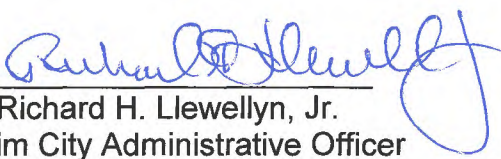


TRANSMITTAL

| | | |
|--|----------------------|-----------------------|
| TO Council | DATE 10-03-17 | COUNCIL FILE NO. |
| FROM Municipal Facilities Committee | | COUNCIL DISTRICT 3 |

At its meeting held on September 28, 2017, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize GSD to negotiate and execute a nonprofit lease agreement between the City and Fleet Street to utilize 2,500 square feet of parking lot space located at 19040 Vanowen Street to conduct bicycle repairs and related events. There is no impact on the General Fund as a result of the recommended actions.


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

RHL:BCH:05180053

CITY OF LOS ANGELES
CALIFORNIA

Agenda Item No. 2

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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

September 28, 2017

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

Attention: John White, Legislative Assistant

**REQUEST FOR AUTHORIZATION TO NEGOTIATE AND EXECUTE
A NEW LEASE AGREEMENT WITH FLEET STREET, A NONPROFIT**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with Fleet Street, a nonprofit organization, for the use of a portion of the West Valley Municipal Building (WVMB) parking lot located at 19040 Vanowen Street in Reseda to operate a nonprofit bicycle repair and refurbishment service.

BACKGROUND

A Motion was introduced on August 16, 2017 by Council District 3 directing GSD to negotiate and execute a new lease with Fleet Street.

Fleet Street is a 501(c)(3) nonprofit organization that provides vocational training in bicycle maintenance and repair to disadvantaged youth, including those in custody, by rebuilding and refurbishing donated used bicycles. They also provide repair stations at community events throughout the City.

The WVMB parking lot is currently under-utilized and the plan is to conduct bicycle repair and refurbishment workshops for local youth and to store some materials. This particular parking lot site is designed for safe parking for the homeless. Fleet Street has been assigned a designated portion of the parking lot in question for its operation.

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

The proposed lease agreement will contain the following:

TERMS AND CONDITIONS

LOCATION: 19040 Vanowen Street

LANDLORD: City of Los Angeles

USE: The site will be used for bicycle repairs and refurbishing.

SQUARE FEET: Approximately 2,500

TERM: 2 1/2 years

OPTION TERM: 2 1/2 years

Rental Rate: \$0

SECURITY DEPOSIT: Not required

UTILITIES: Any utility cost will be the responsibility of the tenant.

PARKING: Parking on site

TENANT IMPROVEMENTS: All TI costs will be at the sole responsibility of the tenant.

CUSTODIAL: All cleanup of the area will be at the sole cost of the tenant.

MARKET ANALYSIS

The market rate for the use of the parking lot at the WVMB located at 19040 Vanowen Street was determined to be \$1.40 per square foot. The properties compared for this market analysis are located at 16022 Arminta Street listed for \$1.40 per square foot; 7027 Hayvenhurst listed for \$1.40 per square foot; and 7735 Densmore Avenue listed for \$1.35 per square foot. Comparables for the subject property were limited.

PUBLIC BENEFIT

The City Administrative Officer (CAO) completed the attached Community Benefit Analysis and recommends approval of the proposed terms and conditions of the lease.

The CAO reports the value of services that will be provided under this contract which will include value of bike repairs and donations at \$150,000; value of dedicated staff at \$75,000; value of services by volunteer staff at \$105,000; and miscellaneous costs of \$12,000 for a total Community Benefit of \$342,000 annually. The market value for the leased space is \$42,000.

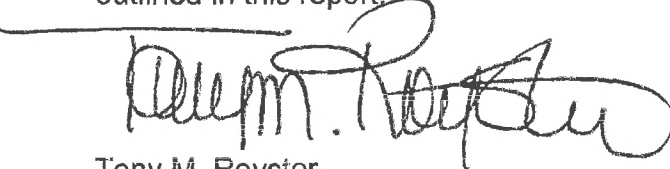
The proposed lease is consistent with the City's proposed Nonprofit Leasing Policy wherein the annual contributions in services, from this nonprofit, will significantly exceed the rental value of the space.

FISCAL IMPACT

No revenue will be generated from this lease to the General Fund.

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a new lease agreement with Fleet Street to conduct bicycle repair and refurbishment service under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager

Attachment

Community Benefit Analysis for Proposed Non-Profit Lease




| I. Proposed Lease Terms and Conditions | |
|---|--|
| Facility Location: | 19040 Vanowen Street, Reseda 91335. |
| Lessee: | Fleet Street, a non-profit 501(c)3 organization. |
| Council File Reference: | 17- 0929 (Motion adopted September 5, 2017). |
| Space Assignment: | Approximately 2,500 square feet of parking lot space at the West Valley Municipal Building (WVMB). |
| Term & Renewal Option: | 30 months, with one 30 month option to renew. |
| Market Rate: | \$1.40 per square foot; (Monthly rate: \$3,500 / Annual rate: \$42,000). |
| Proposed Rental Rate: | \$0 per year. |
| 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: | "To Bring Hope and Happiness" to those in need one bike at a time. |
| Vision: | Fleet Street utilizes bicycles as a means of enabling positive social change through various programs that teach incarcerated youth bike repair, bike safety and education programs, healthy activities, homeless services and free bike and repair services to the community. The proposed lease site would be utilized as a highly visible, community-centered location for program activities, located in close proximity to other youth oriented programs (LAPD PALS program and the local YMCA). |
| Background / History: | Founded in 2009, Fleet Street utilizes bicycles and bike repairs to teach youth in the probation system technical and problem solving skills and community engagement. Fleet Street engages in bike safety training, encourages the usage of bikes for recreation and transportation, supports bicycle related community events, and provides free bike repair for the homeless and other community based events. Fleet Street has been recognized by the Los Angeles City Council, Office of the Mayor, the County of Los Angeles, State Assembly, State Senate and Congressman Brad Sherman for its work in the community. |

Community Benefit Analysis for Proposed Non-Profit Lease

| | |
|---|--|
| <p>Current Services:</p> | <p>Current agency services include:</p> <ul style="list-style-type: none"> • Gang Reduction and Youth Development Program to conduct Summer Night Lights Events sponsored by the City; • Los Angeles County contracted services to provide training to incarcerated youth; • Contract with churches to provide services to the underprivileged/homeless individuals and support free community bike repair events (Devonshire PALS and Rescate Social Services events coming this fall); • Participate in community bike events including the Annual Bike Ride sponsored by Council District 3 and Amgen Ride of California; • Serve on the City's Community Bicycle Advisory Committee; and, • Provide rehabilitated bikes to underprivileged youth and families. |
| <p>II. Community Benefit Analysis</p> | |
| <p>Value of Direct Services:</p> | <p>A. <u>Value of Bike Repairs & Donations</u>: \$150,000</p> <ul style="list-style-type: none"> • Reflects cost of: 1) free bike repairs (500 annually); 2) donations of reconditioned bikes (200 annually). <p>B. <u>Value of Dedicated Staff</u>: \$75,000</p> <ul style="list-style-type: none"> • <i>Includes salary costs for paid bicycle repair specialist.</i> |
| <p>Additional Offsets / In-Kind Services:</p> | <p>C. <u>Value of Services by Volunteer Staff</u>: \$105,000</p> <ul style="list-style-type: none"> • <i>Includes value of services provided by volunteer staff for the following activities: 1) program administration, fundraising, event management, accounting and other operational functions; 2) specialized services for homeless individuals, incarcerated youth and gang intervention/crime reduction programs; 3) event coordination for bicycle safety programs and other community events, including valet services; and, 4) other outreach and advocacy services.</i> <p>D. <u>Miscellaneous costs - specify</u>: \$12,000</p> <ul style="list-style-type: none"> • <i>Includes incidental costs associated with programs and client services.</i> |
| <p>Total Community Benefit:</p> | <p><u>\$342,000 annually</u> (=A+B+C+D above)</p> |

Community Benefit Analysis for Proposed Non-Profit Lease

| | |
|--|--|
| Market Value for Leased Space | <p><u>\$42,000 annually *</u></p> <p>(* calculated as: average market rate of \$1.40/s.f. multiplied by assigned space of 2,500 s.f. multiplied by 12 months = \$42,000.</p> |
| Benefits Finding & Recommended Action. | <p>Community benefits estimated at \$342,000 annually, exceed the market value for the leased space by \$300,000 annually.</p> <p>The proposed lease is consistent with the City's proposed Non-Profit Leasing Policy in that the rental value of the space is exceeded by the annual contributions in services from the non-profit lessee. The proposed terms are recommended for approval.</p> |

| | | | |
|---------|---|--|---|
| 9/15/17 |  |  |  |
| Date | Analyst | Chief | Assistant CAO |