

# 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  
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April 14, 2022

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

Attention: Michael Espinosa, Legislative Assistant

## **REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NON-PROFIT LEASE AGREEMENT WITH THE CANOGA PARK COMMUNITY CENTER FOUNDATION**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with the Canoga Park Community Center Foundation (CPCCF), a 501(c)3 non-profit organization, for the property located at 7248 Owensmouth Avenue, Canoga Park, CA 91303 (Owensmouth) for the continued use as a community meeting and activity center. Owensmouth is also the site of the City of Los Angeles former Fire Station #72.

### **BACKGROUND**

On June 23, 2021, Council District 3 (CD3) introduced a motion (CF 21-0722) instructing GSD to enter into a non-profit lease agreement with CPCCF. The original lease from the 1980's has continued on a month-to-month basis for many years. A renewed lease with the CPCCF with updated terms and conditions is warranted to ensure that the property continues to serve as a community meeting space.

The CPCCF was formed as a non-profit 501(3)C corporation in 1982. Their mission is to meet the community's needs for meeting rooms at a minimal cost and enabling all segments of the community to come together for communication and a sense of identity and community pride.



In 1986, completed renovations at former Fire Station #72 included operating space for the Chamber of Commerce, Canoga-Owensmouth Historical Society Museum, a community room, board room, kitchenette, front patio area, two restrooms, storage space and a parking area. Over \$100,000 was raised by residents, merchants and corporations engaged in supporting the CPCCF's mission statement and renovated Owensmouth to meet the community's needs.

### **TERMS AND CONDITIONS**

The proposed zero-rent lease will be for three years, with two, one-year options to renew at the City's discretion. The right to sub-lease and/or execute a shared space agreements and room rentals will be included as permissible provisions in the new lease. A complete set of terms and conditions are outlined on the attached term sheet.

### **COMMUNITY BENEFIT**

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

### **MAINTENANCE**

CPCCF shall maintain the site in good and sanitary condition. Any repairs, alterations or other improvements required from the specific use of the site shall be performed by the tenant at their sole expense. The tenant will be responsible for all utilities and landscaping costs associated with the property.

### **FISCAL IMPACT**

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

### **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 new lease agreement with the Canoga Park Community Center Foundation at 7248 Owensmouth Avenue, Canoga Park, CA 91303 under the terms and conditions substantially outlined in this report.



Tony M. Royster  
General Manager

Attachment: Term Sheet  
Community Benefit Analysis

## LEASING TERM SHEET

MFC DATE

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LANDLORD

ADDRESS

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TENANT

ADDRESS

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LOCATION

AGREEMENT TYPE

USE

SQUARE FEET

TERM

RENT START DATE

LEASE START DATE

OPTION TERM

HOLDOVER

SUBLET/  
ASSIGNMENT

TERMINATION

RENTAL RATE

ESCALATION

RENTAL ABATEMENT

ADDITIONAL RENT

PROPERTY TAX

OPEX

CAM

OTHER	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Other See 'Maintenance/Repair Details' section below.
MAINTENANCE/ REPAIR DETAILS	Tenant shall maintain the site and any/all improvements at solely their own costs, including, but not limited to basic and routine maintenance and repairs throughout the site.
TENANT IMPROVEMENTS	Tenant shall, at its own cost and expense, be responsible for all tenant improvements.
PARKING	Subject to availability at no extra cost.
UTILITIES	All utilities, including Internet, shall be paid by and assumed by the Tenant.
CUSTODIAL	All custodial services shall be paid by and assumed by the Tenant.
SECURITY	Other - See below (2)
PROP 13 PROTECTION	Other n/a
INSURANCE	Tenant shall indemnify and hold harmless the City
OTHER:	<p>Termination: City shall have the unilateral right to terminate this lease at any time for any reason upon thirty (30) days' written notice to Tenant.</p> <p>SECURITY: Security Measures. Tenant, at its own cost and expense, shall provide security on the Property at a level that is necessary to ensure the safety of visitors thereto, including the participants of the urban garden and local student field trips.</p>

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

<b>I. Proposed Lease Terms and Conditions</b>	
Facility Location:	7248 Owensmouth Avenue, Canoga Park, CA 91303
Lessee:	Canoga Park Community Center Foundation, a non-profit 501(c)3 organization
Council File Reference:	21-0722
Space Assignment:	Approximately <u>3,750</u> square feet (sf)
Term & Renewal Option:	Three-year lease with two (2) one-year extensions
Market Rate:	\$2.04 PSF ( <u>\$7,650</u> monthly or <u>\$91,800</u> annually)
Proposed Rental Rate:	<u>\$0.00</u> 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.
<b>II. History and Current Services</b>	
Mission:	The mission of the Canoga Park Community Center Foundation (CPCCF) is to be responsive to the needs of the community to have access to meeting rooms at a minimal cost enabling all segments of the community to come together for communication and a sense of identity and community pride.
Vision:	Become Canoga Park's meeting place
Background / History:	The CPCCF was formed as a non-profit 501(c)3 organization in 1982 to address community needs for a meeting space using the retired Fire Station No. 72 at 7248 Owensmouth Avenue, Canoga Park, California 91303. Renovations of the old fire station were completed in 1986 along with a lease with the City of Los Angeles. The renovations included operating space for the Chamber of Commerce, Canoga-Owensmouth Historical Society Museum, Community Room (maximum occupancy of 70), Board Room (maximum occupancy of 20), kitchenette, front patio area, two restrooms, storage space, and parking area. Over \$100,000 was raised by residents, merchants, and corporations to support the completion of the Center's renovations.

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

<p>Current Services:</p>	<p>In June 2021, the CPCCF restarted its 2021 service to the greater Canoga Park community through limited operations in accordance with State, County, and City COVID-19 regulations. Since September 2021, the CPCCF has seen a resurgence of its operations to pre-COVID-19 levels. These operations include but are not limited to providing meeting, office, and/or storage space to the Chamber of Commerce, Canoga-Owensmouth Historical Society, Farmer’s Market, Canoga Park Neighborhood Council, The Redeemed Christian Church of God, and the Nueva Community School’s Music Academy among its routine facility users.</p> <p>In addition, the Center is also available for private events. These events have previously included a funeral reception, private parties, training classes, a local TV series production, and corporate events.</p> <p>The Community Center also uses its facilities to honor and facilitate the Sister City Program with the City of Taxco, Mexico, the Day of the Dead celebrations in November, and a Memorial Day parade in May.</p>
<p><b>III. Community Benefit Analysis</b></p>	
<p>Value of Direct Services:</p>	<p><u>A. Value of Dedicated Staff: \$44,720.</u></p> <p>The Center does not have paid staff. All CPCCF personnel are volunteers. These volunteers complete the administrative, maintenance, and supervisory tasks in the Center’s operations. The volunteers are responsible for scheduling, user coordination, general maintenance, custodial duties, administration, communication, correspondence, bookkeeping, and financial reporting.</p> <p>Although the volunteers work irregular hours especially as it relates to preparing the Center for events, the volunteers cumulatively spend approximately 43 hours per week on the Center’s operations. Using a rate of \$20 per hour, it is estimated that the value of the dedicated volunteer staff hours in a year is approximately \$44,720 (52 weeks x 43 hours/week x \$20/hour).</p> <p>Although not included in the calculation, it should be noted that during a recent effort to update the Center, CPCCF also partnered with Alliance for Community Empowerment (ACE) to provide volunteer opportunities at the Center. ACE is a nonprofit community organization, which provides individuals ages 16 – 24 the opportunity to receive a high school diploma, receive job training, and leadership development.</p> <p><u>B. Value of Services to Participants: \$71,440</u></p> <p>The main benefit that the Center provides is the provision of low-cost meeting and events space. CPCCF charges a \$20 per hour rental rate. A survey of community hall hourly rental rate in other cities with comparable room</p>

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

	<p>capacities range from \$34 to \$90, an average hourly rate of \$57.60 will be used for the community benefit analysis.</p> <p>CPCCF rents its facility at an estimated 1,900 hours annually. The difference between CPCCF's rate and the rate to use comparable facilities is the quantifiable value of CPCCF's service. The value of CPCCF's direct services is \$71,440 [1,900 hours x (\$57.60/hr average rate for other community halls minus \$20/hr CPCCF's per hour rental rate)].</p>														
<p>Value of Operational Budget:</p>	<p><b>C. Value of Operational Budget - specify: \$14,253:</b></p> <p>CPCCF reports the following annual operational budget:</p> <table border="0"> <tr> <td>Facilities and Equipment:</td> <td>\$ 832</td> </tr> <tr> <td>Insurance:</td> <td>3,656</td> </tr> <tr> <td>Maintenance:</td> <td>3,594</td> </tr> <tr> <td>Utilities:</td> <td>5,147</td> </tr> <tr> <td>Other:</td> <td>648</td> </tr> <tr> <td>Advertising:</td> <td><u>376</u></td> </tr> <tr> <td><b>Total:</b></td> <td><b>\$14,253</b></td> </tr> </table> <p>Although not included in the calculation of the operational budget, it should be noted that:</p> <p>a) CPCCF receives donations in the form of funding, supplies, and services from residents, non-profit organizations, and local business organizations. The Center received donations totaling over \$4,700 to deep clean, complete minor repairs, and paint the insides of the Center.</p> <p>b) The Canoga Park Improvement Association supplies two dumpsters for trash and recycling valued at \$120/month or \$1,440 annually.</p>	Facilities and Equipment:	\$ 832	Insurance:	3,656	Maintenance:	3,594	Utilities:	5,147	Other:	648	Advertising:	<u>376</u>	<b>Total:</b>	<b>\$14,253</b>
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<p>Additional Offsets / In-Kind Services:</p>	<p><b>D. Value of Additional Offsets - specify: \$0</b></p> <p>N/A</p>														
<p>Total Community Benefit:</p>	<p><b>\$ 130,413</b> annually (=A+B+C+D above)</p>														
<p>Market Value for Leased Space</p>	<p><b>\$ 91,800</b> annually*</p> <p>(* calculated as: average market rate of \$ 2.04 per sf multiplied by assigned space of <u>3,750</u> sf multiplied by 12 months = <u>\$91,800</u>)</p>														

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

Benefits Finding & Recommended Action.	<p>Community benefits estimated at \$ <u>130,413</u> annually, <u>exceeds</u> the market value for the leased space by \$ <u>38,613</u>.</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>
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0220-05479-0021	Leah Chu	Bernyce Hollins	 Yolanda Chavez
Work Assignment Number	Analyst	Chief	Assistant CAO

YC/LC/05220071

Released Date: 01-19-22