

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
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

March 30, 2023

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

Attention: Mandy Morales, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE
A NEW LEASE AGREEMENT WITH DIGNITY OF MAN FOUNDATION DBA
THE BIRDHOUSE AT 3008 LAKERIDGE DRIVE, LOS ANGELES, CA 90068**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease agreement with the Dignity of Man Foundation dba The Birdhouse (DMF)(Tenant), a 501(c)(3) non-profit organization, and the City of Los Angeles (City)(Landlord) for approximately 12,231 square feet of open land located at 3008 Lakeridge Drive, Los Angeles, CA 90068 in Council District 4.

BACKGROUND

On March 23, 2022, City Council adopted a motion (CF 22-0099) to enter into a no cost lease agreement with DMF, a 501(c)(3) non-profit organization, for the ecological restoration of this City-owned vacant lot. DMF is a 49-year-old non-profit educational organization dedicated to making the world more equitable, sustainable and healthy. Currently, DFM is focused on providing a venue for programs, such as urban farming, arts, music and alternative wellness models that help benefit the community.

DMF will revitalize the vacant lot as part of their urban ecosystem restoration initiative program. Their goal is to regenerate the land under the Hollywood sign by growing gardens, urban farms, and promoting wildlife corridors on neighboring lots and irregular public parcels.



MAINTENANCE/UTILITIES/LANDSCAPING

DMF shall maintain the site in good and sanitary condition, including all landscaping and maintenance. Any repairs, alterations or other improvements required from the specific use of the site shall be performed by the Tenant at their sole cost and expense. The Tenant will be responsible for payment of all utilities including but not limited to electrical, water, sewer, and trash removal.

TERMS AND CONDITIONS

The proposed no-cost lease term is for five (5) years and will commence on the date of attestation by the City Clerk. Further, there are two, one-year options to renew at the City's sole discretion. A complete set of terms and conditions are outlined on the attached Term Sheet.

COMMUNITY BENEFIT ANALYSIS


The Office of the City Administrative Officer (CAO) completed the attached Community Benefit Analysis (CBA) which supports the recommendation for approval of the proposed terms and conditions. See the attached CBA.

FISCAL IMPACT

There is no anticipated impact on the General Fund as the lease agreement contains no rent.

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 lease agreement with Dignity of Man Foundation dba The Birdhouse for the use of vacant City-owned land at 3008 Lakeridge Drive, Los Angeles, CA 90068 under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet
CBA
Premises Map

LEASING TERM SHEET

MFC DATE

LANDLORD

ADDRESS

TENANT

ADDRESS

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 | None |
| SECURITY DEPOSIT | None |
| MAINTENANCE/ REPAIR | Tenant |
| MAINTENANCE/ REPAIR DETAILS | Tenant will be responsible for all general maintenance of site including but not limited to trash removal, landscape, weed abatement, etc... |
| TENANT IMPROVEMENTS | Tenant will complete all tenant improvements at their expense. |
| PARKING | N/A |
| UTILITIES | Tenant |
| CUSTODIAL | Tenant |
| SECURITY | Tenant |
| PROP 13 PROTECTION | City is Exempt |
| INSURANCE (City) | Tenant shall indemnify and hold harmless the City |
| OTHER: | <p>Appropriate insurance coverage to be determined by City Risk Management Division.</p> <p>Tenant must transfer any and all utilities into their name within 30 days of the lease commencement.</p> |

Community Benefit Analysis for Proposed Non-Profit Lease

| I. Proposed Lease Terms and Conditions | |
|--|---|
| Facility Location: | 3008 North Lakeridge Drive, Los Angeles 90068 |
| Lessee: | Dignity of Man Foundation dba Birdhouse, a 501(c)(3) organization |
| Council File Reference: | C.F. 22-0099 (motion adopted on March 22, 2022) |
| Space Assignment: | Approximately 12,231 square feet (s.f.) |
| Term & Renewal Option: | 5 Years (with two options to renew for one year each) |
| Market Rate: | <u>\$121,821 total annual</u> = 12,231 s.f. x \$0.83 per s.f. x 12 months |
| 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: | <p>The mission of Dignity of Man Foundation dba BirdHouse (“DMF”) is to serve as a local hub of exchange for those attracted to caring for the land and people, by offering educational programs and services that are focused on the arts and ecology.</p> <p>The goal of the BirdHouse Urban Ecosystem Restoration Initiative (BUERI) is to regenerate the land under the Hollywood sign, by growing gardens, urban farms, and wildlife corridors on neighboring lots and irregular public parcels, sharing the bounty, and creating a culture of care.</p> |
| Vision: | The vision is a lush and vibrant urban landscape in Hollywood where people attain health and well-being born of genuine concern for each other and the environment. |
| Background / History: | Dignity of Man Foundation (DOM) was established in 1972. The BirdHouse project has been active in the Beachwood Canyon neighborhood since 2017. A membership-based community garden on 3560 North Gower Street has been operational since 2019. |

Community Benefit Analysis for Proposed Non-Profit Lease


| | | | | | | | | | | | | | |
|--|---|--|----------|---|-------|--|-------|--------------------|--------------|-----------------|----------------|---|--------------|
| Current Services: | <ul style="list-style-type: none"> ▪ Educational Program (free and fee-based): The BirdHouse sponsors programs which engage and educate the community in areas including singing and songwriting, cultivating food plants and climate-appropriate landscapes, ecosystem restoration, history and culture of native Californians, herbal medicine, and community-based project incubation focus groups. Many of these are offered weekly or monthly at no cost, and others for low ticket cost or with a suggested donation. ▪ Educational Classes / Workshops (fee-based) - The BirdHouse also contracts educational instructors to offer classes in the areas of gardening, plant medicine, instrumental music, natural crafts making, and dance. ▪ Community Events (donation-based) - The BirdHouse hosts annual or bi-annual celebrations for member and community engagement, as well as musical and artistic performances related to educational offerings. ▪ Garden Rentals (fee-based) – The community garden is available to members and non-profit partners for small-scale gatherings and educational activities. ▪ Gardening Consulting Services (fee-based) – The BirdHouse offers limited scope consulting services for garden planning for local residents and public agencies. | | | | | | | | | | | | |
| III. Community Benefit Analysis | | | | | | | | | | | | | |
| Cost of Direct Services: | <p>A. <u>Cost of Dedicated Staff: \$8,549</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Ecological Program Manager (EPM)</td> <td style="text-align: right; padding-right: 20px;">\$2,300</td> </tr> <tr> <td style="padding-left: 20px;">Director of Educational Development</td> <td style="text-align: right; padding-right: 20px;">2,150</td> </tr> <tr> <td style="padding-left: 20px;">Tongva-Gabrielino Preliminary Consultation</td> <td style="text-align: right; padding-right: 20px;">2,500</td> </tr> <tr> <td style="padding-left: 20px;">Part-time Gardener</td> <td style="text-align: right; padding-right: 20px;"><u>1,599</u></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Total</td> <td style="text-align: right;">\$8,549</td> </tr> </table> <p>B. <u>Value of Services to Participants: \$0</u></p> | Ecological Program Manager (EPM) | \$2,300 | Director of Educational Development | 2,150 | Tongva-Gabrielino Preliminary Consultation | 2,500 | Part-time Gardener | <u>1,599</u> | Total | \$8,549 | | |
| Ecological Program Manager (EPM) | \$2,300 | | | | | | | | | | | | |
| Director of Educational Development | 2,150 | | | | | | | | | | | | |
| Tongva-Gabrielino Preliminary Consultation | 2,500 | | | | | | | | | | | | |
| Part-time Gardener | <u>1,599</u> | | | | | | | | | | | | |
| Total | \$8,549 | | | | | | | | | | | | |
| Cost of Operational Budget: | <p>C. <u>Cost of Operational Budget: \$30,724</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Annual Programming to reinforce restoration efforts (e.g. Participation in Fire Panel or comparable event)</td> <td style="text-align: right; padding-right: 20px;">\$ 4,700</td> </tr> <tr> <td style="padding-left: 20px;">NPO Liability Insurance for the BirdHouse</td> <td style="text-align: right; padding-right: 20px;">1,748</td> </tr> <tr> <td style="padding-left: 20px;">E&O Insurance for Board of Directors</td> <td style="text-align: right; padding-right: 20px;">1,084</td> </tr> <tr> <td style="padding-left: 20px;">CPA Fees</td> <td style="text-align: right; padding-right: 20px;">500</td> </tr> <tr> <td style="padding-left: 20px;">Bookkeeper Fees</td> <td style="text-align: right; padding-right: 20px;">6,000</td> </tr> <tr> <td style="padding-left: 20px;">Restoration supplies, equipment and tools</td> <td style="text-align: right; padding-right: 20px;"><u>6,850</u></td> </tr> </table> | Annual Programming to reinforce restoration efforts (e.g. Participation in Fire Panel or comparable event) | \$ 4,700 | NPO Liability Insurance for the BirdHouse | 1,748 | E&O Insurance for Board of Directors | 1,084 | CPA Fees | 500 | Bookkeeper Fees | 6,000 | Restoration supplies, equipment and tools | <u>6,850</u> |
| Annual Programming to reinforce restoration efforts (e.g. Participation in Fire Panel or comparable event) | \$ 4,700 | | | | | | | | | | | | |
| NPO Liability Insurance for the BirdHouse | 1,748 | | | | | | | | | | | | |
| E&O Insurance for Board of Directors | 1,084 | | | | | | | | | | | | |
| CPA Fees | 500 | | | | | | | | | | | | |
| Bookkeeper Fees | 6,000 | | | | | | | | | | | | |
| Restoration supplies, equipment and tools | <u>6,850</u> | | | | | | | | | | | | |

Community Benefit Analysis for Proposed Non-Profit Lease

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|---|--|---|----------|---|-------|---|--------|---|------------|--------------|-----------------|
| | <table> <tr> <td>Water installation*</td> <td align="right">9,079</td> </tr> <tr> <td>Transportation to site (63 miles** x \$0.55 per mile)</td> <td align="right">35</td> </tr> <tr> <td>Transportation to nursery (15 miles** x \$0.55 per mile x 5 trips per year)</td> <td align="right">41</td> </tr> <tr> <td>Limited liability insurance</td> <td align="right"><u>687</u></td> </tr> <tr> <td>Total</td> <td align="right">\$30,724</td> </tr> </table> <p><i>*Source: LADWP 2021-2022 Fee Schedule</i> <i>**Per round trip</i></p> | Water installation* | 9,079 | Transportation to site (63 miles** x \$0.55 per mile) | 35 | Transportation to nursery (15 miles** x \$0.55 per mile x 5 trips per year) | 41 | Limited liability insurance | <u>687</u> | Total | \$30,724 |
| Water installation* | 9,079 | | | | | | | | | | |
| Transportation to site (63 miles** x \$0.55 per mile) | 35 | | | | | | | | | | |
| Transportation to nursery (15 miles** x \$0.55 per mile x 5 trips per year) | 41 | | | | | | | | | | |
| Limited liability insurance | <u>687</u> | | | | | | | | | | |
| Total | \$30,724 | | | | | | | | | | |
| <p>Additional Offsets / In-Kind Services:</p> | <p><u>D. Value of Additional Offsets: \$86,170</u></p> <table> <tr> <td>Volunteer hours for site restoration (15 per day x 4 hours per day x 8 days x \$29.95 per hour)</td> <td align="right">\$14,376</td> </tr> <tr> <td>Soil Scientist Volunteers (10 tests x 2 hours per test x \$51 per hour)</td> <td align="right">1,020</td> </tr> <tr> <td>(2) Board of Trustees (Non-paid) \$195 per hour x 96 hours</td> <td align="right">18,720</td> </tr> <tr> <td>John D. Liu (Non-paid Advisor) 9 hours x \$195 per hour</td> <td align="right">1,755</td> </tr> <tr> <td>Total</td> <td align="right">\$35,871</td> </tr> </table> <p><u>Increased Market Value of Restored Parcel: \$39,335</u></p> <p>An initial land appraisal and valuation completed by GSD did not consider existing factors such as land erosion and hillside destabilization. GSD subsequently submitted a land appraisal and valuation, which was representative of the current land conditions.</p> <p>Through removal of trash and building debris, the stabilization of the hillside, cooling of the area due to increased leaf coverage, and beautification of the site, the work of BUERI would restore the property from its GSD-appraised pre-improvement market value of \$121,821 to \$318,495 (post-improvement value), which represents a difference of \$1.34 per s.f.; \$16,390 monthly; \$196,674 annually,</p> <p>Under the assumption that the property would not reach its full value again until the end of the five year initial lease term. An equal allocation of the \$196,674 improvement over five years, which accounts for the time it will take to achieve the restoration work, begins in Year 1 with the addition of \$39,335 of value.</p> | Volunteer hours for site restoration (15 per day x 4 hours per day x 8 days x \$29.95 per hour) | \$14,376 | Soil Scientist Volunteers (10 tests x 2 hours per test x \$51 per hour) | 1,020 | (2) Board of Trustees (Non-paid) \$195 per hour x 96 hours | 18,720 | John D. Liu (Non-paid Advisor) 9 hours x \$195 per hour | 1,755 | Total | \$35,871 |
| Volunteer hours for site restoration (15 per day x 4 hours per day x 8 days x \$29.95 per hour) | \$14,376 | | | | | | | | | | |
| Soil Scientist Volunteers (10 tests x 2 hours per test x \$51 per hour) | 1,020 | | | | | | | | | | |
| (2) Board of Trustees (Non-paid) \$195 per hour x 96 hours | 18,720 | | | | | | | | | | |
| John D. Liu (Non-paid Advisor) 9 hours x \$195 per hour | 1,755 | | | | | | | | | | |
| Total | \$35,871 | | | | | | | | | | |

Community Benefit Analysis for Proposed Non-Profit Lease

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|---|---|
| | <p>With a 3% standard inflationary increase:</p> <p>Year 1 - \$39,335 value added Year 2 - \$39,335 + 1,180 = \$40,515 value added Year 3 - \$40,515 + 1,215 = \$41,730 value added Year 4 - \$41,730 + 1,253 = \$42,983 value added Year 5 - \$42,983 + 1,289 = \$44,272 value added</p> <p><u>Market Value Increase for Abutting / Fronting Properties:</u> <u>\$10,964 annual mean value</u></p> <ul style="list-style-type: none"> ▪ Original land valuation: Monthly = \$26,541; Annual = \$318,495 [\$2.17 per s.f. x 12,231 s.f. x 12 months] ▪ Current land valuation: Monthly = 10,152; Annual = \$121,821 [\$0.83 per s.f. x 12,231 s.f. x 12 months] <p>\$121,821 annual land valuation multiplied by a premium of 8 percent to 10 percent on property values abutting or fronting a passive park in urban environments, which is a reasonable starting point guideline for developing estimates per the National Parks & Recreation Association, would mark an annual land valuation increase between \$9,746 - \$12,182 over the course of the lease term.</p> |
| <p>Total Community Benefit:</p> | <p><u>\$125,443</u> annually (A+C+D)</p> |
| <p>Market Value for Leased Space:</p> | <p><u>\$121,821</u> annually</p> |
| <p>Benefits Finding and Recommended Action:</p> | <p>Community benefits estimated at <u>\$125,443</u> annually exceeds the market value of <u>\$121,821</u> for the leased space by <u>\$3,622</u>.</p> <p>Approval of the proposed lease terms is recommended on the basis that the value of the community benefits exceeds the market value of the leased space.</p> |

| | | | |
|------------------------|--------------|-----------------|---|
| 0220-05479-0032 | LaTanya Roux | Bernyce Hollins |  |
| Work Assignment Number | Analyst | Chief | Assistant CAO |

YC/BCH/LRR/05230084

Released Date: 12/09/2022

3008 N. Lakeridge Drive

Los Angeles, CA 90068
Approximately 12,231 SF
APN#5577-020-900



3008 Lakeridge Dr

Lakeridge Dr



100 ft