

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 3

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

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

June 27, 2024

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 305, City Hall
Los Angeles, CA 90012

Attention: Jason Lopez, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A
NON-PROFIT LICENSE AGREEMENT WITH LA'S BEST AT CITY HALL
200 N. SPRING STREET, 16FLOOR, SUITE 1613 LOS ANGELES, CA 90012**

The Department of General Services (GSD) requests authority to negotiate and execute a new license agreement with LA's BEST (Tenant), a California 501(c)(3) non-profit organization for office space located on the 16th floor of City Hall, 200 North Spring St., Suite 1613, Los Angeles, CA 90012 in CD 14.

BACKGROUND

Pursuant to the City Council motion, C.F. 24-0543, adopted on June 5, 2024 the City Council directed GSD to negotiate and execute a no-cost, non-profit lease agreement with LA's BEST for office space in City Hall, Suite 1613 consisting of approximately 333 square feet.

In 1988, former Mayor Tom Bradley instituted LA's BEST program with the understanding that the City's future is tied to the success of our children. This program was provided space under the Mayor's Office on the Mezzanine level of City Hall for their administrative staff. Due to reorganizations in space assignments, the Mayor's office has identified a new space for LA's BEST's administrative operations located in City Hall on the 16th Floor. LA's BEST will use this office space for critical administrative support for their programs in concert with the Mayor's Office.

LA's BEST was formed as a unique partnership between the Mayor's Office, LAUSD, and the private sector to provide critical after-school programming for youth throughout the City of Los Angeles. The Mayor's Office continues to support LA's BEST and remains committed to the long-standing partnership. The Mayor's Office will provide a portion of its assigned space for LA's BEST, as it has done throughout the years. Since



LA's BEST is a stand-alone non-profit organization, it is most efficient for LA's BEST to have a direct non-profit license agreement with the City.

LA's BEST operates the Expanded Learning Program in LAUSD elementary schools that are primarily classified as Title I schools. Title I provides schools with money to provide extra resources to help improve instruction so that all children are given the same opportunity to meet the challenging State academic standards. LA's BEST makes it possible for parents and caregivers to maintain full-time employment with the peace of mind that their children are safe and engaged in activities that promote their overall development.

Enrichment programs include but are not limited to: visual and performing arts, sports, nutrition education, language arts and literacy, hands-on science, technology, engineering, and math learning experiences. Every child who attends LA's BEST Expanded Learning Program has daily opportunities to participate in at least 30 minutes of physical activity of their choice with integrated social-emotional learning practices throughout their programming.

LA's BEST programs started in 1988 with 10 elementary schools and has grown to include 203 schools throughout the City. The proven success of this initiative throughout the City's diverse communities is a testament to Mayor Bradley's vision and concern for children and their parents.

The proposed office space is approximately 333 square feet which will be used primarily by LA's BEST Public Partnership and Policy Team. This team is charged with identifying trends, researching expanded learning, collaborating with other youth development organizations to enhance advocacy efforts and to improve the overall systems of services for LA's BEST children and families. Other staff members will drop in as needed for administrative purposes.

TERMS AND CONDITIONS

The proposed license agreement is for a zero rent, five-year license agreement with two, five-year options to renew at the City's sole discretion. Either party may terminate the license agreement upon ninety (90) days written notice. The complete set of terms and conditions are outlined on the attached term sheet.

BUILDING MAINTENANCE/UTILITIES/PARKING

Since the space is located within an existing City suite, the City will be responsible for the exterior and interior maintenance of the building which includes but is not limited to common areas, custodial services, HVAC, utilities, as well as other related building maintenance. LA's BEST will be responsible for providing their own furniture and equipment.

LA's BEST will be responsible for their own phones/internet/security as well as keeping their office space clean, including but not limited to the interior walls, floors, ceilings, doors, and fixtures. They shall also promptly remove all trash and waste generated from its operations to an appropriate trash dumpster as designated by the City. Any repairs,

alterations or other improvements required from the specific use of their portion of their office space shall be performed by the Tenant at their sole cost and expense, and upon City's review and approval.

No parking will be provided by the City to LA's BEST under this agreement. There are several private parking lots surrounding the City Hall downtown area which LA's BEST staff can access for parking.

COMMUNITY BENEFIT


The City Administrative Office (CAO) completed the attached Community Benefit Analysis (CBA) which supports the recommendations for approval of the proposed terms and conditions. The community benefits estimated at \$1,977,000 annually exceed the market value of \$13,186.80 for the leased office space by \$1,963,813.20. See the attached CBA.

FISCAL IMPACT

There is no anticipated impact on the General Fund as the license 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 license agreement with LA's BEST for office use at City Hall, 16th Floor, Suite 1613, Los Angeles, CA 90012 under terms and conditions substantially outlined in this report.


Tony M. Royster
General Manager

Attachments: Term Sheet
CBA

LEASING TERM SHEET

MFC DATE

June 27, 2024

LANDLORD

City of Los Angeles

ADDRESS

111 E. 1st Street, Los Angeles, CA 90012

TENANT

LA's BEST

ADDRESS

200 N. Spring Street, Los Angeles, CA 90012

LOCATION

City Hall, 200 N. Spring Street, 16th Floor, Suite 1613, Los Angeles, CA 90012

AGREEMENT TYPE

Non-Profit License Agreement

USE

Office Space

SQUARE FEET

Approximately 333 Square Feet

TERM

Five (5) years

RENT START DATE

N/A

LEASE START DATE

Upon City Clerk Attestation

OPTION TERM

Two (2) Five (5) Year Options at City's Discretion

HOLDOVER

Month-To-Month

SUBLET/
ASSIGNMENT

No Right to Sublease/Assign – Landlord's Approval

TERMINATION

Either party may terminate this agreement upon ninety day written notice

RENTAL RATE

\$0.00

ESCALATION

N/A

RENTAL ABATEMENT

N/A

ADDITIONAL RENT

N/A

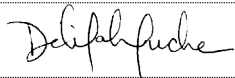
PROPERTY TAX	Tenant may be subject to possessory tax.
OPEX	N/A
CAM	N/A
OTHER	N/A
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	Maintenance and repairs are the sole responsibility of Tenant
MAINTENANCE/ REPAIR DETAILS	<p>The City shall be responsible for the exterior and interior maintenance of the building which includes but is not limited to common areas, custodial services, HVAC, utilities, as well as other related building maintenance. LA's BEST will be responsible for providing their own furniture and equipment.</p> <p>LA's BEST will be responsible for their own phones/internet/security as well as keeping their office space clean, including but not limited to the interior walls, floors, ceilings, doors, fixtures, and so forth. They shall also promptly remove all trash and waste generated from its operations to an appropriate trash dumpster as designated by the City.</p>
TENANT IMPROVEMENTS	Any repairs, alterations or other improvements required from the specific use of their portion of their office space shall be performed by the Tenant at their sole cost and expense. City Approval is required for any alterations or improvements.
PARKING	No parking will be provided by City to LA's BEST under this agreement. There are several private parking lots surrounding the City Hall downtown area which LA's BEST staff can access for parking.
UTILITIES	Tenant shall be responsible for their own Internet/Connectivity/Phones
CUSTODIAL	City
SECURITY	Tenant See below "other"
PROP 13 PROTECTION	City is exempt
INSURANCE (City)	Tenant shall indemnify and hold harmless the City.
OTHER:	SECURITY: Security Measures – Tenant, at its own cost and expense, shall provide security for Office at a level that is necessary to ensure the safety of their employees and visitors.
PRINT:	Michele Broadnax, President/Chief Executive Officer

**Report from
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Community Benefit Analysis for Proposed Non-Profit Lease**

I. Proposed Lease Terms and Conditions	
Facility Location:	City Hall, 200 N. Spring Street, Suite 1613, Los Angeles, CA 90012
Lessee:	LA's BEST
Council File Reference:	C.F. 24-0543
Space Assignment:	Approximately 333 square feet (APN# 5161-005-906)
Term & Renewal Option:	Five-year term commencing upon execution of the lease with no options to renew.
Market Rate:	\$3.30 per square foot (\$13,186.80 annually)
Proposed Rental Rate:	\$0.00 during the initial term
Clean-up and Associated Cost:	Lessee shall be financially responsible for on-going maintenance.
Tenant Improvements:	Lessee shall be financially responsible for all improvements to the space.
II. History and Current Services	
Mission:	The mission of LA's BEST is to provide a safe and supervised afterschool education, enrichment, and recreation program for children ages five to 12 in Los Angeles.
Vision:	The vision of LA's BEST is for all children, no matter their neighborhood or circumstances, to be safe after school and have a place where they can learn and thrive through social, emotional, intellectual, and physical engagement with caring adults and dynamic experiences.
Background / History:	Founded in 1988, LA's BEST is a partnership of the City of Los Angeles, the Los Angeles Unified School District (LAUSD), and the private sector. This unique partnership enabled LA's BEST to rapidly scale up, from initially operating in 10 schools to currently operating in 203 elementary schools throughout Los Angeles, all in under-resourced neighborhoods.
Current Services:	LA's BEST provides a safe space for students attending the LAUSD elementary schools within the City's most vulnerable neighborhoods to receive homework help, nutritious meals, and enrichment opportunities. The enrichment programs offered are visual and performing arts, sports, nutrition education, language arts and literacy, and hands-on science, technology, engineering, and math learning experiences. Every child who attends the LA's BEST Expanded Learning Program has daily opportunities to participate in at least 30 minutes of physical activity of their choice. Social-emotional learning practices are integrated throughout its programming and staff training.

**Report from
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Community Benefit Analysis for Proposed Non-Profit Lease**

III. Community Benefits Analysis																
Value of Direct Services:	A. <u>Value of Dedicated Staff: \$1,677,000</u>															
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Staff</th> <th style="text-align: right;">Annual Salary</th> </tr> </thead> <tbody> <tr> <td>7 Management, Finance, and Administrative Support Staff</td> <td style="text-align: right;">\$656,000</td> </tr> <tr> <td>6 Program Directors</td> <td style="text-align: right;">529,000</td> </tr> <tr> <td>8 Program Coordinators</td> <td style="text-align: right;">\$492,000</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">\$1,677,000</td> </tr> </tbody> </table>	Staff	Annual Salary	7 Management, Finance, and Administrative Support Staff	\$656,000	6 Program Directors	529,000	8 Program Coordinators	\$492,000	Total	\$1,677,000					
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	B. <u>Value of Services to Participants: \$0</u>															
Value of Operational Budget:	C. <u>Value of Operational Budget: \$300,000</u>															
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Total	\$300,000															
Additional Offsets / In-Kind Services:	D. <u>Value of Additional Offsets: \$0</u>															
Total Community Benefits:	\$ 1,977,000.00 annually (=A+B+C+D above)															
Market Value for Leased Space:	\$ 13,186.80 annually															
Benefits Finding & Recommended Action:	<p>Community benefits estimated at \$1,977,000.00 annually exceed the market value of \$13,186.80 for the leased space by \$1,963,813.20.</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>															

0220-05479-0047	Aira Wada		
Work Assignment Number	Analyst	Chief	Assistant CAO

YC/AW/05240114

Release Date: 05-20-24