



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

DATE: JULY 6, 2017

FROM: WATERFRONT & COMMERCIAL 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:

Staff requests approval of a Lease Agreement (Agreement) whereas the City of Los Angeles Harbor Department (Harbor Department) will be leasing approximately 920 square feet (SF) of storage space from the Archdiocese of Los Angeles Education & Welfare Corporation (Archdiocese).

Since 2005, the Harbor Department's Environmental Management Division (EMD) has conducted monitoring for various pollutants and meteorological conditions at the Saint 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. A12-3091 by and between the Archdiocese and the Harbor Department expires on September 13, 2017.

The proposed Agreement with the Archdiocese would be for a term of five years, and allows the Harbor Department use of the Site from September 14, 2017 through September 13, 2022. The compensation rate would be \$1,100 per month, \$13,200 per year with no adjustments through the term. The Harbor Department is responsible for payment of rental compensation of \$1,100 per month to the Archdiocese.

RECOMMENDATION:

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

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Classes 1(14) and 6(2) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;

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2. Approve the proposed Lease Agreement with the Archdiocese of Los Angeles Education & Welfare Corporation;
3. Direct the Board Secretary to transmit the Agreement to City Council for its approval pursuant to Section 373 of the City Charter;
4. Authorize the Executive Director to execute and the Board Secretary to attest to Agreement upon approval by City Council; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background – The proposed Agreement 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. A12-3091 expires on September 13, 2017. 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 an around the Port over time.

Saint 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 (Transmittal 2) was best due to its location within a residential community area, security, long-term measurement effectiveness, and compliance with Environmental Protection Agency criteria. The location of this particular monitoring station was evaluated by the South Coast Air Quality Management District and approved by the Port Community Advisory Committee as the best Wilmington community location for the air quality monitoring station.

Saint Peter and Paul School allowed the Harbor Department to use the facility at no cost from 2005-2008. In 2008, 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 make it suitable for air quality 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

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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. 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.

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 expired on September 13, 2012.

On September 14, 2012, the Harbor Department entered into Lease Agreement No. A12-3091 with the Archdiocese for a five-year term at a rental rate of \$1,000 per month for an annual cost of \$12,000. Lease Agreement A12-3091 will expire on September 13, 2017.

Staff requests Board approval of the new five-year Agreement with the Archdiocese beginning on September 14, 2017, and expiring on September 13, 2022 at 706 Bayview Ave, in Wilmington. Staff negotiated a market rental rate of \$1,100 per month at an annual cost of \$13,200 for approximately 600 SF of the north end of the roof and a storage room of approximately 320 SF in the building on which the existing rooftop equipment are affixed. This new rate is competitive with market rates for properties with similar use. Advantages of remaining at the current site include: the importance of data continuity; its ideal location within the Wilmington community; and avoiding the significant costs to upgrade an alternative site to accommodate the air monitoring equipment.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with the Archdiocese for LAHD occupancy and use of the Saint Peter and Paul School to operate and service air quality monitoring equipment. As an activity involving the issuance of a permit to use an existing facility involving negligible or no expansion of use and an activity involving basic data collection of a City Department which does not result in serious or major disturbances to an environmental resource, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article III Classes 1(14) and 6(2) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

The cost of the proposed Agreement, which is set to begin on September 14, 2017, is \$13,200 per year for five years. Under the current agreement terms, the Harbor Department is paying \$12,000 per year. Funds for the Fiscal Year 2017/2018 in the amount of \$13,200 are available within Account 59955, Cost Center 0429, Program 000. Funds for future fiscal years will be requested as part of the annual budget adoption process.

CITY ATTORNEY:

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

TRANSMITTALS:

- 1. Lease Agreement
- 2. Site Map

FIS Approval: *mg* (initials)

CA Approval: *mg* (initials)

E. Galvin FOR

MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

Michael DiBernardo

MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Mark Blewett

EUGENE D. SEROKA *FOR*
Executive Director