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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 LEASE
AGREEMENT WITH BOYS & GIRLS CLUB OF THE LOS ANGELES
HARBOR AT 802 W. GARDENA BLVD, LOS ANGELES 90247**

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement with the Boys & Girls Club of the Los Angeles Harbor (Tenant), a California 501(c)(3) nonprofit, and the City of Los Angeles (City), (Landlord) in Council District 15 (CD15) at 802 W. Gardena Blvd, Los Angeles, CA 90247.

BACKGROUND

On April 13, 2004 City Council approved a lease (CF 00-1497) for the South Bay Boys and Girls Club at the Harbor Gateway Community Center at 802 W. Gardena Blvd. This lease expired on June 30, 2009 and is currently on holdover. On December 4, 2018 City Council approved a motion (CF 00-1497-S1) which changed the entity name from Boys and Girls Clubs of the South Bay to Boys & Girls Club of the Los Angeles Harbor (B&GCLAH).

On February 17, 2021 City Council adopted a motion (CF 00-1497-S2) to enter into a new no-cost lease agreement with B&GCLAH to provide programming and services to all young people in the area. B&GCLAH is the largest private daily service provider for youth in the Harbor and surrounding areas. They provide high-quality programming and activities in order to ensure that these youth can reach their full potential as caring and responsible citizens. B&GCLAH offers a variety of programs in education, arts, athletics,



character development, and recreation for the Harbor Gateway community. This location has a computer lab with internet and software to help members complete their homework. They also offer lessons in basic computer skills, a character and leadership program, as well as offer a daily arts and crafts program.

The property, while it has a Gardena address, is owned and in the City of Los Angeles, under the jurisdiction of GSD. CD 15 supports the proposed no-cost lease agreement for the 25-year term to ensure that the property continues to serve as a Boys & Girls Club long into the future.

TERMS AND CONDITIONS

The proposed lease will be for twenty-five (25) years from lease execution with no options to extend. A complete set of terms and conditions are outlined on the attached term sheet.

COMMUNITY BENEFIT ANALYSIS

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

MAINTENANCE/UTILITIES/LANDSCAPING

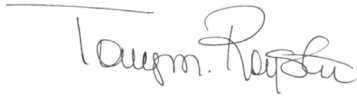
The Boys & Girls Club of the Los Angeles Harbor shall maintain the site in good and sanitary condition. The Boys & Girls Club will be responsible for major building and site systems as well as janitorial services, routine daily repair and maintenance of the Premises, including, without limitation, all windows, doors, plate glass, fixtures, interior walls, floor, ceiling, lighting, fire/life safety, pest control and plumbing. This also includes, without limitation, replacement or repair of fixtures, electrical outlets, plumbing, and HVAC. Any repairs, alterations or other improvements required from the specific use of the site shall be performed by the Tenant at their cost. The Tenant is also responsible for all utilities and landscaping for the site.

FISCAL IMPACT

There is no anticipated impact on the General Fund as the lease agreement contains zero 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 the Boys & Girls Club of the Los Angeles Harbor at 802 West Gardena Boulevard in Los Angeles, 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 | N/A |
| SECURITY DEPOSIT | N/A |
| MAINTENANCE/ REPAIR | Other See 'Maintenance/Repair Details' section below. |
| MAINTENANCE/ REPAIR DETAILS | Tenant to pay for all maintenance, custodial and utilities. |
| TENANT IMPROVEMENTS | N/A |
| PARKING | Unreserved parking |
| UTILITIES | Tenant |
| CUSTODIAL | Tenant |
| SECURITY | Tenant |
| PROP 13 PROTECTION | City is Exempt |
| INSURANCE (City) | Tenant shall indemnify and hold harmless the City |
| OTHER: | Termination: The agreement may be terminated at any time, without cause, by either party upon ninety (90) days prior written notice to the other party. |

Community Benefit Analysis for Proposed Non-Profit Lease

| I. Proposed Lease Terms and Conditions | |
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| Facility Location: | 802 W. Gardena Boulevard, Gardena, CA 90247 |
| Lessee: | Boys and Girls Club of the Los Angeles Harbor, a non-profit 501(c)(3) organization |
| Council File Reference: | C.F. 00-1497-S2 (motion adopted February 17, 2021) |
| Space Assignment: | Approximately 4,000 square feet (s.f.) floor space |
| Term & Renewal Option: | 25 year term with no options to renew |
| Market Rate: | <u>\$133,920 total annual</u> = 4,000 s.f. x \$2.79 per s.f. monthly 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: | To enable all young people to reach their full potential as productive, caring and responsible citizens through a commitment to quality programs and services in an environment that is safe, nurturing and inspiring. |
| Vision: | Boys and Girls Clubs of the Los Angeles Harbor (BGCLAH) will fully commit its efforts to providing all young people in the Los Angeles Harbor area with the programming and services they need to enjoy both a present and future "life of quality" and creating a sustainable organization. B&GC has identified five priority service areas and programs: teens, education, arts, good character and leadership development, and healthy lifestyles. Sustainability is a key component built upon the following areas: board development, expanding individual and corporate donors, public trust/integrity, planned giving/endorowment and succession plan. |
| Background / History: | The Boys and Girls Club of the Los Angeles Harbor (BGCLAH) has worked towards its mission to enable all young people, especially those who are most in need, to reach their full potential as productive, caring, and responsible citizens through quality programs and services in a safe, nurturing, and inspiring environment. |

Community Benefit Analysis for Proposed Non-Profit Lease

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| | <p>One of the oldest Boys and Girls Clubs in California, BGCLAH was originally established in 1937 as the “Boys Club of San Pedro”. In 1994, the name was changed to the “Boys and Girls Club of San Pedro” to include the hundreds of girls participating in programs. Since 1998, Boys and Girls Clubs has increased its capacity in response to the increasing demand for quality youth programming in the community resulting in the organization’s development or sponsorship of five teen centers, 25 learning centers, 26 arts centers, three recording studios, and new Boys and Girls Clubs in two public housing communities.</p> <p>In 2004, Boys and Girls Club of San Pedro merged with the Wilmington Club to form the BGCLAH. In 2019, BGCLAH salvaged five sites previously operated by the South Bay Boys and Girls Clubs and in January 2020, opened Harbor Hills Public Housing site. Today, BGCLAH operates eight traditional clubhouses and provides after school programming on 11 Los Angeles Unified School District (LAUSD) campuses. Additionally, in January 2023, BGCLAH added four additional school sites, for a total number of 23 program sites, which makes it the largest Boys and Girls Club organization in Los Angeles County.</p> |
| Current Services: | <p>The BGCLAH takes pride in its “Triple A” approach to youth development: academics, arts, and athletics with an emphasis on good character and leadership. In 2023, BGCLAH plans to serve over 10,000 individuals through its daily youth development programs and community-wide food distribution.</p> <ul style="list-style-type: none">▪ Arts Academy: Arts Academy is comprised of various artistic practices including: fine arts, musical arts and digital studio, dance, and computer graphics. Each day, youth at elementary, middle, and high school levels are provided creative time in their respective arts studio spaces, with professional adult staff. The focus of this programming is to introduce youth to many types of art mediums including painting, watercolor, weaving, clay, graphic design, photography, fashion, wind and string instruments, acting and dance. All youth are welcome and there is no cost for instruction or supplies.▪ College Bound: BGCLAH places heavy emphasis on academic enrichment with its core pathway to success program, College Bound. College Bound is an intensive and comprehensive one-on-one academic case management program that provides the guidance, support, and encouragement youth need to achieve success in school and attain their educational goals. This program was implemented as a supplemental program at BGCLAH in 2002 when program leaders noticed extremely low high school graduation rates among Club members. During this time, less than 50 percent of BGCLAH students were graduating from high school and pursuing higher education. The primary cause of low matriculation |

Community Benefit Analysis for Proposed Non-Profit Lease


rates was determined to be lack of one-on-one attention from counselors, and the university pathway program was created to address this issue.

- **College Bound (continued):** Since its inception 21 years ago, College Bound has become a staple program at the BGCLAH. This one-on-one academic case management model provides the same comprehensive college pathway support as a college coach and there is no cost to our members. Programming includes: daily academic assistance, college trips, weekly workshops, FAFSA and scholarship support, and college classes on site. From 2011 through 2022, BGCLAH supported 6,495 high school students with 6,395 (98 percent) graduating on time and 6,064 (93 percent) attending college and \$85.86 million in federal aid and scholarships secured.
- **Career Bound:** Pathways to success are nonlinear and do not always begin at a two- or four-year college. With this fact in mind, BGCLAH created Career Bound, a parallel program closely aligned with College Bound, for students who desire workforce skills and experience. Career Bound is a workforce development program, with multi-organizational collaborations, dedicated to identifying, mentoring, and providing pathway opportunities to guide youth towards a prosperous and rewarding future in the workforce. Most recently, BGCLAH has partnered with local trade unions and small businesses through a series of workshops to highlight the lucrative career paths in information technology, construction, electrical infrastructure, and plumbing trade.
- **Weekend Wellness Food Distribution:** The recent pandemic motivated BGCLAH to develop a daily and weekend food support program to address food insecurity experienced by many youth and families in the communities served by BGCLAH. Weekend Wellness Food Distribution program provides enough food for all meals from Friday evening through Sunday. There are four Weekend Wellness food distribution sites throughout BGCLAH's service areas.

Last year, BGCLAH established daily food pantries to provide staples and other important food products to support families during the week. In 2023, between Weekend Wellness and eight food pantry locations (including one at BGCLAH), food is provided to distribute approximately 1.2 million meals across all locations. In addition, in the daily member food program, members receive a snack and hot meal each day after school and breakfast, lunch and a snack each day in the BGCLAH extended summer program.

Community Benefit Analysis for Proposed Non-Profit Lease

| III. Community Benefit Analysis | |
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| Value of Direct Services: | <p>A. <u>Value of Dedicated Staff: \$292,564</u></p> <ul style="list-style-type: none"> ▪ 6 full-time site-dedicated youth development staff = \$270,893 ▪ Administrative Support at 8 percent of full-time staff budget (\$270,893 x 0.08) = \$21,671 <p>B. <u>Value of Services to Participants: \$174,375</u></p> <ul style="list-style-type: none"> ▪ Community Food Support: Weekly Food Pantry on site and monthly Weekend Wellness program @ \$3,000 per month = \$30,000 ▪ Daily Food Support Programs for members: 75 youth per day x \$4.50 per day x 250 days = \$84,375 ▪ Technology, Arts, Recreation and Academic Supplies: \$60,000 annually |
| Value of Operational Budget: | <p>C. <u>Value of Operational Budget: \$37,355</u></p> <p>The operational budget beyond those expenses already noted equals eight percent of all other costs: \$466,939 x 0.08 = \$37,355</p> |
| Additional Offsets / In-Kind Services: | <p>D. <u>Value of Additional Offsets: \$0</u></p> |
| Total Community Benefit: | <u>\$504,294</u> annually (=A+B+C+D above) |
| Market Value for Leased Space | <u>\$133,920</u> annually |
| Benefits Finding & Recommended Action. | <p>Community benefits estimated at <u>\$504,294</u> annually, exceeds the market value of <u>\$133,920</u> for the leased space by <u>\$370,374</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> |

| | | | |
|------------------------|--------------|-----------------|---|
| 0220-05479-0034 | LaTanya Roux | Bernyce Hollins |  Yofanda Chavez |
| Work Assignment Number | Analyst | Chief | Assistant CAO |

YC/LR/05230137

Released Date: 02/08/2023

Boys & Girls Club of the Los Angeles Harbor

802 W. Gardena Boulevard, Los Angeles, CA 90247

