

0150-11429-0000

TRANSMITTALTO
Council

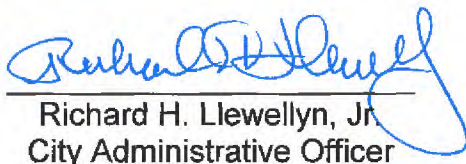
DATE

08-07-19

COUNCIL FILE NO.
19-0079FROM
Municipal Facilities CommitteeCOUNCIL DISTRICT
15

At its meeting held on July 25, 2019, the Municipal Facilities Committee adopted the recommendations 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 non-profit license agreement with the Little Italy of Los Angeles Association for use of the public plaza located at 603 South Harbor Boulevard, Los Angeles, CA 90731 that is approximately 9,897 square feet. The proposed agreement is for a term of sixty (60) months at a rental rate of \$0 per year.

There is no impact on the General Fund as a result of the recommended action.



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

RHL:BSW:05200018

CAO 649-d

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
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LOS ANGELES, CA 90012
(213) 928-9555
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July 25, 2019

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

Attention: Leyla Campos, Legislative Assistant

**REQUEST AUTHORIZATION TO NEGOTIATE AND EXECUTE A NEW
NON-PROFIT LICENSE AGREEMENT WITH
THE LITTLE ITALY OF LOS ANGELES ASSOCIATION AT
603 S. HARBOUR BOULEVARD SAN PEDRO**

The Department of General Services (GSD) requests authority to negotiate and execute a new license agreement with The Little Italy of Los Angeles Association (LILAA) at 603 S. Harbour Blvd. Los Angeles, CA 90028 to activate events at the San Pedro City Hall public plaza.

BACKGROUND

On January 23, 2019, the City Council adopted a motion (C.F. 19-0079) instructing GSD with the assistance of other appropriate City departments to negotiate with LILAA for the purpose of improving, managing and activating an existing public plaza with authentic cultural events and experiences. LILAA was formed in 2018 to create a central gathering spot to highlight the lives, language, culture and stories of Italians in Los Angeles and they intend to create such experiences at this plaza.

The subject property is an existing underutilized public plaza in downtown San Pedro adjacent to the San Pedro Municipal Building at the southeast corner of S. Harbour Boulevard and W 6th St. within Council District 15. The approximately 9,897 square feet site is an existing public plaza surrounded by trees and a triangular grass area along with steps that could function as an ideal public gathering space.

The main objectives of the project are to provide a five-year zero cost license agreement to LILAA to reactivate and create a vibrant urban space for the local community. Examples include festivals for Italian Heritage Month, craft markets, tables and umbrellas and temporary food and coffee carts. Council District 15 office supports the terms and conditions outlined in this report.



MAINTENANCE

LILAA shall be solely responsible for repairs and maintenance of the site, activities and improvements to the site.

TENANT IMPROVEMENTS

LILAA, the tenant shall take the premises in "AS-IS" condition and the City shall not provide any tenant improvements. However, all proposed improvements and additions to the site must approved by the City.

TERMS AND CONDITIONS

The proposed license will include the following:

LOCATION:	603 S. Harbour Blvd., San Pedro, CA 90731.
LANDLORD:	City of Los Angeles
TENANT:	LILAA
USE:	Public Plaza Use
SQUARE FEET:	Approximately 9,897 sq. ft.
TERM:	Sixty months (60 months), MTM renewal subject to any default provisions
LICENSE COMMENCEMENT DATE:	Upon full execution of License agreement and attestation by the City Clerk's office.
RENTAL RATE:	None
ESCALATIONS:	None
OPTIONS:	None
ADDITIONAL RENT:	None
SECURITY DEPOSIT:	None
UTILITIES:	Tenant shall be responsible for all utilities, if any.
PARKING:	None
SUBLICENSE CLAUSE:	None

TENANT
IMPROVEMENT: Landlord shall deliver the space "As-Is." Tenant shall be solely responsible for any improvements subject to City's consent and approval.

CUSTODIAL: Provided by Tenant

PROPERTY TAXES: None

INSURANCE: Provided by Tenant per the lease terms and approved by risk management.

MAINTENANCE: Tenant shall maintain the project in a reasonable and orderly matter including all clean-up activity from events.

TERMINATION
AGREEMENT: City shall have the right to terminate this agreement with 30-day notice to tenant without any penalty.

COMMUNITY BENEFIT ANALYSIS

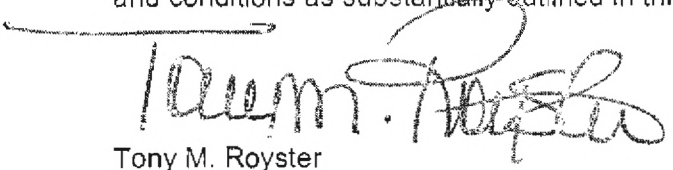
The CAO completed the attached CBA and recommends approval of the terms and conditions of the lease. As detailed in the CBA, the total community benefit is estimated at \$234,375 annually which exceeds the market rent value annually for the space by \$115,617.

FISCAL IMPACT

This is a zero-rent lease and will not impact the General Fund.

RECOMMENDATION

That the Los Angeles City Council, subject to approval of the Mayor, authorize the Department of General Services to negotiate and execute a license agreement with LILAA, under the terms and conditions as substantially outlined in this report.



Tony M. Royster
General Manager

Attachments

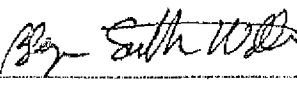


Community Benefit Analysis for Proposed Non-Profit Lease

I. Proposed Lease Terms and Conditions	
Facility Location:	603 S. Harbor Blvd Los Angeles, CA 90731
Lessee:	Little Italy of Los Angeles Association , a non-profit 501(c) 3 organization
Council File Reference:	19-0079 (Motion adopted February 22, 2019)
Space Assignment:	Approximately 9,896.5 square feet
Term & Renewal Option:	5 Years (with 0 options to renew)
Market Rate:	\$1.00 per square foot (\$9,896.50 monthly or \$118,758 annually)
Proposed Rental Rate:	\$0 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.
II. History and Current Services	
Mission:	The Little Italy of Los Angeles Association (LILAA) mission is to create a central gathering spot to highlight the lives, language, culture, and stories of Italians in Los Angeles.
Vision:	LILAA plans extensive cultural programming for the site at Pepper Tree Plaza. They have secured significant commitments for major events onsite or nearby in the City of Los Angeles. Those events include: (1) a special cultural/historical event featuring the heir to the Italian throne; (2) the world famous San Gennaro Festival, which has agreed to relocate to San Pedro; (3) Run Italy, a 5K race put on in conjunction with the Italian consulate, to highlight Italy-US relations; and (4) Italian Heritage Month, an official Los Angeles city-designated month-long celebration. The latter three of these events are each expected to draw approximately 21,000 people over their respective weekends.
Background / History:	Over 310,000 people of Italian descent call Los Angeles home. The surrounding region is home to almost a million more. Yet unlike the other cities where large numbers of Italian Americans live, Los Angeles has no Little Italy. The Little Italy of Los Angeles Association, a 501(c)(3) non-profit, aims to change that.

Community Benefit Analysis for Proposed Non-Profit Lease

Current Services:	<p>Current services include:</p> <ul style="list-style-type: none"> * Organization and implementation of San Gennaro Italian American Cultural Festival 9/21/19 • Hosting of Da Vinci Days Museum Exhibit * Italian American Heritage Month Celebration
III. Community Benefit Analysis	
Value of Direct Services:	<p><u>A. Value of Dedicated Staff: \$30,000 (In Kind)</u></p> <ul style="list-style-type: none"> • Active Board Members plus Chair: Mike Gatto, Mario Amalfitano, Gino Gaudio, Mike Camarieri, John DiGerolamo, and Ann Potenza • Meeting 3-4 times per month for board and committee business including projects directly associated with Little Italy District in San Pedro. • Meeting 36 times per year as well as hosting cultural events in the Little Italy District <p><u>B. Value of Services to Participants: \$144,375</u></p> <ul style="list-style-type: none"> • Cost of \$100-\$200 per hour for event planning staff • Major Events require 250-300 hours for planning and execution • LILAA Board will work 275 hours per major event • Estimated cost range for 3 major events is \$123,750 to \$165,000 • Approximately average is \$144,375
Value of Operational Budget:	<p><u>C. Value of Operational Budget - specify: \$30,000</u></p> <ul style="list-style-type: none"> • \$30,000.00 per year • Costs include maintenance of Piazza and 6th Street, marketing (<i>banners in public right of way</i>), <i>beautification</i>. • Insurance and operational costs for events • Maintenance of equipment.
Additional Offsets / In-Kind Services:	<p><u>D. Value of Additional Offsets - specify: \$30,000</u></p> <p>Includes: San Gennaro Festival, Da Vinci Days, Italian American Heritage Month Celebration.</p>
Total Community Benefit:	\$234,375 annually (=A+B+C+D above)
Market Value for Leased Space	<p>\$118,758 annually*</p> <p>(* calculated as: average market rate of \$1.00 per s.f. multiplied by assigned space of 9896.5 s.f. multiplied by 12 months = \$118,758)</p>

Community Benefit Analysis for Proposed Non-Profit Lease

Benefits Finding & Recommended Action.	Community benefits estimated at \$234,375 annually, exceeds the market value for the leased space by \$115,617. 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.		
0220-05639-0000			
Work Assignment Number	Analyst	Chief	Assistant CAO

RHL/BSW/05200004

Released Date: 07-18-19

