

REPORT OF GENERAL MANAGER

APPROVED  
MAY 04 2011

NO. 11-122

DATE May 4, 2011

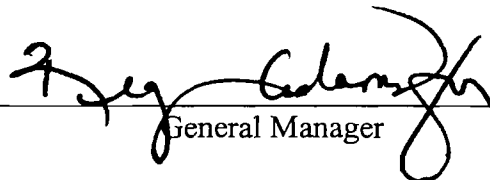
BOARD OF RECREATION  
AND PARK COMMISSIONERS

C.D. 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SEPULVEDA BASIN RECREATION AREA - UTILITY PAYMENT REIMBURSEMENT AND AMENDMENT TO LEASE WITH ONEGENERATION, A CALIFORNIA NON-PROFIT CORPORATION, AS RELATED TO THE CONTINUED OPERATION AND MAINTENANCE OF THE MARK TAPER INTERGENERATIONAL CENTER, A GIFT OF THE MARK TAPER FOUNDATION

R. Adams _____	K. Regan _____
H. Fujita _____	M. Shull _____
*V. Israel _____	N. Williams _____

  
\_\_\_\_\_  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Amendment to Lease No. C-109009, substantially in the form on file in the Board Office, between the City and ONEgeneration, a 501c(3) California non-profit corporation, authorizing ONEgeneration's request to exercise its option to renew the term of the lease of the Mark Taper Intergenerational Center for a period of ten (10) years in order that they may satisfy Proposition K Grant requirements for capital improvements and to demonstrate site control in addition to continuing to successfully provide various senior and youth programs and services to the San Fernando Valley communities, subject to the approval of Mayor, City Council, and the City Attorney as to form;
2. Authorize a one-time reimbursement to ONEgeneration through a Department fund and account to be identified by the Department's Chief Accounting Employee for monthly utility charges amounting to approximately \$4,800, based on utility sub-meter readings pertaining to the Department's operation of its Pedlow Skate Park, located in the Sepulveda Basin Recreation Area, which were previously paid by ONEgeneration master meter utility payments over the course of the prior 2.5 years;

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3. Authorize monthly payments to ONEgeneration for utility charges incurred by the Department relating to its operation and maintenance of the Pedlow Skate Park, while Lease No. C-109009 is in effect;
4. Approve an amendment to Section 13.1 of the lease to add a new Section 13.1.5 to provide that a default pursuant to Section 502 of the Proposition – K Grant Agreement shall also constitute a default under the lease;
5. Direct the Board Secretary to transmit the proposed Amendment concurrently to the Mayor in accordance with Executive Directive No. 3 and the City Attorney for review and approval as to form; and,
6. Upon receipt of the necessary approvals, authorize the Board President and Secretary to execute the Amendment.

### SUMMARY:

On August 11, 2004, the Board of Recreation and Park Commissioners (Board), in Board Report 04-231, approved a ten (10) year lease agreement with ONEgeneration, a California non-profit organization (ONE), authorizing their continued occupancy and use of the Mark Taper Intergenerational Center (Center), located within the Sepulveda Basin Recreation Area at 17400 Victory Boulevard in the community of Van Nuys. ONE has occupied the Center since 1991, successfully serving the San Fernando Valley senior and youth population through its many senior and young child based recreational programs and services. Over the years, ONE has expanded its operations with additional services and programs to better serve the needs of seniors and young children in the community. ONE currently provides a place for seniors and young children, and their families, to enhance their quality of life by congregating and socializing at the Center through various classes, services, and recreational programs. ONE provides a variety of comprehensive services for seniors, adults, and young children, such as but not limited to, childcare, adult daycare, health services, senior advocacy, support groups, volunteer opportunities, legal assistance, counseling, hot lunches, and other programs specifically designed to “empower” seniors, parents, and families.

In October 2005, the City executed a ten (10) year lease agreement (lease) with ONE so they could continue to perform their programs and services at the Center. Under the existing lease, ONE pays all operational and utility costs associated with the Center, including interior and exterior maintenance expenses. The Department has no monetary obligations at the Center. Said lease contains a ten (10) year option to renew at the point of the original ten (10) year term’s expiration. At present, there remains approximately 4.5 years of the original 10 year term.

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ONE recently was awarded a Proposition K grant in the amount of \$96,000 to be used to replace twelve (12) heating, ventilation and air conditioning (HVAC) units at the Center. In order to comply with the related Grant Agreement, ONE must demonstrate a minimum of five (5) years of site control at the Center. At present, the remaining portion left on the existing lease term is less than that. Therefore, ONE has requested that the term be extended through their option to renew included in the Existing lease. Pursuant to Section 4.4 of the lease, ONE may request in writing that they be authorized to extend the current lease term for an additional ten (10) year period. Through the proposed Amendment, ONE will be allowed to exercise their option to renew the lease term for a period of 10 additional years, extending the lease through the year, 2025.

In addition, the Proposition K grant also requires that the lease contain cross-default language, essentially tying the lease and grant agreement together, so that a breach or default by ONE under the terms and conditions of the lease, will constitute a breach or default of the grant agreement, and vice-versa. The proposed Amendment will insert such language to satisfy the grant requirement.

At present, ONE operates the Center totally at its own expense, with no financial obligation whatsoever to the City. Under the proposed Amendment, ONE will continue to pay such costs and expenses in the same fashion, and the City shall continue to have no financial responsibility related to the operation or maintenance of the Center. However, it was recently discovered that the monthly utility bill that ONE has been paying to the Department of Water and Power (DWP) for ONE's utility services, includes charges generated by a sub-meter servicing the Department's Pedlow Skate Park, which is connected to ONE's master meter. The circumstances described resulted in ONE having paid the City's portion of the monthly utility charge pertaining to the skate park, for a period of approximately 2.5 years, amounting to approximately \$4,800. The Department's Valley Region Maintenance unit has discussed and evaluated the situation with ONE in detail, and concurs with ONE's assessment of the utility charges and utility charge amount pertaining to the skate park. Approval of this report and the proposed Amendment will authorize the Department to reimburse ONE for the previously paid utility charges pertaining to the Pedlow Skate Park, and to set up a process allowing the Department to reimburse ONE on a monthly basis for future Pedlow Skate Park related utility charges. The actual amount of reimbursement related to prior utility payments will be evaluated and confirmed by Valley Region Maintenance prior to actual reimbursement. ONE will continue to pay the monthly utility bill directly to DWP, then will request reimbursement from the Department. Valley Region Maintenance crews will read the sub-meter to verify the accuracy of the Pedlow Skate Park monthly utility charges.

Staff has determined that the subject project will consist of the renewal of lease to use an existing facility involving negligible or no expansion of use, and therefore, is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(14) of the City CEQA Guidelines.

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FISCAL IMPACT:

There will be no fiscal impact to the Department's General Fund associated with the proposed extension of the lease term, as all costs and expenses related to ONE's occupancy and use of the Center under the existing lease shall be paid by ONE, with no financial obligation imposed on the City. However, the Department's General Fund will be affected as the Department will now be responsible for utility charges related to the Department's operation and maintenance of the Pedlow Skate Park. The average monthly utility charge is estimated to be approximately \$138. The monthly reimbursement of Pedlow Skate Park related utility charges shall be paid from a Department fund and account to be identified by the Department's Chief Accounting Employee.

The one-time payment of \$4,800 to reimburse ONE for Pedlow Skate Park utility payments previously paid by ONE, is not related in any way to ONE's operation and maintenance of the Center. However, such payment is included in the proposed Amendment so Department staff has the authority to reimburse ONE for the previously paid Pedlow Skate Park utility charges and to reimburse ONE for future monthly utility payments pertaining to Department operations at Pedlow Skate Park.

This report was prepared by Joel Alvarez, Senior Management Analyst, Partnership Division.