$8,357.04)</p>
Benefits Finding & Recommended Action.	<p>Community benefits estimated at \$64,252 annually, exceeds the market value for the leased space of \$8,357 by \$55,895.</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>

0220-05479-0009	Blayne Sutton-Wills	<i>me for BSW</i>	<i>Yolanda Chavez</i>
Work Assignment Number	Analyst	Chief	Assistant CAO

RHL/BSW/05200102

Released Date: 05/01/20