

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Agenda Item No. 2

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

February 25, 2021

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

Attention: Armando Bencomo, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NEW SUB-LICENSE AGREEMENT WITH INSTITUTO DE EDUCACION POPULAR DEL SUR DE CALIFORNIA AT 8250 BALBOA PLACE

The Department of General Services (GSD) requests authority to negotiate and execute a sub-license agreement with Instituto De Educacion Popular del Sur De California (IDEPSCA), a 501(C)3 nonprofit organization to operate a Day Laborer Resource Center (DLRC) located at 8250 Balboa Place, Los Angeles, CA 91406 (Balboa).

BACKGROUND

On June 30, 2020, the Los Angeles City Council (Council) adopted an Economic and Workforce Development Department (EWDD) joint report (CF 20-0673) dated May 28, 2020, adopting the Year 2021 WDB Annual Plan for Program Year 2020-21. This authorizes EWDD to negotiate and execute agreements and amendments described in the Annual Plan approving the acceptance of various grant funds and approving the results of the 2020 DLRC Request for Proposals (RFP), which included Balboa.

In July 2020, EWDD advised IDEPSCA, authorized by City Council and the Mayor (CF 20-0600), to move into the site and begin operations under the EWDD Service Contract. In May 2020, EWDD selected IDEPSCA as the contract service provider through 2020 Day Labor Resource Center RFP. Although a service contract is in place, IDEPSCA has been operating the site since July 2020 without an accompanying license agreement with terms and conditions for the facility's use. This license agreement will run concurrently with the service contract with EWDD which can be renewed annually through June 30, 2025.

Los Angeles World Airport (LAWA) owns property at this location which contains a Home Depot store. A portion of the Home Depot site is subleased to the City for the DLRC. On July 1, 1985, LAWA leased the entire site to First City Pacific, Inc. bank who subleases it to Home Depot, Inc.



(HD). HD then sub-subleased approximately 3,900 square feet of the site to the City for DLRC operations. The sub-sublease to the City, for \$1 a year, was approved through Council File 05-2577 and expired on May 17, 2009, however the City is on a month-to-month holdover status under the terms of the sub-lease, which the City intends to renew. The City has the right to terminate their sub-sublease on 30-days notice and HD has the right to terminate the sublease with 90-days notice. Balboa's facility is an approximately 750 square foot (sf) cinder block building on the border of the HD parking lot and is a popular gathering site for day laborers.

TERMS AND CONDITIONS

IDEPSCA will retroactively license the site for zero rent for one year, beginning July 1, 2020 through June 30, 2021, with four one-year extension options at City's sole discretion. Funding for the DLRC program is provided in EWDD's Fiscal Year (FY) 2020-21 budget. EWDD will oversee the DLRC. EWDD will request ongoing funding in the City's FY 2021-22 budget.

A complete set of terms and conditions are outlined on the attached term sheet.

DAY LABORER RESOURCE CENTER SERVICES

The IDEPSCA is a nonprofit community-based organization whose purpose is to promote self-determination in the Latino community in Southern California politically, culturally, and economically using popular education methodology. IDEPSCA promotes the development of collective solutions to community problems.

The DLRC is a program that allows persons seeking casual labor work to safely congregate and be matched with employers seeking temporary workers. Each DLRC provides fixed hiring centers in select areas of the City where day laborers can congregate safely and wait for prospective employers, thus serving as an alternative to the practice of congregating in public streets and/or in front of business establishments. Basic amenities to day laborers such as water, coffee, bread, lavatories, waste disposal, benches and shade are also provided.

MAINTENANCE, UTILITIES AND LANDSCAPING

The CAO advises that a maintenance fund has been established from the General Fund in the CIEP for major building and site systems such as structural, foundation, sewer, roof, HVAC, plumbing, electrical, and fire and life safety systems, if applicable. GSD shall be responsible for the major maintenance items of the facility. Upon taking possession, IDEPSCA will maintain fire extinguisher requirements and provide basic and routine daily maintenance and landscaping throughout the DLRC site and pay for utilities.

COMMUNITY BENEFIT

Pursuant to a contract between IDEPSCA and EWDD, the Service Provider is required to provide Day Laborer Services to the community on behalf of the City, in return for compensation from the City, and the contract requires the Service Provider to provide such services out of the City facility located at Balboa. The proposed sublicense is to accommodate the activities contemplated and required under the EWDD contract. In this situation, a Community Benefit Analysis, which is used to determine the amount of rent that may or may not need to be charged for the occupancy of a City facility, is not necessary.

FUNDING

The Balboa DLRC source of funds is the City General Fund (GF). Funding is for a 12-month period, July 1, 2020 through June 30, 2021, and is subject to the availability of funds and contingent upon City Council and Mayor approval. Other facility fixed costs may include a portable toilet lease, private trash disposal service, trailer lease, utilities (water, electricity), telephone/fax lines and internet service. Funding for the DLRC program is provided in Economic and Workforce Development Department (EWDD) Fiscal Year (FY) 2020-21 budget. EWDD will request ongoing funding in the City's FY 2021-22 budget. EWDD will oversee the DLRC.

The City also provides funding through EWDD's budget to accommodate the communication, data, and staff phones, all the furniture, office equipment, desks, chairs, and all the associated start-up furnishing required to equip the facility.

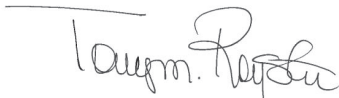
FISCAL IMPACT

Financing of approximately \$175,000 for IDEPSCA to administer the DLRC program is provided through the General Fund in EWDD's FY 2020-21 budget.

No revenue will be generated from this sub-license to the General Fund during the term period.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to execute a new license agreement with Instituto De Educacion Popular del Sur De California for the City-owned property located at 8250 Balboa Place, Los Angeles, CA 91406 under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet

LEASING TERM SHEET

MFC DATE	02/25/2021
LANDLORD	City of Los Angeles
ADDRESS	200 North Main Street, Los Angeles, CA 90012
TENANT	INSTITUTO DE EDUCACION POPULAR DEL SUR DE CALIFORNIA (IDEPSCA)
ADDRESS	811 Wilshire Blvd., 6th Floor, Los Angeles, CA 90017
LOCATION	8250 Balboa Place, Los Angeles, CA 91406
AGREEMENT TYPE	NNN (License)
USE	Office
SQUARE FEET	Approximately 750
TERM	Co-terminus with EWDD/IDEPSCA sontract starting July 1, 2020-June 30, 2021
RENT START DATE	July 1, 2020
LEASE START DATE	Upon attestation by City Clerk
OPTION TERM	Four (4) additional one (1) year terms.
HOLDOVER	Month-To-Month
SUBLET/ ASSIGNMENT	No Right to Sublease/Assign - Landlord approval
TERMINATION	City retains right to revoke any specific site at will with 30 days notice
RENTAL RATE	n/a
ESCALATION	n/a
RENTAL ABATEMENT	n/a
ADDITIONAL RENT	n/a
PROPERTY TAX	n/a
OPEX	n/a
CAM	n/a

OTHER	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Tenant
MAINTENANCE/ REPAIR DETAILS	Licensee will provide daily and routine custodial services during the hours of operation. City will maintain the building and lot under general conditions.
TENANT IMPROVEMENTS	None
PARKING	n/a
UTILITIES	All utilities will be paid by the City
CUSTODIAL	Provided by the licensee during operating hours of the Day Laborer Program
SECURITY	Provided by the licensee during operating hours of the Day Laborer Program
PROP 13 PROTECTION	Other
INSURANCE	Tenant shall indemnify and hold harmless the City
OTHER:	