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TRANSMITTAL

TO
Council

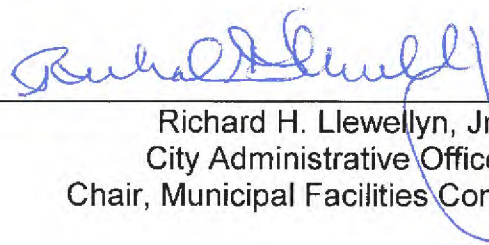
DATE
10-04-18

COUNCIL FILE NO.
07-2174-S1

FROM
Municipal Facilities Committee

COUNCIL DISTRICT
11

At its meeting held on September 27, 2018, the Municipal Facilities Committee (MFC) approved the recommendation of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a new license agreement with the Westchester Vitalization Corporation, a nonprofit organization, to operate a weekly Farmers Market in a City parking lot located at the Westchester Municipal Building at 7166 West Manchester Boulevard, for a term of five years with one five-year option to renew at the sole discretion of the City. The rental rate is \$0 per year on the basis that the value of the community benefit provided (\$48,600) exceeds the market value of the leased space (\$2,722). There is no impact on the General Fund.



Richard H. Llewellyn, Jr.
City Administrative Officer
Chair, Municipal Facilities Committee

RHL:JCY:05190041

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
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September 27, 2018

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

Attention: John White, Legislative Assistant

**REQUEST AUTHORIZATION TO NEGOTIATE AND EXECUTE
A NEW LICENSE AGREEMENT WITH THE WESTCHESTER
VITALIZATION CORPORATION, A NONPROFIT ORGANIZATION**

The Department of General Services (GSD) requests authority to execute a new license agreement with the Westchester Vitalization Corporation, a nonprofit organization, to operate a weekly Farmers Market in a City parking lot located at the Westchester Municipal Building at 7166 West Manchester Boulevard.

BACKGROUND

The Council approved a motion (C.F. 07-2174-S1) on March 2, 2018 instructing GSD to prepare a new license agreement with the Westchester Vitalization Corporation to operate a weekly community Farmers Market. This nonprofit's mission is to further economic development in the Westchester and Playa del Rey areas of Los Angeles. This Farmers Market previously operated in a nearby parking lot that they vacated in July 2018. They currently run the Farmers Market each Wednesday at the proposed location on a temporary license agreement that was established on July 25, 2018 and will expire on October 21, 2018. A permanent license agreement is needed to allow the Market to continue to operate.

The Farmers Market will operate weekly on Wednesdays between the hours of 2:00 p.m. to 7:00 p.m.

The Westchester Vitalization Corporation is aware of the City's mandatory ordinance requirements including the Living Wage Ordinance and will conform accordingly.

TERMS AND CONDITIONS

The proposed license agreement will contain the following:

- LOCATION: 7166 West Manchester Boulevard
- LANDLORD: City of Los Angeles.
- USE: The site will be used to operate a Farmers Market
- SQUARE FEET: Approximately 21,060
- TERM: Five years
- OPTION: Five years at sole discretion of the City
- RENTAL RATE: \$0 per year
- SECURITY DEPOSIT: Not Required
- INSURANCE: Licensee shall furnish the City with evidence of general liability insurance from insurers acceptable to the City; licensee agrees to include the City, its boards, officers, agents and employees as additional insured
- UTILITIES: Any utility cost will be the responsibility of the licensee
- PARKING: N/A
- TENANT IMPROVEMENTS: All Tenant Improvement costs will be at the sole responsibility of the licensee

MAINTENANCE: All maintenance will be at the sole cost of the licensee. Licensee shall not make any alterations to the property. No permanent structures can be erected on site. The premises shall be cleaned and power washed regularly. Set-up and clean-up shall be at the sole cost and responsibility of licensee and its vendors

MARKET ANALYSIS

The market rate utilized in the Community Benefit Analysis for the Farmers Market was determined by gathering rates of several comparable vacant properties throughout the City. The market analysis took into consideration the size and use of properties compared. The rental rate was determined by calculating the market rate of \$11.34 per hour for five hours for a total of \$57 per each Wednesday or \$2,722 annually.

COMMUNITY BENEFIT

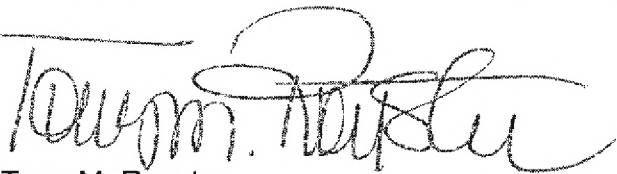
The CAO completed the attached Community Benefit Analysis (CBA) and recommends approval of the proposed terms and conditions of the license. As detailed in the attached CBA, the total community benefit is estimated at \$48,600 annually, which exceeds the market rent value of \$2,722 annually for the space by \$45,878.

FISCAL IMPACT

There is no impact to the General Fund as the City will incur no costs for this license agreement and it does not generate revenue back to the City.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to prepare a new license agreement with the Westchester Vitalization Corporation to operate a Farmers Market in the parking lot at the Westchester Municipal Building located at 7166 West Manchester Boulevard.

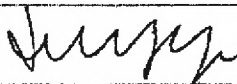



Tony M. Royster
General Manager

Community Benefit Analysis for Proposed Non-Profit Lease

I. Proposed Lease Terms and Conditions	
Facility Location:	7166 West Manchester Boulevard, Los Angeles 90045
Lessee:	Westchester Certified Farmers' Market; Westchester Vitalization Corporation, a non-profit 501(c)4 organization
Council File Reference:	07-2174-S1 (Motion adopted March 2, 2018)
Space Assignment:	Use of a City-owned parking lot at 7166 West Manchester Blvd.
Term & Renewal Option:	Five (5) years, with one 5-year option to renew. Approval of the renewal option at the existing rate will be at the discretion of the City.
Market Rate:	\$11.34 per hour x 5 hours = \$56.70 per day (\$226.80 monthly or \$2,722 annually)
Proposed Use of Property:	Operation of a Farmers Market to be held once weekly on Wednesdays from 2:00 p.m. to 7:00 p.m.
Proposed Rental Rate:	\$0 per year
Clean-up and Associated Cost:	Lessee shall be financially responsible for all applicable clean-up costs and any associated cost involving use of site.
Tenant Improvements:	Lessee shall have full responsibility for the cost of any needed tenant improvements to set-up the site, any operational costs, and any take-down of a concession at the Farmers Market or any incidentals thereto.
II. History and Current Services	
Mission:	The mission of the Westchester Vitalization Corporation is the furtherance of economic development in the Westchester/Playa del Rey area of Los Angeles County, State of California by acting as a clearing house for local development, regulatory bodies, and community interest projects, thereby assisting the growth and development of the local economy.
Vision:	Plan for responsible development and growth in Westchester, California and surrounding areas; ensure a superior quality of life that balances the needs of the business community with that of the residential community; review, monitor and contribute to business and community projects; and, advise elected officials on issues of importance to the economic vitality and lifestyle of the community.

Community Benefit Analysis for Proposed Non-Profit Lease

Background / History:	Established in 1980 under special charter by the Mayor of Los Angeles, the Westchester Vitalization Corporation, a Public Benefit Corporation, has served as a sounding board for issues of economic importance to Westchester's greater business, residential and civic community.
Current Services:	Current services include support for local development, regulatory bodies, and community interest projects such as the operation of Westchester's Certified Farmers' Market (WCFM). WCFM, in addition to providing access to healthy food options and locally grown produce, offers an ongoing place of community serving over 500 local families and residents.
II. Community Benefit Analysis	
Value of Direct Services:	<p>A. <u>Value of Dedicated Staff:</u> \$32,000</p> <p>Staff salary consists of one independent contractor to manage the overall operations of the WCFM inclusive of community relations, vendor development, marketing, programming, accounting, reporting, regulatory relations and on-site management.</p> <p>B. <u>Value of Services to Participants:</u> \$3,600</p> <p>Programs offered include live music and entertainment and children's and family-friendly activities.</p>
Value of Operational Budget:	<p>C. <u>Value of Operational Budget:</u> \$13,000</p> <p>Value includes costs associated with marketing, insurance, operator fees, supplies and equipment, and administrative support expenses and fees.</p>
Total Community Benefit:	<u>\$48,600 annually</u>
Market Value for Leased Space	<u>\$2,722 annually</u>
Benefits Finding & Recommended Action.	<p>Community benefits estimated at \$48,600 annually, exceeding the market value for the leased space by \$45,878.</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>

0220-05479-0002			
Work Assignment Number	Analyst	Chief	Assistant CAO

YC:JCY:05190033

Released Date: 09-18-18