

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



KAREN BASS
MAYOR

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
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LOS ANGELES, CA 90012
(213) 928-9555
FAX No. (213) 928-9515

January 25, 2024

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

Attention: Mandy Morales, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT
WITH SOUTH BAY CENTER FOR COUNSELING AT 600 E L ST, WILMINGTON, CA 90744**

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement with the South Bay Center for Counseling (SBCC) (Tenant), a California 501(c)(3) nonprofit, and the City of Los Angeles (City) (Landlord) in Council District 15 (CD15) for a community garden at 600 E. L Street, Wilmington, CA 90744.

BACKGROUND

On September 30, 2020, City Council adopted a motion (CF 20-1028) directing GSD to negotiate a nonprofit lease agreement with SBCC for the construction and operation of a community garden. SBCC has been operating the garden, Heart of the Harbor Community Farm (The Farm), since August 18, 2020. However, the proposed lease is needed which will include the appropriate lease language, City standard provisions and insurance requirements.

This 1.3-acre City-owned site was vacant, overgrown with weeds, and filled with debris. In August 2020, SBCC reclaimed the property to create a community garden where they provide programming on urban agriculture and farming with the community.

SBCC has served the South Bay community since 1973. The organization initially only provided mental health services and counseling. SBCC has since expanded to focus on strength-based community change to provide long term solutions to their clientele. SBCC partners with other organizations to provide a variety of services to meet their three main goals which include Community Organizing, Educational Programming and Capacity to Thrive. SBCC currently operates two other community gardens in the Wilmington area as well.

Since 2020, SBCC has installed raised planter beds, an irrigation system in the front portion of the lot, a greenhouse, a gazebo, corral for their preschool program, planted over 100 fruit trees, and built an outdoor amphitheater for community events. SBCC is asking for permission to expand their irrigation system to the back lot to water the fruit trees and build shade structure over the amphitheater.



Their current operations focus on increasing food security, educating the community on gardening, creating opportunities for youth and increasing social connections. Some services The Farm provides are gardening workshops, distributing produce grown in the garden, summer youth programs and bi-annual community outreach events.

Future plans for the community garden include expansion of the existing drip irrigation system for the fruit trees, a small Koi pond with a solar water pump, and an animal corral to house chickens, ducks, rabbits and doves.

TERMS AND CONDITIONS

The proposed lease will be for five years from lease execution with two (2) five (5) year options to extend. A complete set of terms and conditions are outlined on the attached term sheet.

COMMUNITY BENEFIT ANALYSIS

The City Administrative Office (CAO) completed the attached Community Benefit Analysis (CBA) which supports the recommendation for approval of the proposed terms and conditions. See the attached CBA.

MAINTENANCE/UTILITIES/LANDSCAPING


SBCC shall maintain the site in good and sanitary condition. SBCC will be responsible for landscaping as well as routine daily repair and maintenance of the site, including, without limitation, lighting, fire/life safety, pest control and plumbing. Any repairs, alterations or other improvements required from the specific use of the site shall be performed by SBCC at their sole cost and expense. SBCC has already transferred the LADWP water meter into their name.

FISCAL IMPACT

There is no anticipated impact on the General Fund as the lease agreement contains zero rent.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate and execute a lease agreement with the South Bay Center for Counseling at 600 E. L Street, Wilmington, CA 90744 under the terms and conditions substantially outlined in this report.


Tony M. Royster
General Manager

Attachments: Term Sheet
CBA

LEASING TERM SHEET

MFC DATE	1/25/2024
LANDLORD	City of Los Angeles
ADDRESS	111 E. 1st Street, Los Angeles, CA 90012
TENANT	SOUTH BAY CENTER FOR COUNSELING
ADDRESS	540 N. Marine Ave. Wilmington, CA 90744
LOCATION	600 E L ST, WILMINGTON, CA, 90744 (APN: 7423-026-900)
AGREEMENT TYPE	No Cost Lease Agreement
USE	Community Garden
SQUARE FEET	59,177.8
TERM	Five (5) Years
RENT START DATE	N/A
LEASE START DATE	Upon City Clerk Attestation
OPTION TERM	Two (2) Five (5) Year Options
HOLDOVER	Yes
SUBLET/ ASSIGNMENT	Right to Assign - Landlord approval
TERMINATION	City has the unilateral right to terminate the lease agreement upon 90 days written notice
RENTAL RATE	\$0.00
ESCALATION	N/A
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	N/A

PROPERTY TAX	Tenant may be subject to possessory tax
OPEX	N/A
CAM	N/A
OTHER	N/A
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	Tenant
MAINTENANCE/ REPAIR DETAILS	Maintenance and Repairs are the sole responsibility of the Tenant
TENANT IMPROVEMENTS	Future plans for the community garden include expansion of the existing drip irrigation system for the fruit trees, a small Koi pond with a solar water pump, and an animal corral to house chickens, ducks, rabbits and doves.
PARKING	N/A
UTILITIES	Tenant
CUSTODIAL	Tenant
SECURITY	Tenant
PROP 13 PROTECTION	City is Exempt
INSURANCE (City)	TENANT shall indemnify and hold harmless the City
OTHER:	Sabrina Silva ssilva@sbaycenter.com Octavio Ramirez oramirez@sbaycenter.com
PRINT:	
SIGNATURE:	

Community Benefit Analysis for Proposed Non-Profit Lease

I. Proposed Lease Terms and Conditions	
Facility Location:	600 E. "L" Street, Wilmington, CA 90744 (APN: 7423-026-900)
Lessee:	South Bay Center for Counseling, a non-profit 501(c)(3) organization
Council File Reference:	C.F. 20-1028 (motion adopted September 30, 2020)
Space Assignment:	Approximately 59,177 square feet (s.f.) parcel
Term & Renewal Option:	5 years, with two (2) five (5) year options to renew
Market Rate:	\$355,062 total annual = 59,177 s.f. x \$0.50 per s.f. monthly x 12 months
Proposed Rental Rate:	\$1 per year during the first term, with rate under any renewal options to be subject to negotiation at the discretion of the City.
Clean-up and Associated Cost:	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.
Proposed Use of Property (Space)	Community Garden
II. History and Current Services	
Mission:	South Bay Center for Counseling (SBCC) is committed to co-creating resilient and dynamic communities where individuals access the skills they need to address challenges to build solutions that last. SBCC mobilizes the power of communities to fight for social justice and equity with a commitment to diverse social networks, economic vitality, and innovative neighborhood ventures.
Vision:	SBCC believes that change comes from within and that to change the narrative, the organization must seize opportunities and environments where communities can demand equity. That means giving people true hope through tools and resources that work. SBCC is committed to economic vitality, redistribution of resources, and partnering with communities.

Community Benefit Analysis for Proposed Non-Profit Lease

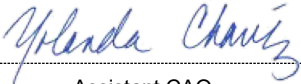
<p>Background / History:</p>	<p>In 1973 SBCC was founded as a grassroots organization to provide counseling and mental health services for low-income residents in the South Bay area. While the organization has continued to provide counseling for the past 48 years, over time the organization's focus has shifted to a more holistic approach in recognition of the need for broader reform to achieve equity, diversity and inclusion of marginalized populations.</p> <p>In 2009, the Wilmington Community Garden was conceived from the community's desire for a community garden. From 2010 to approximately 2018, SBCC successfully operated two community gardens in the Wilmington area. In 2020, a new location was identified and SBCC secured grant money to start Heart of the Harbor Community Farm.</p>
<p>Current Services:</p>	<p>SBCC offers the following services:</p> <ul style="list-style-type: none">• Heart of the Harbor Community Farm (The Farm) - Focuses on increasing food security, creating/improving people's knowledge of gardening, increasing social connections, creating volunteer/internship opportunities for youth, and reducing carbon dioxide and dust particulate levels. Services include:<ul style="list-style-type: none">○ Gardening workshops (monthly): The Farm hosts regular workshops hosted by Los Angeles Master Gardeners.○ Produce distributions (once a week): The Farm's volunteers distribute produce received from Food Forward. SBCC supplement that with herbs/fruit grown at the Farm as well as from residents' home fruit orchards.○ Summer Youth Program (weekly, June-August): Staff and volunteers plan hands-on gardening activities, arts and crafts, movie nights, and a drum circle for students in the community.○ Bi-annual Community Outreach Events: Earth Day (Spring) and Harvest Fest (Fall).○ Pre-school Without Walls (PWW) (every Friday): The Farm hosts a PWW class which is pre-school educational programming designed for toddlers and their parents.○ Compost Hub: With support from Los Angeles Compost, the Farm hosts monthly composting workshops, provides volunteer opportunities in composting, and offers composting service to residents and businesses.

Community Benefit Analysis for Proposed Non-Profit Lease

	<ul style="list-style-type: none"> ○ Pacific Gateway Internship: Through a partnership with Pacific Gateway, SBCC hires two young people to assist with care and maintenance activities at the Farm. ○ Animal Corral: The “Corralito” houses various animals which are utilized to enhance educational programming for the community. ○ Rental of 61 - Raised planter beds (4’ x 8’) to residents for \$10 per month (proceeds are reinvested by SBCC for operation of the garden). 																
III. Community Benefit Analysis																	
Value of Direct Services:	<p>A. <u>Value of Dedicated Staff: \$121,348</u></p> <ul style="list-style-type: none"> ● Two staff members totaling \$100,648 per year ● Pacific Gateway Internship: 2 interns x \$23 per hour x 450 hours per year = \$20,700 <p>B. <u>Value of Services to Participants: \$262,240</u></p> <ul style="list-style-type: none"> ● Weekly Produce Distribution: \$60 x 80 (bags) x 4 events per month x 12 months = \$230,400 ● Monthly meeting plant/seed giveaway: \$1,800 per year ● Compost/Soil/Fertilizer: \$3,600 per year ● Workshop Freebies: \$1,440 per year ● PWW Class: \$25,000 per year for two-hour “mommy and me” classes serving 30 families at no cost 																
Value of Operational Budget:	<p>C. <u>Value of Operational Budget - specify: \$5,902</u></p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Item</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>Program Supplies</td> <td style="text-align: right;">\$ 4,490</td> </tr> <tr> <td>Portable Restroom</td> <td style="text-align: right;">1,032</td> </tr> <tr> <td>Produce Distribution</td> <td style="text-align: right;">500</td> </tr> <tr> <td>Utilities</td> <td style="text-align: right;"><u>7,200</u></td> </tr> <tr> <td style="text-align: right;">Subtotal</td> <td style="text-align: right;">\$13,222</td> </tr> <tr> <td style="text-align: right;"><u>LESS</u> Revenue from rental of raised planter beds*</td> <td style="text-align: right;">- <u>7,320</u></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">\$ 5,902</td> </tr> </tbody> </table> <p>*Maximum revenue from rental of 61 raised planter beds to member of the community (\$10 per month x 61 raised planter beds x 12 months = \$7,320). All derived proceeds will be allocated to the direct operational cost of providing services and activities.</p>	Item	Amount	Program Supplies	\$ 4,490	Portable Restroom	1,032	Produce Distribution	500	Utilities	<u>7,200</u>	Subtotal	\$13,222	<u>LESS</u> Revenue from rental of raised planter beds*	- <u>7,320</u>	Total	\$ 5,902
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Community Benefit Analysis for Proposed Non-Profit Lease

Value of In-Kind Goods and Services:	D. <u>Value of In-Kind Goods and Services: \$32,734</u> <ul style="list-style-type: none"> In-Kind donation of garden materials: \$32,734
Total Community Benefit:	<u>\$422,224</u> annually (A+B+C+D)
Market Value for Leased Space:	<u>\$355,062</u> annually
Benefits Finding & Recommended Action:	Community benefits estimated at <u>\$422,224</u> annually exceeds the market value of <u>\$355,062</u> for the leased parcel by <u>\$67,162</u> . Approval of the proposed lease terms is recommended on the basis that the value of the community benefits exceeds the market value of the leased parcel.

0220-05479-0043	LaTanya Roux	Kay Ha	
Work Assignment Number	Analyst	Chief	Assistant CAO

YC/LRR/05240023

Released Date: 09-14-23