



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: SEPTEMBER 5, 2012**

**FROM: REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PROPOSED LEASE AGREEMENT  
BETWEEN ARCHDIOCESE OF LOS ANGELES EDUCATION &  
WELFARE CORPORATION AND THE CITY OF LOS ANGELES  
HARBOR DEPARTMENT**

**SUMMARY:**

Since 2005, the City of Los Angeles Harbor Department's (Harbor Department) Environmental Management Division (EMD) has conducted monitoring for various pollutants and meteorological conditions at the Saints Peter and Paul School monitoring site (Site) located at 706 Bayview Avenue in Wilmington. The Harbor Department uses the Site to conduct air quality measurement activities in the Wilmington community as part of the Port of Los Angeles' (Port) Air Quality Monitoring Program.

Current Lease Agreement No. 10-2911 by and between the Archdiocese of Los Angeles Education & Welfare Corporation (Archdiocese) and the Harbor Department expires on September 13, 2012.

The proposed Lease Agreement (Agreement) with the Archdiocese would be for a term of five years, and affords the Harbor Department use of the Site through September 13, 2017. The initial and subsequent annual compensation rate would be \$1,000 per month, for an annual Agreement cost of \$12,000 in each of the first two years, while the remaining three years of the Agreement would be increased according to a Consumer Price Index (CPI) mechanism built in the Agreement.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the proposed Agreement with the Archdiocese of Los Angeles Education & Welfare Corporation;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the Agreement; and
3. Adopt Resolution No. \_\_\_\_\_.

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**SUBJECT: FIVE-YEAR LEASE AGREEMENT WITH THE ARCHDIOCESE OF LOS ANGELES**

**DISCUSSION:**

Background – Lease Agreement No. 10-2911, by and between the Archdiocese and the Harbor Department, grants the Harbor Department occupancy and use of the Site to operate and service its air quality monitoring equipment. Current Lease Agreement No. 10-2911 expires on September 13, 2012. In order to provide ongoing and consistent air quality monitoring data, long-term use and operation of an air quality monitoring station at the Site is needed.

The Harbor Department uses air quality monitoring data from this Site to measure ambient air concentrations in accordance with the Clean Air Action Plan (CAAP). The air quality monitoring meteorological data has also been, and will continue to be, utilized for environmental analyses purposes. Consistency in monitoring station locations enables meaningful comparisons and trend analyses of air quality conditions within and around the Port over time.

Saints Peter and Paul School Monitoring Site – In 2004, EMD evaluated potential Wilmington locations for the Port Air Quality Monitoring Program and concluded that the Site was best due to its location within a residential community area, security, long-term measurement effectiveness, and compliance with Environmental Protection Agency (EPA) criteria. The location of this particular monitoring station was evaluated by the South Coast Air Quality Management District (SCAQMD) and approved by the Port Community Advisory Committee as the best Wilmington community location for the air quality monitoring station.

Saints Peter and Paul School allowed the Harbor Department to use the facility at no cost from 2005-2007. In 2007, the Air Quality Monitoring Program was expanded to collect additional data and additional storage space and facility access was requested. The Harbor Department invested approximately \$50,000 to upgrade the Site to accommodate the new air monitoring equipment. These upgrades included the installation of a separate electric meter, air conditioning system, and security doors. At that time, the Archdiocese also requested that the Harbor Department enter into a formal agreement for the continued occupancy and use of the Site, to include payment of rent and administrative costs, as access to the equipment requires Harbor Department staff and contractors to go through school property.

On September 14, 2007, the Harbor Department entered into User Agreement No. E-6412 with the Archdiocese for a term of one year at a rental rate of \$1,500 per month. The rental rate included compensation for use of 920 square feet (s.f.) of roof-top and interior space, 186 s.f. of utility right-of-way costs, and administrative costs to provide and monitor frequent access to the site. On September 4, 2008, the Board approved the First Amendment to User Agreement No. E-6412, which extended the term for an additional year under the existing agreement terms. User Agreement No. E-6412 expired on September 13, 2009.

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On October 26, 2010, the Harbor Department entered into Lease Agreement No. 10-2911 with the Archdiocese for a one-year term retroactive to September 14, 2009, with the option to extend the term for two additional one-year periods. The monthly compensation rate for the first year was \$1,700 per month, for an annual cost of \$20,400. The rent during the first and second extension periods was \$1,800 per month (\$21,600 annually) and \$1,900 per month (\$22,800 annually), respectively. Lease Agreement No. 10-2911 expires on September 13, 2012.

Staff met with officials at the Archdiocese and negotiated a new five-year Agreement and a market rental rate of \$1,000 per month for the first two years, with annual increases during years three, four, and five based upon CPI. This new rate is competitive with market rates for properties with similar use. Although alternative locations are available, there are more advantages to remaining at the current Site. These include: the importance of data continuity; its ideal location within the Wilmington community; and the significant costs to upgrade an alternative site to accommodate the air monitoring equipment.

**CURRENT AGREEMENT:**

Term: One-year term, with the option to extend the Agreement for two additional one-year periods, which will expire on September 13, 2012.

Premises: Saints Peter and Paul School located at 706 Bayview Avenue in Wilmington comprises of 1) approximately 600 s.f. of the north end of the roof and; 2) a storage room of approximately 320 s.f. in the building on which the existing rooftop equipment is currently located.

Use: Operation and maintenance of ambient air monitoring equipment.

Compensation: The compensation rate for the first year was \$1,700 per month, for an annual Agreement cost of \$20,400. The rent during the first extended term was \$1,800 per month (\$21,600 annually), and the rent during the second extended term was \$1,900 per month (\$22,800 annually) as listed below.

Current Agreement	Approved Budget	
	Monthly Rent	Yearly Rent
Year 1	\$1,700	\$20,400
Year 2	\$1,800	\$21,600
Year 3	\$1,900	\$22,800

**PROPOSED AGREEMENT:**

Effective Date: The proposed Agreement (Transmittal 1) is effective September 14, 2012.

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Term: Five Years.

Premises: Premises will remain the same.

Use: Use will remain the same.

Compensation: The compensation rate under the proposed Agreement will decrease from \$1,900 to \$1,000 per month, for an annual cost of \$12,000 in each of the first and second years. The rent during the third, fourth, and fifth years will be increased annually based on CPI, as listed in the chart below. In no event shall the increase be less than two percent and will not exceed five percent per year.

Proposed Agreement	Proposed Budget		
	Monthly Rent	Yearly Rent	Total
Years 1-2	\$1,000	\$12,000	\$24,000
Years 3-5	\$1,000 + CPI	\$12,000 + CPI	\$36,000 + CPI

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an Agreement with the Archdiocese for continued operation of an air quality monitoring station at the Saints Peter and Paul School in Wilmington. As an activity involving the issuance of an agreement to use an existing facility involving negligible or no expansion of use, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1(14) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

This Board action will have no employment impact.

**FINANCIAL IMPACT:**

The compensation under the Agreement is proposed to be \$12,000 per year for years one and two with annual CPI rent increases for years three, four, and five. The rent increases will not be less than two percent and will not exceed five percent per year. Funds for Fiscal Year 2012/2013 in the amount of \$12,000 have been budgeted in Account 59955, Center 0424, Program 000. Funds for future fiscal years will be requested as part of the annual budget adoption process.

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**CITY ATTORNEY:**

The Office of the City Attorney has approved the proposed Agreement as to form and legality.

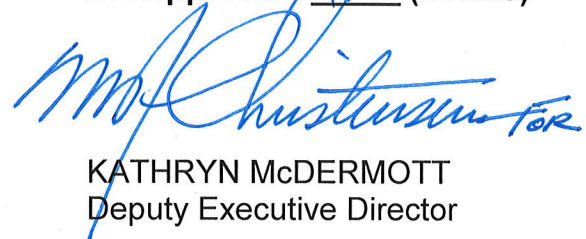
**TRANSMITTAL:**

1. Proposed Agreement



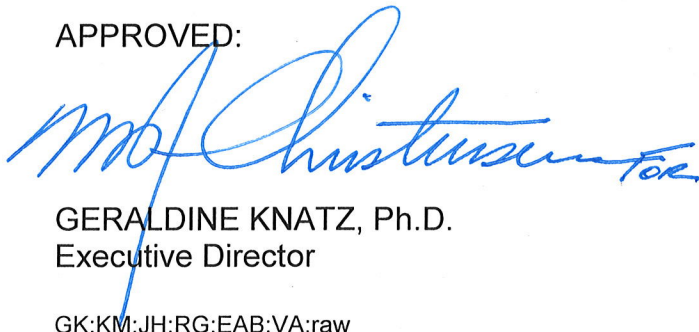
JACK C. HEDGE  
Director of Real Estate

FIS Approval: SP (initials)  
CA Approval: JH (initials)



KATHRYN McDERMOTT  
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.  
Executive Director

GK:KM:JH:RG:EAB:VA:raw  
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BL421raw Archdiocese Lease Agreement