

APPROVED
AUG 09 2017

**BOARD OF RECREATION
AND PARK COMMISSIONERS**

BOARD REPORT

NO. 17-182

DATE August 9, 2017

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: TRAVEL TOWN MUSEUM GIFT SHOP CONCESSION – RESCIND PREVIOUSLY APPROVED AMENDMENT NO. 2 TO CONCESSION AGREEMENT NO. 262; REVISED AMENDMENT NO. 2 TO CONCESSION AGREEMENT NO. 262

AP Diaz _____ V. Israel _____
R. Barajas _____ *N. Williams _____
H. Fujita _____



General Manager

Approved

Disapproved _____

Withdrawn _____

RECOMMENDATIONS

1. Rescind the second proposed Amendment No. 2 to Concession Agreement No. 262 approved by the Board on January 18, 2017 through Report No. 17-013 (Attachment 1).
2. Approve a proposed Revised Amendment No. 2 to Concession Agreement No. 262 (Revised Amendment No. 2), herein included as Attachment 2, between the City of Los Angeles and the American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (TTMF), a California 501(c)(3) non-profit educational organization, for the operation and maintenance of the gift shop concession at the Travel Town Museum (Gift Shop), subject to the approval of the Mayor, the City Council, and the City Attorney as to form;
3. Find, in accordance with Charter Section 1022, that the Department of Recreation and Parks (RAP) does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks and that it is more feasible to secure these services by contract;
4. Find, in accordance with Charter Section 371 (e)(10), that for the performance of the professional, expert, and technical services required, competitive bidding is undesirable and impractical because the time and monetary cost of soliciting bids would be unwarranted and wasteful; said resource expenditure would be in excess of any benefit that could be gained by soliciting bids;
5. Find, in accordance with Los Angeles Administrative Code Sections 10.15(a)(10) and 10.17, that it is not practicable or advantageous to the City's interests to solicit competitive bids because TTMF possesses specific expert and technical knowledge and skills related to

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Travel Town equipment and history, which are required to successfully operate the Gift Shop, volunteer program, and restoration program;

6. Authorize RAP's Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report
7. Direct the Board Secretary to transmit the proposed Revised Amendment No. 2 concurrently to the Mayor in accordance with Executive Directive No. 3 (Villaraigosa Series), City Council and to the City Attorney for review and approval as to form;
8. Authorize the Board President and Secretary to execute the proposed Revised Amendment No. 2 upon receipt of the necessary approvals; and,
9. Authorize RAP to make technical corrections as necessary to carry out the intent of this report.

SUMMARY

The Travel Town Museum (Museum) is located at 5200 Zoo Drive in Griffith Park. The Museum is host to an array of trains, train cars, interpretive displays, and other historic vehicles that represent the history of rail transportation. The RAP Park Services group operates and maintains the Museum which is open to the public free of charge. The Museum is visited each week by hundreds of youth and adults.

The American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (TTMF) is a 501(c)(3) non-profit educational organization, and began its partnership with the Museum in 1987 by providing volunteers for docent tours and general maintenance and restoration of the trains. In 2000, TTMF assumed emergency operation of the Travel Town Museum Gift Shop because the previous operator suddenly terminated their agreement.

TTMF currently operates the Travel Town Gift Shop Concession through Concession Agreement No. 262 (Agreement) which was executed on September 23, 2009, for a term of one year with two one-year options to renew, both of which were exercised. RAP amended the Agreement on February 26, 2013 to extend the term to one year with five one-year options to renew, effective on February 26, 2013.

On April 2, 2014, the Board approved a proposed Amendment No. 2 to the Agreement, subject to approval of the Mayor. The initially proposed Amendment No. 2 included significant modifications to the existing Agreement. On July 10, 2015, the Mayor's Office returned the initially proposed Amendment No. 2 to the Board without action. RAP staff worked to revise the proposed Amendment No. 2, and presented a new version to the Board on January 18, 2017. The Board approved Report No. 17-013 to approve the second proposed Amendment No. 2 (Amendment No. 2A for reference purposes in this Report), and accept the donation of a new modular building. Under Executive Directive No. 3 (Villaraigosa Series), Amendment No. 2A was sent to the Mayor's Office and forwarded to the Office of the City Administrative Officer

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(CAO) for review. As a result of concerns raised by the Mayor's Office and CAO, this Report recommends that the Board rescind its prior approval of Amendment No. 2A under Report No. 17-013 and approve a renegotiated Revised Amendment No. 2 to the Agreement (Attachment 2). TTMF officers have reviewed the Revised Amendment No. 2 and are in agreement with the proposed terms.

REVISED AMENDMENT NO. 2 TO CONCESSION AGREEMENT 262

Term – Revised Amendment No. 2 to Concession Agreement No. 262 with TTMF maintains the previously proposed term of ten (10) years with an option to renew for an additional five years, at the sole discretion of the RAP General Manager.

Rental Structure – RAP has negotiated a flat monthly rent structure, equivalent to roughly five percent (5%) of gross revenue, with a tiered escalation over the proposed term of the Amendment as follows:

Agreement Years 1 through 3:	\$1,250.00 monthly	(\$15,000.00 annually)
Agreement Years 4 through 5:	\$1,550.00 monthly	(\$18,600.00 annually)
Agreement Years 6 through 10:	\$1,850.00 monthly	(\$22,200.00 annually)
Renewal Years 11 through 15:	\$2,050.00 monthly	(\$24,600.00 annually)

The Mayor's Office and the CAO recommended that the proposed Revised Amendment No. 2 to Agreement No. 262 with TTMF more clearly articulate the unique and expert technical services that TTMF would continue to provide, as well as the monetary value of these services and their associated public benefit, thereby strengthening the justification for the sole source determination and proposed rental structure.

In 2016, TTMF generated Two Hundred Eighty Thousand, One Hundred Seventeen Dollars (\$280,117.00) in gross revenue from the Gift Shop. Of the revenue generated, TTMF paid Fourteen Thousand, Five Dollars (\$14,005.00) in rent to RAP. TTMF's non-profit distinction allows it to invest the proceeds from the Gift Shop directly into the Museum. The primary function of the Gift Shop's revenue is to assist TTMF with the technical restoration of City-owned historical train cars. Gift Shop revenue is also used to allow TTMF to maintain volunteer programs, provide educational services, and perform essential facilities investment functions. In 2016, TTMF managed over one hundred fifty (150) volunteers who committed over six thousand, three hundred ninety (6,390) hours on projects and programs at Travel Town Museum. In addition, TTMF performed a total of three thousand, five hundred eighty-six (3,586) hours of technical and support services valued at Sixty-Eight Thousand, Six Hundred thirty-Seven Dollars (\$68,637.00) in 2016 (Attachment 3).

The expert technical and support services provided by TTMF include, but are not limited to, the following: conservation, restoration, and repair of RAP's historic train cars at Travel Town; interpretive tours, exhibit curation and additional educational services offered to the public

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related to the history of trains and railroads in Los Angeles and in California; management and research of archival materials owned by RAP; special event support; and train track repair and maintenance.

These expert technical and support services are critical to the long-term sustainability of Travel Town, the City's historic assets and artifacts at Travel Town, and the educational opportunities provided to the public on site. Moreover, these in-kind technical and support services proposed to be provided on an annual basis by TTMF provide a significant public benefit and would ensure that Travel Town remains a unique and popular destination within Griffith Park for years to come.

In consideration of the Mayor's and CAO's recommendations, Revised Amendment 2A includes the following supplemental provision as part of the rental structure:

"TTMF shall provide technical assistance and in-kind services directly benefitting the public at Travel Town with a value equivalent to no less than fifteen percent (15%) of gross revenue generated by TTMF per Agreement Year."

This provision ensures that the in-kind technical and support services currently provided by TTMF will be provided each year of the proposed amendment at a quantifiable level sufficient to supplement and justify the proposed flat monthly rental fee payments.

Donation of Modular Building – TTMF will donate a modular building to RAP as described in the January 4, 2013 unsolicited proposal. The City will bear no costs or liabilities associated with the donation. TTMF will use the new modular building as the new location for Gift Shop operations.

Due to a miscommunication between TTMF officers and RAP staff, TTMF proceeded to purchase and install the donated modular building prior to the approval of submitted Amendment No. 2A. Construction and permitting for the building was completed in July 2016. Without an amended Agreement to expand the Concession premises and authorize TTMF to utilize the new building for Gift Shop operations, TTMF is unable to move in. The current building used for Gift Shop operations is much smaller than the donated modular building and limits TTMF's merchandise to toys, limited apparel, and small collectables. It is anticipated that moving Gift Shop operations into the new building will increase Gift Shop revenue as the increased space will allow TTMF to offer a greater volume of high-end merchandise. As a result, there will be an increase in funds available to TTMF to provide expert technical and support services at Travel Town. Delay of the move continues to have a negative impact on Travel Town Museum, TTMF, and RAP.

Utilities - At the recommendation of the Mayor's Office and CAO, Revised Amendment No. 2 to Concession Agreement No. 262 requires TTMF to reimburse RAP for the actual cost of electricity, upon the installation of an electrical sub-meter, rather than pay a flat monthly fee of One Hundred Dollars (\$100.00) for electricity use.

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RAP values the long-standing partnership it has with TTMF, and appreciates TTMF's patience and good faith efforts in working with RAP on Revised Amendment No. 2. RAP also appreciates the guidance and recommendations provided by the Mayor's Office and the CAO that work to strengthen the revised Amendment.

RAP staff therefore recommends that the Board rescind Amendment No. 2A approved on January 18, 2017 through Report No. 17-013, and approve the Revised Amendment No. 2 to Concession Agreement No. 262 in order to allow TTMF to donate the new modular building, move operations into the new building, and continue to provide Educational Services, Facilities Investment, Volunteer Coordination, and Technical Train Restoration Services at Travel Town.

ENVIRONMENTAL IMPACT STATEMENT

In previously approving Amendment No. 2A on January 18, 2017 through Report No. 17-013, the Board also determined that the Project contemplated in that amendment was categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(1), (14) and Class 3(3) of the City CEQA Guidelines. The proposed Revised Amendment No. 2 does not change TTMF's previous commitment under Amendment No. 2A to maintain an existing modular building that will host a research area and a volunteer break room, and to install and donate a modular building to host a commercial activity (gift shop). As such, RAP staff finds that the Project and the environmental conditions of the Project have not substantially changed since the previous evaluation; therefore, no additional CEQA determination or documentation is required and the previous Notice of Exemption (NOE), filed with the Los Angeles County Clerk on January 25, 2017 still applies.

FISCAL IMPACT STATEMENT

TTMF will pay One Hundred Ninety-Three Thousand, Two Hundred Dollars (\$193,200.00) to RAP over the initial ten-year Revised Amendment No. 2. If the General Manager chooses to exercise the renewal option, TTMF will pay a minimum of One Hundred Twenty-Three Thousand Dollars (\$123,000.00) to RAP over the following five years.

This Report was prepared by Emily Kent, Management Assistant, Concessions Division.

LIST OF ATTACHMENTS

- 1) Report No. 17-013 dated January 18, 2017 and Attachments
- 2) Proposed Revised Amendment No. 2 to Concession Agreement No. 262
- 3) Travel Town Museum Foundation Technical Assistance and In-Kind Services Contribution Cost Analysis

APPROVED

01-18-2017

**BOARD OF RECREATION
AND PARK COMMISSIONERS**

BOARD REPORT

NO. 17-013 revised

DATE January 18, 2017

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: TRAVEL TOWN MUSEUM GIFT SHOP CONCESSION – AMENDMENT NO. 2 TO CONCESSION AGREEMENT NO. 262; DONATION OF A NEW MODULAR BUILDING; EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 1(1), (14) AND CLASS 3(3) OF THE CITY CEQA GUIDELINES REGARDING MINOR ALTERATIONS TO EXISTING FACILITIES, AMENDMENT OF AGREEMENTS AND THE NEW CONSTRUCTION OF SMALL COMMERCIAL STRUCTURES

AP Diaz	_____	*V. Israel	_____
R. Barajas	_____	N. Williams	_____
H. Fujita	_____		



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Approve a proposed second Amendment to Concession Agreement No. 262 (Amendment), herein included as Attachment 1, between the City of Los Angeles and the American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (TTMF), a California 501(c)(3) non-profit educational organization, for the operation and maintenance of the gift shop concession at the Travel Town Museum, subject to the approval of the Mayor, the City Council, and the City Attorney as to form;
2. Find, in accordance with Charter Section 1022, that the Department of Recreation and Parks (RAP) does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks and that it is more feasible to secure these services by contract;
3. Find, in accordance with Charter Section 371 (e)(10), that for the performance of the professional, expert, and technical services required, competitive bidding is undesirable and impractical because the time and monetary cost of soliciting bids would be unwarranted and wasteful; said resource expenditure would be in excess of any benefit that could be gained by soliciting bids;
4. Find, in accordance with Los Angeles Administrative Code Sections 10.15(a)(10) and 10.17, that it is not practicable or advantageous to the City's interests to solicit competitive bids because TTMF possesses specific expert and technical knowledge and skills related to

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Travel Town equipment and history, which are required to successfully operate the Gift Shop, volunteer program, and restoration program;

5. Find, in accordance with Article III, Section 1, Class 1(1), (14) and Class 3(3) of the City CEQA Guidelines, that this Amendment is categorically exempt from the California Environmental Quality Act (CEQA) provisions and direct RAP staff to file a Notice of Exemption (NOE);
6. Direct the Board Secretary to transmit the proposed Amendment concurrently to the Mayor in accordance with Executive Directive No. 3 (Villaraigosa Series) and to the City Attorney for review and approval as to form;
7. Authorize the Board President and Secretary to execute the Amendment upon receipt of the necessary approvals; and,
8. Accept the donation of a new modular building from TTMF, subject to the condition that TTMF assume all costs and liabilities associated with the procurement, permitting, delivery, and installation of the new modular building.

SUMMARY

The Travel Town Museum (Museum) is located at 5200 Zoo Drive in Griffith Park. It is host to an array of trains, train cars, interpretive displays, and other historic vehicles that represent the history of rail transportation. The RAP Park Services group operates and maintains the Museum which is open to the public free of charge. The Museum is visited each week by hundreds of youth and adults.

The American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (TTMF) is a 501(c)(3) non-profit educational organization, and began its partnership with the Museum in 1987 by providing volunteers for docent tours and general maintenance and restoration of the trains. In 2000, TTMF assumed emergency operation of the Travel Town Museum Gift Shop (Gift Shop) when the previous operator suddenly terminated their agreement.

TTMF's non-profit distinction allows it to invest the proceeds from the Gift Shop directly into the museum. The primary function of the Gift Shop's revenue is to assist TTMF with the restoration of City-owned historical train cars. Gift Shop revenue is also used to allow TTMF to maintain volunteer programs for tours, grounds maintenance, and Museum events. TTMF officers estimate that between 1987 and 2014, TTMF has raised and invested over \$202,304.00 in artifacts, restorations, educational materials, and facility improvements at Travel Town. In 2015, TTMF managed over 200 volunteers who committed over 9,700 volunteer hours on projects and programs at Travel Town Museum.

In 2015, TTMF generated \$280,100.21 in revenue. Of that, TTMF paid \$14,232.33 in rent to RAP.

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TTMF currently operates the Travel Town Gift Shop Concession through Concession Agreement No. 262 (Agreement) which was executed on September 23, 2009, for a term of one year with two one-year options to renew, both of which were exercised. RAP amended the Agreement on February 26, 2013 to extend the term to one year with five one-year options to renew, effective on February 26, 2013.

On April 2, 2014, the Board of Recreation and Parks Commissioners approved Board Report No. 14-081, Travel Town Museum Gift Shop Concession – Amendment No. 2 to Concession Contract Number 262 and Donation of a New Modular Building (Attachment 2). This Amendment would have extended the term of the Agreement by 20 years, introduced a flat-fee escalated payment structure, revised the Travel Town Museum Gift Shop premises, authorized RAP to accept the donation of a new modular building to be used as the new site for the Gift Shop, and formalized the Museum volunteer and restoration programs.

On July 10, 2015, the Office of the Mayor returned the proposed second Amendment without action to the Board and requested that the Board make a finding on the basis for exempting the City's competitive bidding requirements for the proposed second Amendment, pursuant to CAO File No. 0150-08808-0002 (Attachment 3).

Under the assumption that the Amendment was approved and executed, TTMF moved forward with the construction of the proposed modular building. Construction and permitting for the building was completed in July of 2016. Without an agreement to authorize RAP to accept the donation of the modular building, TTMF is unable to move operations into the new building. It is anticipated that moving Gift Shop operations to the new building will increase Gift Shop revenue as it provides a larger and more appealing space. This translates to a higher rental sharing payment to RAP, and an increase in the funds available to TTMF for restoration and education projects. Delay of the move continues to have a negative impact on Travel Town Museum, TTMF, and RAP.

PROPOSED AMENDMENT PROVISIONS

1. Term: The term of Agreement Number 262 will be extended to ten (10) years effective on the date of execution of the Amendment. There will be an additional five-year renewal option at the sole discretion of the General Manager.
2. Rental Fee (Flat Fee):

Agreement years 1 through 3	\$ 1,350.00 per month	(\$16,200.00 annually)
Agreement years 4 and 5	\$ 1,650.00 per month	(\$19,800.00 annually)
Agreement years 6 through 10	\$ 1,950.00 per month	(\$23,400.00 annually)
Extension option years 11 through 15	\$ 2,150.00 per month	(\$25,800.00 annually)

At the end of Agreement year 10, the General Manager will review the performance of the Concession and will make a recommendation to the Board to either keep the established pay structure, or amend the Agreement to adjust the Rental Fee to the greater of either five percent (5%) of gross receipts or the established rental fee for the respective Agreement year.

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3. Premises:

The Premises for the Gift Shop will be revised to include the site of the modular building to be donated by TTMF, as proposed in the January 4, 2013 unsolicited proposal (Attachment 1, Exhibit A).

4. Donation of New Modular Building:

TTMF will donate a modular building to RAP as described in the January 4, 2013 unsolicited proposal (Attachment 1, Exhibit A). The City and/or RAP will bear no costs or liabilities associated with the donation. TTMF will use the new modular building as the new location for Gift Shop operations.

5. Existing Modular Building:

TTMF will cease using the existing modular building as a gift shop immediately upon occupancy of the donated modular building. TTMF will be responsible for any and all costs of repairs, upkeep, maintenance, and operation of the existing modular building. Before TTMF is allowed to reuse the existing modular building for any operations, RAP must approve all upgrades performed to ensure compliance with RAP standards and with the Americans with Disabilities Act (ADA) regulations. TTMF must also submit a written proposal to the General Manager for approval detailing all improvements and the projected use of the existing modular building. Following approval from RAP, TTMF will use the building as a research library and volunteer break area. If TTMF wants to use the existing modular building for any other purpose, a written proposal must be submitted to the General Manager for approval.

6. Museum Volunteer Program:

Under the direction of the designated RAP representative, TTMF will provide oversight of the Museum Volunteer Program, to include:

- a. Docent tours
- b. Educational and informational outreach
- c. Grounds maintenance to supplement RAP maintenance
- d. Exhibit development and maintenance

TTMF will actively assist RAP in creating awareness of the Museum Volunteer Program, to include outreach, training, and retention of volunteers.

7. Museum Restoration Program:

TTMF will submit a written proposal to the RAP General Manager for all new restoration projects. Proposed restoration projects will not commence until written approval of the RAP General Manager is obtained by TTMF.

Progress on all current restoration projects will be reported to the General Manager every twelve (12) months. Reports will include a projected work plan for approval by the General Manager. All current restoration projects will be completed within twelve (12) months of execution of the proposed Amendment. Any current restoration project that is

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not completed within the twelve (12) month timeframe will require TTMF to submit a written proposal for consideration by the RAP General Manager. Said restoration projects shall halt until written approval from the RAP General Manager is obtained by TTMF.

A list of current restoration projects is included as an Exhibit to the proposed Amendment (Attachment 1, Exhibit G). The City and/or RAP will bear no costs associated with any current or proposed Museum Restoration Program project and is not obligated to fund or provide any form of service for such projects, unless approved in writing by the RAP General Manager.

8. Utilities:

TTMF will assume any and all costs to install or provide electrical hook-ups or connections to the new modular building. RAP will not be responsible for any costs associated with the installation of utility hook-ups, including installation of dedicated electrical meters or for any other utilities (e.g., water, gas, telephones) which may or may not be used at the donated modular building. As stated in the current Agreement, RAP will incur the monthly electrical costs subsequent to the installation of the electrical meter by TTMF. RAP will not incur any costs for telephone or internet services in the modular buildings. A monthly fee of \$100.00 for utilities costs has been included in TTMF's monthly Rental Fee rate.

RAP staff recommends the approval of Amendment No. 2 to Concession Agreement No. 262 in order to allow TTMF to donate the new modular building, move operations into the new building, and continue to provide tours, education programs, grounds maintenance, and restoration projects at the Museum.

ENVIRONMENTAL IMPACT STATEMENT

The proposed Project consists of maintenance of an existing modular building to host a research area and a volunteer break room; of the amendment to an existing agreement with negligible or no expansion of use of an existing facility, and of the construction and donation of a modular building to host a commercial activity (gift shop). RAP staff recommends that the Board determine that the proposed Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(1),(14) and Class 3(3) of the City CEQA Guidelines.

FISCAL IMPACT STATEMENT

TTMF will pay \$205,200.00 to RAP over the initial ten-year Agreement extension. If the General Manager chooses to exercise the renewal option, TTMF will pay a minimum of \$129,000.00 to RAP over the following five years.

This Report was prepared by Emily Kent, Management Assistant, Concessions Division.

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LIST OF ATTACHMENT(S)

- 1) Proposed Amendment to Concession Agreement No. 262
- 2) Board Report No. 14-081 Dated April 2, 2014
- 3) CAO File No. 0150-08808-0002

**AMENDMENT NO. 2 TO
CONCESSION AGREEMENT NO. 262
FOR THE OPERATION AND MAINTENANCE OF THE
TRAVEL TOWN MUSEUM GIFT SHOP CONCESSION**

THIS AMENDMENT NO. 2 TO CONCESSION AGREEMENT NO. 262 (AMENDMENT) is made and entered into this _____ day of _____, 20____, by and between the CITY OF LOS ANGELES, a municipal corporation (CITY), acting by and through its Board of Recreation and Park Commissioners (BOARD), and AMERICAN SOUTHWESTERN RAILWAY ASSOCIATION, INC., dba TRAVEL TOWN MUSEUM FOUNDATION, a California 501(c)(3) non-profit educational organization, (CONCESSIONAIRE).

WITNESSETH

WHEREAS, CITY has chosen to serve the public by providing a souvenir stand at Travel Town in Griffith Park through a concession operator; and,

WHEREAS, CITY previously selected CONCESSIONAIRE to operate the Travel Town Museum Gift Shop (CONCESSION) in accordance with the terms and conditions of Concession Agreement No. 262 as amended (AGREEMENT); and,

WHEREAS, the AGREEMENT was executed on September 23, 2009, and encompassed all rights and duties of the parties; and,

WHEREAS, the AGREEMENT was amended on February 20, 2013 to extend the AGREEMENT term to one (1) year, effective on February 20, 2013, with five (5) one (1) year options to renew, at the sole discretion of the GENERAL MANAGER; and,

WHEREAS, CONCESSIONAIRE has submitted an unsolicited proposal to donate a new modular building to be used as the Travel Town Museum Gift Shop; and,

WHEREAS, CONCESSIONAIRE has agreed to assume all costs and liabilities associated with the procurement, permitting, delivery, and installation of the new modular building; and,

WHEREAS, it is in the CITY's best interest to accept the donation of a new modular building and continue services with CONCESSIONAIRE, who has demonstrated its capability to perform said services; and,

WHEREAS, the principal purpose of CITY in entering into this AGREEMENT is to serve the public by providing a quality souvenir stand, historic restoration, historic interpretation of facilities and equipment at Travel Town, and volunteer management services; and,

WHEREAS, BOARD finds, in accordance with Charter Section 1022, that it is necessary, feasible, and economical to secure these services by contract as it lacks available personnel in its employ with sufficient time and expertise to undertake these specialized professional services; and,

WHEREAS, BOARD finds, pursuant to Charter Section 371(e)(10), that the use of competitive bidding would be undesirable and impractical because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by DEPARTMENT for the improvement, operation, and maintenance of CONCESSION; and,

WHEREAS, the Board finds, in accordance with Los Angeles Administrative Code Section 10.15(a)(10), that it does not require competitive bids for contracts for the performance of professional, scientific, expert, technical, or other special services where not practicable with or advantageous to the CITY's interests; and,

WHEREAS, CONCESSIONAIRE's distinction as a California 501(c)(3) non-profit educational organization allows all of CONCESSIONAIRE's profits from the CONCESSION to be reinvested directly into the expert historic restoration, interpretation, and maintenance of Travel Town grounds and equipment; and,

WHEREAS it is not advantageous to the CITY's interest to introduce a competitive proposal process because CONCESSIONAIRE possesses specific expert and technical knowledge and skills related to Travel Town equipment and history, which are required to successfully operate the Gift Shop, volunteer program, and restoration program; and,

WHEREAS, CONCESSIONAIRE's extensive experience managing the gift shop, volunteer programs, restoration programs, and educational programs, coupled with a deep knowledge of the history of Los Angeles Railroads and their impact on the development of this region is unique to CONCESSIONAIRE; and,

WHEREAS, Los Angeles Administrative Code Section 10.17 does not require competitive proposals for contracts for the performance of professional, scientific, expert, or technical services where not reasonably practicable and compatible with the CITY's interests; and,

WHEREAS, it is not compatible with the CITY's interests to introduce a competitive proposal process because CONCESSIONAIRE provides expert and technical services which are only accessible to CITY through relationships maintained by CONCESSIONAIRE with local artists, historians, organizations, and vendors.

THEREFORE, the parties to the AGREEMENT hereby mutually agree to amend the AGREEMENT as follows:

1. SECTION 3. PREMISES

Replace the first paragraph with the following paragraph:

"The PREMISES (Exhibit A) subject to this AGREEMENT are located at: 5200 Zoo Drive, Los Angeles, CA 90027. The PREMISES shall include the site proposed for the new modular building (designated as Point A), and the site of the existing modular building, previously used as the Travel Town Museum Gift Shop, as depicted in Exhibit A (designated as Point B). The new modular building shall be designed and located as proposed by CONCESSIONAIRE in the January 4, 2013 unsolicited proposal (Exhibit E)."

2. SECTION 4. TERM OF AGREEMENT

Replace the first paragraph with the following:

"The term of the AGREEMENT shall be ten (10) years with one (1) five (5) year option to renew at the sole discretion of the GENERAL MANAGER. Said term shall begin on the effective date of execution of this AMENDMENT."

3. SECTION 6. RENTAL FEE AND PAYMENT

Replace the first paragraph and corresponding percentage of gross receipts with the following:

"As part of the consideration for CITY's granting the concession rights herein above set forth, CONCESSIONAIRE shall pay to CITY a monthly rental fee as follows:

Agreement Years 1 through 3	\$ 1,350.00 per month
Agreement Years 4 and 5	\$ 1,650.00 per month
Agreement Years 6 through 10	\$ 1,950.00 per month
Renewal Option Years 11 through 15	\$ 2,150.00 per month

If GENERAL MANAGER chooses to exercise the option to renew, prior to the execution of the renewal option, GENERAL MANAGER shall evaluate the financial performance of CONCESSION for Contract Years 1 through 10, and recommend to BOARD either of two options to begin with Contract Year 11: 1) To remain with the aforementioned monthly rental fee established by this Amendment; or, 2) Propose a contract amendment to adjust the monthly rental fee to be the greater of either five percent (5%) of gross revenue generated by CONCESSIONAIRE, or the established rental fee for the respective Contract Year.

Both CITY and CONCESSIONAIRE agree that such determination and recommendation will be at the sole discretion of the GENERAL MANAGER, BOARD, and CITY."

4. SECTION 9. OPERATING RESPONSIBILITIES

Replace Section 9.M "Utilities" with the following:

"CITY shall pay for all utilities except for telephone and internet. The monthly rental fees outlined in Section 6. Rental Fee and Payment include a monthly contribution of One Hundred Dollars (\$100.00) for utility fees. The utility contribution amount for Extension Option years 11 through 15 are subject to evaluation and change.

CONCESSIONAIRE hereby expressly waives all claims for compensation, or for any diminution or abatement of the rental payment provided for herein, for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of the water, heating, air conditioning systems, electrical apparatus, or wires furnished to PREMISES which may occur from time to time and from any cause or from any loss resulting from water, earthquake, wind, civil commotion, or riot; and CONCESSIONAIRE hereby expressly releases and discharges CITY and its officers, employees, and agents from any and all demands, claims, actions, and causes of action arising from any of the aforesaid causes.

In all instances where damage to any utility service line is caused by CONCESSIONAIRE, its employees, contractors, sub-contractors, suppliers, agents, or invitees, CONCESSIONAIRE shall be responsible for the cost of repairs and any and all damages occasioned thereby.

Water and electricity shall be utilized by CONCESSIONAIRE in the most efficient manner possible, and CONCESSIONAIRE expressly agrees to comply with all CITY water conservation programs.

New Modular Building: CONCESSIONAIRE shall assume any and all costs to install or provide electrical hook-up or connections to the new modular building. CITY will not be responsible for any costs associated with the installation of utility hook-ups, including installation of dedicated electrical meters or for any other utilities (e.g., water, gas, telephone) which may or may not be used at the new modular building. CITY will incur the monthly electrical costs subsequent to the installation of the electrical meter by CONCESSIONAIRE."

Include the following as Section 9 T "Museum Volunteer Program":

"Under the direction of the designated CITY representative, CONCESSIONAIRE will provide oversight of the Museum Volunteer Program, to include:

- a) Docent tours;
- b) Educational and informational outreach;
- c) Grounds maintenance to supplement CITY maintenance; and,
- d) Exhibit development and maintenance.

CONCESSIONAIRE will actively assist CITY in creating awareness of the Museum Volunteer Program, to include outreach, training, and retention of volunteers."

Include the following as Section 9 U "Museum Restoration Program":

"All new restoration projects require CONCESSIONAIRE to submit a written proposal for consideration by the GENERAL MANAGER. Proposed restoration projects will not commence until written approval by the GENERAL MANAGER is obtained by CONCESSIONAIRE.

Progress on all current restoration projects will be reported every twelve (12) months to the GENERAL MANAGER, along with a projected work plan with completion dates for approval. CONCESSIONAIRE shall not commence work detailed in the projected work plan until written approval by the GENERAL MANAGER is obtained. A list of the current Travel Town Museum restoration projects overseen by CONCESSIONAIRE is included as Exhibit E.

CITY will bear no costs associated with any current or proposed Museum Restoration Program project and is not obligated to fund or provide any form of service for such projects, unless approved in writing by the GENERAL MANAGER."

5. SECTION 11. IMPROVEMENTS

Include the following as Section 11.D "Donation of Modular Building":

"CONCESSIONAIRE will donate a modular building to CITY as described in the CONCESSIONAIRE's January 4, 2013, unsolicited proposal (Exhibit E), and shall assume all costs and liabilities associated with the procurement, permitting, delivery, and installation of the new modular building. CITY will bear no costs, and shall not be responsible for any CONCESSIONAIRE activities, actions, or liabilities associated with the donation, including, but not limited to: design, permits, licenses, delivery, installation,

insurance, and/or site preparation. CONCESSIONAIRE shall utilize the donated modular building for Gift Shop operations.

CONCESSIONAIRE will cease using the existing modular building immediately upon occupancy of the donated modular building. Before CONCESSIONAIRE is allowed to reuse the existing modular building, CITY must approve all upgrades performed by CONCESSIONAIRE at no cost to CITY to ensure compliance with DEPARTMENT standards and with the Americans with Disabilities Act (ADA) regulations. CONCESSIONAIRE must submit a written proposal to GENERAL MANAGER, to be reviewed in good faith and in a timely manner, for approval detailing improvements and projected use of the existing modular building. Said proposal shall include operating hours and projected public access plan. Said proposal must be approved by GENERAL MANAGER before CONCESSIONAIRE may reuse the existing modular building.

After receiving approval to reuse the existing modular building, CONCESSIONAIRE shall utilize it as a research library and volunteer break room. If CONCESSIONAIRE wishes to utilize the existing modular building for any other purpose, CONCESSIONAIRE must submit a written request to DEPARTMENT. CONCESSIONAIRE will be responsible for any and all costs of repairs, upkeep, maintenance, and operation of the existing modular building."

6. SECTION 37. INCORPORATION OF DOCUMENTS

Replace Exhibit A "Premises Map" with the attached and revised Exhibit A "Premises Map Revised in Accordance with Amendment No. 2".

Include the following as Exhibits to the AGREEMENT:

- "E. January 4, 2013 Unsolicited Proposal
- F. List of Current Travel Town Museum Restoration Projects overseen by CONCESSIONAIRE
- G. Gift Shop Costs"

All other terms and conditions of the AGREEMENT shall remain unchanged.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this AMENDMENT NO. 2 to Concession Agreement No. 262 for the operation and maintenance of the Travel Town Museum Gift Shop Concession to be executed by their duly authorized representatives.

CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARKS COMMISSIONERS

AMERICAN SOUTHWESTERN RAILWAY ASSOCIATION INC. (dba TRAVEL TOWN MUSEUM FOUNDATION)
A California 501(c)(3) non-profit educational organization

By: _____
President

Date: _____

By: _____
Secretary

Date: _____

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____
Deputy City Attorney

Date: _____

By: _____

Title: _____

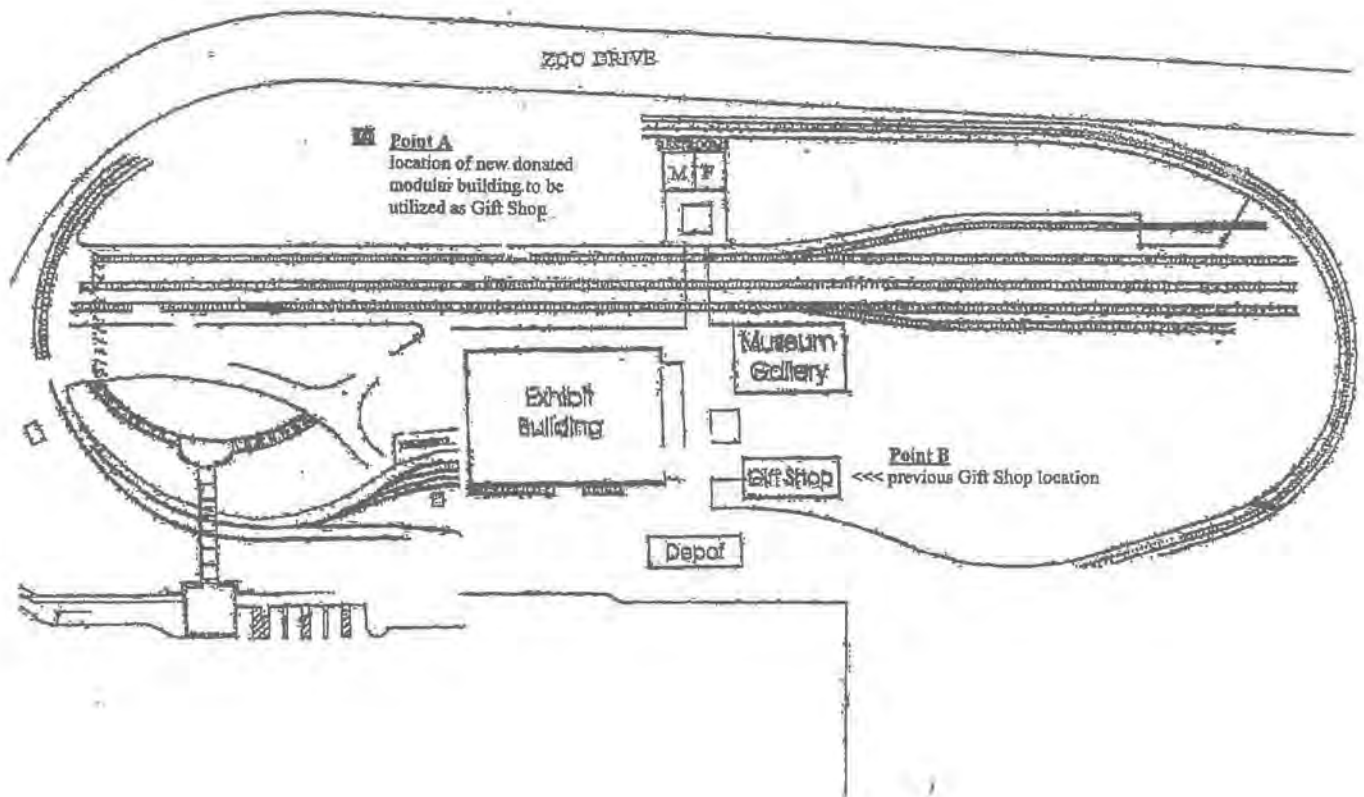
Date: _____

By: _____

Title: _____

Date: _____

EXHIBIT A
PREMISES MAP REVISED IN ACCORDANCE WITH AMENDMENT NO. 2
CONTRACT NUMBER 262
TRAVEL TOWN MUSEUM GIFT SHOP CONCESSION



ATTACHMENT A



Travel Town Museum Foundation
 American Southwestern Railway Association, Inc.
 P.O. Box 39846, Griffith Station
 Los Angeles, CA 90039

January 4, 2013

Robert Morales
 City of Los Angeles
 Department Recreation and Parks
 221 N. Figueroa St. Suite 1550,
 Los Angeles, CA 90012

Dear Mr. Morales,

The American Southwestern Railway Association, doing business as the *Travel Town Museum Foundation* (TTMF), would like to make the offer of a new Gift Shop building to the Department of Recreation and Parks for the Travel Town Museum. The new building would be a modular structure, centrally located on Museum grounds near the existing restrooms. The building project would greatly improve an unplanted dirt area at the museum and help improve the entire facility. The new gift shop would offer a larger retail space than the current gift shop, enabling the store to offer a greater selection of merchandise to better serve the Museum's visitors.

As part of the project, the TTMF would like to repurpose the current gift shop space as a Volunteer Center and Program Office. The Volunteer center would house a Library and Conference Room where the volunteers and members of the public could conduct research. There would be an office for the Program Manager and locker area for volunteers to store personal belongings while serving at the Museum.

The new building, as well as the repurposing of the existing building, would be done as a donation to Museum with funds raised for that purpose. The ASRA/TTMF anticipates continuing the operation of the Gift Shop concession under the current Concession Agreement, at least for the remaining 5 years stipulated in the agreement.

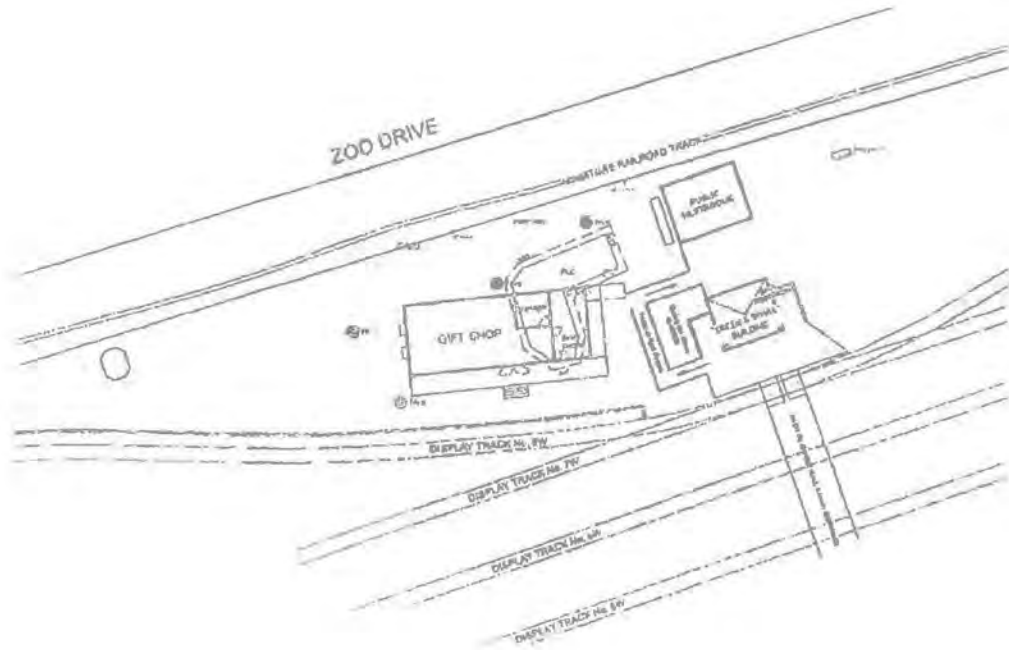
New Gift Shop Building

The New Gift shop will be in a more central location at the Museum. The Photo below shows the current status of the proposed site – our volunteers would remove the fencing and re-locate the materials inside the fencing to the service yard area of the museum.

DesignSpace Modular Buildings of Fontana, CA, (DSMB) has quoted us a turnkey price of \$219,000, which the ASRA/TTMF is willing to fully fund.



Below is the plan for the new building, as supplied by DSMB. Below that is a draft plan of the north side of Travel Town, with the new building outline in blue.



Budget for Gift Shop

The following is an abbreviated budget for the cost estimates including the income of grants from Foundations that support the work of the Travel Town Museum Foundation. Expenses above and beyond the cost of the building include furnishing the inside of the building. The old building will also need to be furnished. Fundraising and in-kind donation solicitation is on-going to cover these costs.

DSMB has given us a turnkey quote, however we need to bring the City of Los Angeles Department of Recreation and Parks Planning, Construction and Maintenance representatives and DSMB together to make sure we can work through any unforeseen issues.

Volunteer Center Cost Estimates (2012 Estimates)Expenses

Turn-key purchase of 24 x 60 Modular Building	198,268
Wooden deck, ramps, and steps, with tax	17,883
	<u>216,151</u>
 New Gift Shop Furnishings	
	<u>11,355</u>
 Office Furnishings subtotal	<u>2,100</u>
TOTAL EXPENSES	229,606

Income:

Grant from Parsons Foundation	50,000
Grant from the Griffith Trust	50,000
Grant from the Ahmanson Foundation	80,000
Pledge from Universal LLC Evolution Plan Contribution	50,000
	<u>230,000</u>

Attachments

Attached please find the Proposal from Design Space Mobile Modular. We anticipate that there will need to be several meetings to approve the final placement of the new building as well as other move-in challenges.

Scheduling

Once we have had this offer accepted from the Department, we would like to get the process started and schedule any permitting meetings to make sure the installation will be seamless. The build-time for the new building is estimated to be from 2-6 months, so move in probably cannot take place until July or August of 2013. This should give the Museum volunteers time to clear

the site, the City and DSMB time to prepare the site for the piers, telephone and electrical hook-up, and the Foundation time to raise more money for furnishings and landscaping.

We look forward to hearing from you soon. We are very excited to move forward with this great improvement for the Travel Town Museum facility. If I can provide any more information please contact me at 818-822-7022, or via e-mail at Nancy.newgiftshop@traveltown.org.

Thank you again for your support!

Nancy Gneier
Executive Director
Travel Town Museum Foundation

Attachments:
DesignSpace Modular Buildings Proposal

ATTACHMENT B**BOARD OF RECREATION AND
PARK COMMISSIONERS**BARRY A. SANDERS
PRESIDENTW. JEROME STANLEY
VICE PRESIDENTLYNN ALVAREZ
SYLVIA PATSAOURAS
JILL T. WERNERLATOMYA D. DEAN
COMMISSION EXECUTIVE ASSISTANT II**CITY OF LOS ANGELES
CALIFORNIA**ERIC GARCETTI
MAYOR**DEPARTMENT OF
RECREATION AND PARKS**221 NORTH FIGUEROA STREET
15TH FLOOR, SUITE 1550
LOS ANGELES, CA 90012(213) 202-2633
FAX (213) 202-2614MICHAEL A. SHULL
GENERAL MANAGER

December 26, 2013

Ms. Nancy Gneier, Executive Director
American Southwestern Railway Association, Inc.
DBA Travel Town Museum Foundation
P. O. Box 39846
Los Angeles, CA 90039.

**DONATION OF A MODULAR BUILDING FOR THE PROPOSED USE AS THE
TRAVEL TOWN MUSEUM GIFT SHOP**

Dear Ms. Gneier,

I am in receipt of your revised proposal E-mailed to the Department of Recreation and Parks (RAP) on October 2, 2013. I am also in receipt of your E-mail to RAP and Councilmember Tom LaBonge dated November 21, 2013.

Over the past year, RAP has attempted to provide the American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (Foundation) with a means to donate the proposed modular building and use throughout a long-term agreement. RAP has also provided the Foundation with the option to donate the proposed modular building at no cost to the City or RAP under the terms of existing Concession Agreement No. 262. The Foundation has elected to not accept the terms of the previous RAP proposals.

The following is the current RAP proposal in response to your October 2, 2013, counter proposal. Please understand that the non-acceptance by the Foundation will create delays in the ability to present a mutually agreed upon proposal to the Board of Recreation and Park Commissioners to consider. This includes delays in presenting the item to the Mayor and Council should a proposal for a new agreement eventually be agreed upon.

Final Proposal

The following are RAP's terms for the proposed acceptance of the donation of a modular building and the Foundation's use as the Museum Gift Shop:

1. Term of Agreement

Twenty (20) years from the date of execution of the proposed agreement.



Ms. Nancy Greier, Executive Director
 December 26, 2013
 Page 2

2. Payment to RAP

The following monthly payments will be due to RAP on the first day of each month, and will be considered late if said payment is postmarked after the fifteenth (15th) day of the month payment is due:

Contract Years 1 through 3	\$ 1,250 per month	(\$15,000 annually)
Contract Years 4 through 6	\$ 1,550 per month	(\$18,600 annually)
Contract Years 7 through 10	\$ 1,850 per month	(\$22,200 annually)
Contract Years 11 through 15	\$ 2,050 per month	(\$24,600 annually)
Contract Years 16 through 20	\$ 2,250 per month	(\$27,000 annually)

The charges for late or delinquent payments shall be \$50.00 for each month the payment is late, plus interest calculated at the rate of eighteen percent (18%) per annum, assessed monthly on the balance of the unpaid amount. Payments shall be considered past due if postmarked after the fifteenth (15th) day of the month in which payment is due.

Note: The matter of rent reduction will not be included in the proposed agreement. All Concessionaires have the ability to request temporary rent reduction and, at the written approval of the Board, be granted such temporary rent reduction.

3. Premises

The Premises for the Museum Gift Shop will be revised to include the site proposed for the modular building, as proposed by the Foundation in the January 4, 2013, unsolicited proposal (Attachment A).

4. Donation of a New Modular Building

The Foundation will donate a modular building to RAP as described in the January 4, 2013, unsolicited proposal (Attachment A). The City and/or RAP will bear no costs associated with the donation, including, but not limited to: design, permits, licenses, delivery, installation, and/or site preparation.

5. Existing Modular Building

The Foundation will cease using the Existing Modular Building as a Gift Shop immediately upon occupancy of the donated modular building. By entering into this Agreement, the Foundation may repurpose the existing modular building as a Volunteer Center. The Foundation will be responsible for any and all costs of repairs, upkeep, maintenance and operation of the existing modular building. Before the Foundation is allowed to "reuse" the existing modular building, the Department must approve all upgrades are performed to Department standards and be compliance with the ADA regulations.

Ms. Nancy Gnsier, Executive Director
December 26, 2013
Page 3

6. Museum Volunteer Program

Under the direction of the designated RAP Representative, the Foundation will provide oversight of the Museum Volunteer Program, to include: 1) docent tours; 2) educational and informational outreach; 3) grounds maintenance to supplement RAP maintenance; and, 4) exhibit maintenance. The Foundation will actively assist RAP in creating awareness of the Museum Volunteer Program, to include outreach, training, and retention of volunteers.

Note: Clarification of the Foundation's role and relationship in the Museum Volunteer Program may be required prior to a proposed agreement being submitted to the Board for consideration.

7. Museum Restoration Program

All new restoration projects will require the Foundation to submit a written proposal for consideration by the RAP General Manager. Restoration projects will not commence until written approval by the RAP General Manager is obtained.

All current restoration projects will be completed within twelve (12) months of execution of the proposed agreement. Any current restoration projects not completed within the aforementioned timeframe will require the Foundation to submit a written proposal for consideration by the RAP General Manager in order to continue the restoration.

A list of current restoration projects approved by the RAP General Manager will be included as an exhibit to any proposed agreement prior to submission to the Board for consideration.

8. Utilities

The Foundation will assume any and all costs to install or provide electrical hook-up or connections to the new modular building.

RAP will not be responsible for any costs associated with the installation of utility hook-ups, including installation of dedicated electrical meters or for any other utilities (e.g., water, gas, telephones) which may or may not be used at the donated modular building.

RAP will incur the monthly electrical costs subsequent to the installation of the electrical meter by the Foundation.

9. Insurance

The Foundation will provide and maintain insurance during the term of the Agreement in a manner and form acceptable to RAP and the City Risk Manager. Said insurance will

Ms. Nancy Gneier, Executive Director
December 26, 2013
Page 4

provides acceptable levels of coverage for the New Modular Building at the sole cost of the Foundation.

10. The remaining terms and conditions of a proposed agreement will be consistent with Concession Agreement No. 262.

In order to proceed with the donation of the new modular building and preparation of a new Concession Agreement, a written unconditional acceptance of the aforementioned terms, signed by an authorized agent of the Foundation on Foundation letterhead, must be received by RAP no later than 5:00 P.M. on January 13, 2014. Please send to the following address:

Department of Recreation and Parks
Attn: Vicki Israel, Assistant General Manager
221 North Figueroa Street
Suite 1550
Los Angeles, CA 90012

Upon receipt by RAP of the Foundation's written unconditional acceptance of the aforementioned RAP proposal, RAP staff will prepare the necessary documents for the Board's consideration.

Should you have any questions, please contact Robert Morales, Senior Management Analyst of the Partnership Division, at (818) 243-6488.

Sincerely,



MICHAEL A. SHULL
General Manager

MAS/VJA:rm

Attachments

cc: Regina Adams, Executive Officer
Vicki Israel, Assistant General Manager
Kevin Ragan, Assistant General Manager
Joe Salinas, Park Services Supervisor
Noel Williams, Chief Management Analyst
Agnos Ko, Senior Management Analyst
Robert Morales, Senior Management Analyst
Joel Alvarez, Senior Management Analyst

ATTACHMENT C



**TRAVEL TOWN MUSEUM FOUNDATION
AMERICAN SOUTHWESTERN RAILWAY ASSOCIATION**

**•INCORPORATED•
POST OFFICE BOX 39846 • GRIFFITH STATION
LOS ANGELES, CALIFORNIA 90039**

January 7, 2014

Department of Recreation and Parks
Attn: Vicki Israel, Assistant General Manager
221 North Figueroa Street
15 Floor, Suite 1550
Los Angeles, CA 90012

**DONATION OF MODULAR BUILDING TO BE USED AS
THE TRAVEL TOWN MUSEUM GIFT SHOP**

Dear Vicki:

We are in receipt of your letter mailed to American Southwestern Railway Association on December 26, 2013 concerning the Donation of the Modular Building for the proposed use as the Travel Town Museum Gift Shop and other Foundation assistance set out to improve the Travel Town Museum.

We are prepared to accept the provisions set out in this letter, and we ask that you please proceed with preparation of necessary documents for Commission review. If you have any questions, please feel free to contact me at 818-968-3678 (cell). We look forward to working together on the goal of improving the Travel Town Museum!

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory C. Gneier".

GREGORY C. GNEIER
President
American Southwestern Railway Assn., Inc.

cc: Craig A. Smith, Esq.

Amendment to Exhibit E - Updated New Gift Shop Building Costs as of September 2016	
New Building	\$238,612
Handicapped Accessible Ramp	\$62,698
Soil Prep and Grounds	\$29,428
All Permits and Fees	\$32,662
Shop Furnishings	\$25,958
Total	\$389,357
Income:	
Grant from Parsons Foundation	\$50,000
Grant from the Griffith Trust	\$50,000
Grant from the Ahmanson Foundation	\$80,000
CD4 AB1290 Funding	\$20,000
Community Foundation of the Verdugo	\$8,000
Griffith Trust follow-up Grant	\$20,000
Universal LLC Evolution Plan Contributi	\$50,000
Interest	\$1,615
Member and Individual Donations	\$4,115
Interior Furnishings Grant from Parson:	\$30,000
TOTAL INCOME	\$323,730
TTMF Contribution	\$65,627

DEPARTMENT OF RECREATION AND PARKS
CONCESSION AGREEMENT NO. 262
LIST OF CURRENT TRAVEL TOWN MUSEUM RESTORATION PROJECTS

Updated 9/20/2016

Restoration Projects	Work remaining	Status
"The Little Nugget"	Wallpaper, hang photos, paint interior, paint exterior. Get furnishings. Replicate light fixtures.	Available for display.
UPRR Dining Car 369	Interior wood refinishing, interior painting. New windows and sashes. Exterior Painting.	Available for display.
Pullman Car - Rose Bowl	Interior painting and reupholstery. Exterior Painting.	Available for display.
Pullman Car - Hunters Point	Vestibule rebuilt, Interior painting and reupholstery. Exterior Painting.	Available for display.
M-177	Upholstery, exterior painting, electrical work, air compressor still to repair.	Closed for Restoration.
SP 219 Steam locomotive	Boiler fabrication and reassembly	Closed for Restoration.

APPROVED
APR 02 2014
BOARD OF RECREATION
& PARK COMMISSIONERS

REPORT OF GENERAL MANAGER

NO. 14-081

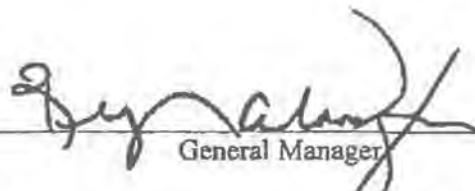
DATE April 2, 2014

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: TRAVEL TOWN MUSEUM GIFT SHOP CONCESSION - AMENDMENT NO. 2 TO CONCESSION CONTRACT NUMBER 262 AND DONATION OF A NEW MODULAR BUILDING

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


General Manager

Approved As amended see attached Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Amendment to Concession Contract Number 262 (Amendment), substantially in the form on file in the Board Office, between the City of Los Angeles Department of Recreation and Parks (RAP) and the American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (TTFM), a California 501(c)(3) non-profit educational organization, for the operation of a gift shop at the Travel Town Museum, subject to the approval of the Mayor, the City Council, and the City Attorney as to form;
2. Find, in accordance with Charter Section 1022, that RAP does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks and that it is more feasible to secure these services by contract;
3. Direct the Board Secretary to transmit the proposed Amendment concurrently to the Mayor in accordance with Executive Directive No. 3 and to the City Attorney for review and approval as to form;
4. Authorize the Board President and Secretary to execute the Amendment upon receipt of the necessary approvals; and,
5. Accept the donation of a new modular building from TTFM, subject to the condition that TTFM assume all costs and liabilities associated with the procurement, permitting,

REPORT OF GENERAL MANAGER

PG. 2 NO. 14-081

delivery, and installation of the new modular building.

SUMMARY:

The Travel Town Museum (Museum) is located at 5200 Zoo Drive in Griffith Park and is host to a display of trains and train cars, and other vehicles that represents the history of transportation. The RAP Park Services group operates and maintains the Museum which is open to the public free of charge. The Museum is visited each week by hundreds of youths and adults who are interested in the history of trains.

The American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (TTMF) is a 501(c)(3) non-profit educational organization, and began its partnership with the Museum in 1987 by providing volunteers for docent tours and general maintenance and restoration of the trains and train cars.

TTMF currently operates the Travel Town Gift Shop Concession through Concession Agreement No. 262 which was executed on September 23, 2009, for a term of one-year with five (5) options to renew. TTMF also provides volunteers for tours, grounds maintenance, Museum events, and train restorations. Miniature Train Rides and a Snack Stand are operated through concession agreements with different business entities.

On January 4, 2013, TTMF submitted an unsolicited proposal to donate and install, at no cost to RAP, a new modular building for use by TTMF as the Travel Town Gift Shop (Attachment A). RAP entered into discussions with TTMF regarding specific terms of the donation which produced several counter-offers. On December 26, 2013, the General Manager sent written correspondence to TTMF with a final proposal (Attachment B). On January 7, 2014, TTMF accepted the final proposal (Attachment C).

As part of the proposed Amendment, TTMF will donate a new modular building to RAP to be used as the new gift shop building for TTMF during the extended term of the Concession Agreement. TTMF will pay all costs to procure, deliver and install the building and obtain all required permits and licenses. TTMF will also be responsible for all liabilities associated with the delivery and installation of the new modular building.

Revenue generated from the Gift Shop is used by TTMF to fund train restoration projects, educational programs, and for operating expenses.

Amendment to Concession Agreement No. 262

The current contract is termed to expire on September 22, 2015. TTMF currently pays 5% of total gross receipts to RAP as rent. In 2013, TTMF paid \$13,231 as rent to RAP. The Amendment will revise the following sections of the current contract:

REPORT OF GENERAL MANAGER

PG. 3

NO. 14-0811. Term

The term of the contract will be extended by twenty (20) years effective the date of execution of the Amendment.

2. Rent Payment to RAP (Flat-Fee)

Contract Years 1 through 3	\$ 1,250 per month	(\$15,000 annually)
Contract Years 4 through 6	\$ 1,550 per month	(\$18,600 annually)
Contract Years 7 through 10	\$ 1,850 per month	(\$22,200 annually)
Contract Years 11 through 15	\$ 2,050 per month	(\$24,600 annually)
Contract Years 16 through 20	\$ 2,250 per month	(\$27,000 annually)

3. Premises

The Premises for the Travel Town Museum Gift Shop will be revised to include the site for proposed for the modular building by TTMF in the January 4, 2013, unsolicited proposal.

4. Donation of New Modular Building

TTMF will donate a modular building to RAP as described in the January 4, 2013, unsolicited proposal (Attachment A). The City and/or RAP will bear no costs or liabilities associated with the donation, including, but not limited to: design, permits, licenses, delivery, installation, and/or site preparation. The installation of the modular building will be completed within twelve (12) months from the execution of this Amendment. Failure to complete the installation of the modular building will be a material breach of contract, in which case RAP may terminate the contract.

5. Existing Modular Building

TTMF will cease using the Existing Modular Building as a Gift Shop immediately upon occupancy of the donated modular building. TTMF will be responsible for any and all costs of repairs, upkeep, maintenance, and operation of the existing modular building. Before TTMF is allowed to "reuse" the existing modular building, RAP must approve all upgrades performed to ensure compliance with Department standards and with the Americans with Disabilities Act (ADA) regulations.

6. Museum Volunteer Program

Under the direction of the designed RAP Representative, TTMF will provide oversight of the Museum Volunteer Program, to include: 1) docent tours; 2) educational and informational outreach; 3) grounds maintenance to supplement RAP maintenance; and, 4) exhibit maintenance. TTMF will actively assist RAP in creating awareness of the Museum Volunteer Program, to include outreach, training, and retention of volunteers.

REPORT OF GENERAL MANAGER

PG. 4

NO. 14-081**7. Museum Restoration Program**

All new restoration projects require TTMF to submit a written proposal for consideration by the RAP General Manager. Proposed restoration projects will not commence until written approval by the RAP General Manager is obtained by TTMF.

All current restoration projects will be completed within twelve (12) months of execution of the proposed Amendment. Any current restoration project not completed within the twelve (12) month timeframe will require TTMF to submit a written proposal for consideration by the RAP General Manager. The proposed continuation of an existing restoration project will not continue until written approval by the RAP General Manager is obtained by TTMF.

A list of current restoration projects is included as an exhibit to the proposed Amendment. The City and/or RAP will bear no costs associated with any current or proposed Museum Restoration Program project and is not obligated to fund or provide any form of service for such projects, unless approved in writing by the RAP General Manager.

8. Utilities

TTMF will assume any and all costs to install or provide electrical hook-up or connections to the new modular building. RAP will not be responsible for any costs associated with the installation of utility hook-ups, including installation of dedicated electrical meters or for any other utilities (e.g., water, gas, telephones) which may or may not be used at the donated modular building (gift shop). As stated in the current contract, RAP will incur the monthly electrical costs subsequent to the installation of the electrical meter by TTMF.

Staff recommends the approval of the Amendment in order to allow TTMF to donate the new modular building and continue providing tours, education programs, grounds maintenance, and restoration projects at the Museum.

The Office of Councilmember Tom LaBonge (Fourth Council District), has concurred with RAP staff's recommendations regarding accepting the donation of the modular building and provided \$20,000 in AB 1290 funds to TTMF to help purchase the modular building to replace the existing gift shop (Council Motion No. 13-0634).

Charter Section 1022

Los Angeles City Charter Section 1022 prohibits contracting out work that could be done by City employees unless the Board determines it is more economical and/or feasible to contract out the service.

On July 20, 2012, the Personnel Department completed a Charter Section 1022 review as part of the process for Concession Agreement No. 262. The Personnel Department determined that

REPORT OF GENERAL MANAGER

PG. 5

NO. 14-081

there were no City classifications with the expertise to perform essential aspects of the work, including all aspects of operating a souvenir stand or gift shop. It is therefore more feasible to secure these services through an independent contractor.

ENVIRONMENTAL IMPACT STATEMENT:

Staff has determined that the proposed Amendment with TTMF will continue to allow the Travel Town Gift Shop to be used for operations involving 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.

FISCAL IMPACT STATEMENT:

TTMF will pay \$447,600 to RAP over the extended twenty year term of the Operating Agreement. Of that amount, \$313,320, or Seventy Percent (70%), of the revenue will be deposited into RAP's General Fund (Fund 302, Department 88); \$89,520, or Twenty Percent (20%), will be deposited into the Travel Town Development Account (Fund 302, Department 89, Account 89980D); and, \$44,760, or Ten Percent (10%), will be deposited into the Concession Improvement Account (Fund 302, Department 89, Account 89070K).

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

ATTACHMENT A



Travel Town Museum Foundation
 American Southwestern Railway Association, Inc
 P.O. Box 39846, Griffith Station
 Los Angeles, CA 90039

January 4, 2013

Robert Morales
 City of Los Angeles
 Department Recreation and Parks
 221 N. Figueroa St. Suite 1550,
 Los Angeles, CA 90012

Dear Mr. Morales,

The American Southwestern Railway Association, doing business as the *Travel Town Museum Foundation* (TTMF), would like to make the offer of a new Gift Shop building to the Department of Recreation and Parks for the Travel Town Museum. The new building would be a modular structure, centrally located on Museum grounds near the existing restrooms. The building project would greatly improve an unplanted dirt area at the museum and help improve the entire facility. The new gift shop would offer a larger retail space than the current gift shop, enabling the store to offer a greater selection of merchandise to better serve the Museum's visitors.

As part of the project, the TTMF would like to repurpose the current gift shop space as a Volunteer Center and Program Office. The Volunteer center would house a Library and Conference Room where the volunteers and members of the public could conduct research. There would be an office for the Program Manager and locker area for volunteers to store personal belongings while serving at the Museum.

The new building, as well as the repurposing of the existing building, would be done as a donation to Museum with funds raised for that purpose. The ASRA/TTMF anticipates continuing the operation of the Gift Shop concession under the current Concession Agreement, at least for the remaining 5 years stipulated in the agreement.

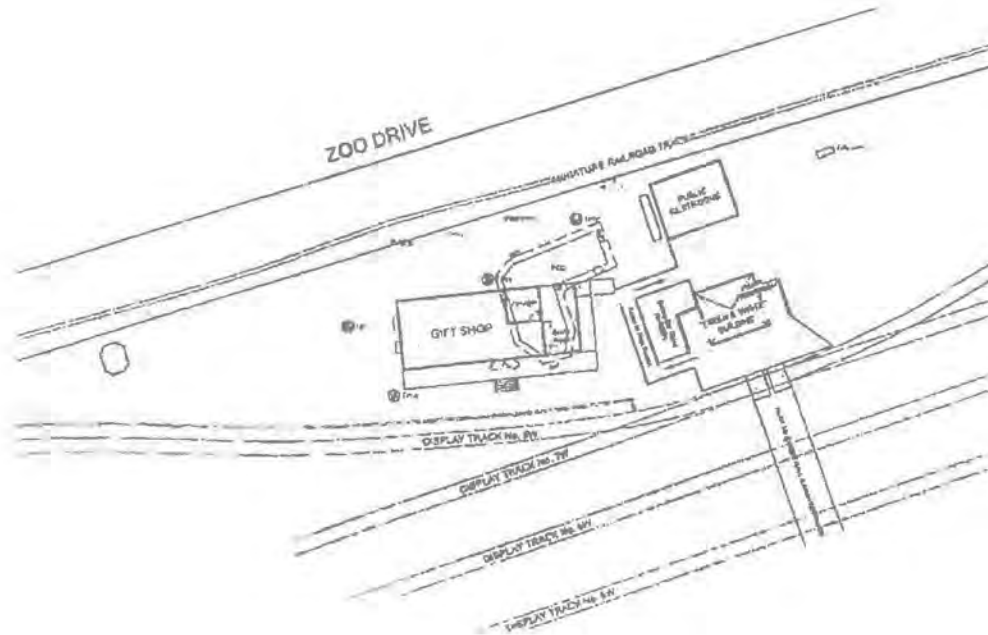
New Gift Shop Building

The New Gift shop will be in a more central location at the Museum. The Photo below shows the current status of the proposed site – our volunteers would remove the fencing and re-locate the materials inside the fencing to the service yard area of the museum.

DesignSpace Modular Buildings of Fontana, CA, (DSMB) has quoted us a turnkey price of \$219,000, which the ASRA/TTMF is willing to fully fund.



Below is the plan for the new building, as supplied by DSMB. Below that is a draft plan of the north side of Travel Town, with the new building outline in blue.



Budget for Gift Shop

The following is an abbreviated budget for the cost estimates including the Income of grants from Foundations that support the work of the Travel Town Museum Foundation. Expenses above and beyond the cost of the building include furnishing the inside of the building. The old building will also need to be furnished. Fundraising and in-kind donation solicitation is on-going to cover these costs.

DSMB has given us a turnkey quote, however we need to bring the City of Los Angeles Department of Recreation and Parks Planning, Construction and Maintenance representatives and DSMB together to make sure we can work through any unforeseen issues.

Volunteer Center Cost Estimates (2012 Estimates)

Expenses

Turn-key purchase of 24 x 60 Modular Building	198,268
Wooden deck, ramps, and steps, with tax	17,883
	<u>216,151</u>
New Gift Shop Furnishings	11,355
	<u>2,100</u>
Office Furnishings subtotal	2,100
TOTAL EXPENSES	229,606

Income:

Grant from Parsons Foundation	50,000
Grant from the Griffith Trust	50,000
Grant from the Ahmanson Foundation	80,000
Pledge from Universal LLC Evolution Plan Contribution	50,000
	<u>230,000</u>

Attachments

Attached please find the Proposal from Design Space Mobile Modular. We anticipate that there will need to be several meetings to approve the final placement of the new building as well as other move-in challenges.

Scheduling

Once we have had this offer accepted from the Department, we would like to get the process started and schedule any permitting meetings to make sure the installation will be seamless. The build-time for the new building is estimated to be from 2-6 months, so move in probably cannot take place until July or August of 2013. This should give the Museum volunteers time to clear

the site, the City and DSMB time to prepare the site for the piers, telephone and electrical hook-up, and the Foundation time to raise more money for furnishings and landscaping.

We look forward to hearing from you soon. We are very excited to move forward with this great improvement for the Travel Town Museum facility. If I can provide any more information please contact me at 818-822-7022, or via e-mail at Nancy.newgiftshop@traveltown.org.

Thank you again for your support!

Nancy Gneier
Executive Director
Travel Town Museum Foundation

Attachments:
DesignSpace Modular Buildings Proposal

ATTACHMENT B**BOARD OF RECREATION AND
PARK COMMISSIONERS**BARRY A. SANDERS
PRESIDENTW. JEROME STANLEY
VICE PRESIDENTLYNN ALVAREZ
SYLVIA PATSAOURAS
JILL T. WERNERLATONYA D. DEAN
COMMISSION EXECUTIVE ASSISTANT II**CITY OF LOS ANGELES**

CALIFORNIA

ERIC GARCETTI
MAYOR**DEPARTMENT OF
RECREATION AND PARKS**221 NORTH FIGUEROA STREET
15TH FLOOR, SUITE 1600
LOS ANGELES, CA 90012(213) 202-2633
FAX (213) 202-2614MICHAEL A. SHULL
GENERAL MANAGER

December 26, 2013

Ms. Nancy Gneier, Executive Director
American Southwestern Railway Association, Inc.
DBA Travel Town Museum Foundation
P. O. Box 39846
Los Angeles, CA 90039.

**DONATION OF A MODULAR BUILDING FOR THE PROPOSED USE AS THE
TRAVEL TOWN MUSEUM GIFT SHOP**

Dear Ms. Gneier,

I am in receipt of your revised proposal E-mailed to the Department of Recreation and Parks (RAP) on October 2, 2013. I am also in receipt of your E-mail to RAP and Councilmember Tom LaBonge dated November 21, 2013.

Over the past year, RAP has attempted to provide the American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (Foundation) with a means to donate the proposed modular building and use throughout a long-term agreement. RAP has also provided the Foundation with the option to donate the proposed modular building at no cost to the City or RAP under the terms of existing Concession Agreement No. 262. The Foundation has elected to not accept the terms of the previous RAP proposals.

The following is the current RAP proposal in response to your October 2, 2013, counter proposal. Please understand that the non-acceptance by the Foundation will create delays in the ability to present a mutually agreed upon proposal to the Board of Recreation and Park Commissioners to consider. This includes delays in presenting the item to the Mayor and Council should a proposal for a new agreement eventually be agreed upon.

Final Proposal

The following are RAP's terms for the proposed acceptance of the donation of a modular building and the Foundation's use as the Museum Gift Shop:

1. Term of Agreement

Twenty (20) years from the date of execution of the proposed agreement.



Ms. Nancy Gneier, Executive Director
 December 26, 2013
 Page 2

2. Payment to RAP

The following monthly payments will be due to RAP on the first day of each month, and will be considered late if said payment is postmarked after the fifteenth (15th) day of the month payment is due:

Contract Years 1 through 3	\$ 1,250 per month	(\$15,000 annually)
Contract Years 4 through 6	\$ 1,550 per month	(\$18,600 annually)
Contract Years 7 through 10	\$ 1,850 per month	(\$22,200 annually)
Contract Years 11 through 15	\$ 2,050 per month	(\$24,600 annually)
Contract Years 16 through 20	\$ 2,250 per month	(\$27,000 annually)

The charges for late or delinquent payments shall be \$50.00 for each month the payment is late, plus interest calculated at the rate of eighteen percent (18%) per annum, assessed monthly on the balance of the unpaid amount. Payments shall be considered past due if postmarked after the fifteenth (15th) day of the month in which payment is due.

Note: The matter of rent reduction will not be included in the proposed agreement. All Concessionaires have the ability to request temporary rent reduction and, at the written approval of the Board, be granted such temporary rent reduction.

3. Premises

The Premises for the Museum Gift Shop will be revised to include the site proposed for the modular building, as proposed by the Foundation in the January 4, 2013, unsolicited proposal (Attachment A).

4. Donation of a New Modular Building

The Foundation will donate a modular building to RAP as described in the January 4, 2013, unsolicited proposal (Attachment A). The City and/or RAP will bear no costs associated with the donation, including, but not limited to: design, permits, licenses, delivery, installation, and/or site preparation.

5. Existing Modular Building

The Foundation will cease using the Existing Modular Building as a Gift Shop immediately upon occupancy of the donated modular building. By entering into this Agreement, the Foundation may repurpose the existing modular building as a Volunteer Center. The Foundation will be responsible for any and all costs of repairs, upkeep, maintenance and operation of the existing modular building. Before the Foundation is allowed to "reuse" the existing modular building, the Department must approve all upgrades are performed to Department standards and be compliance with the ADA regulations.

Ms. Nancy Gneier, Executive Director
December 26, 2013
Page 3

6. Museum Volunteer Program

Under the direction of the designated RAP Representative, the Foundation will provide oversight of the Museum Volunteer Program, to include: 1) docent tours; 2) educational and informational outreach; 3) grounds maintenance to supplement RAP maintenance; and, 4) exhibit maintenance. The Foundation will actively assist RAP in creating awareness of the Museum Volunteer Program, to include outreach, training, and retention of volunteers.

Note: Clarification of the Foundation's role and relationship in the Museum Volunteer Program may be required prior to a proposed agreement being submitted to the Board for consideration.

7. Museum Restoration Program

All new restoration projects will require the Foundation to submit a written proposal for consideration by the RAP General Manager. Restoration projects will not commence until written approval by the RAP General Manager is obtained.

All current restoration projects will be completed within twelve (12) months of execution of the proposed agreement. Any current restoration projects not completed within the aforementioned timeframe will require the Foundation to submit a written proposal for consideration by the RAP General Manager in order to continue the restoration.

A list of current restoration projects approved by the RAP General Manager will be included as an exhibit to any proposed agreement prior to submission to the Board for consideration.

8. Utilities

The Foundation will assume any and all costs to install or provide electrical hook-up or connections to the new modular building.

RAP will not be responsible for any costs associated with the installation of utility hook-ups, including installation of dedicated electrical meters or for any other utilities (e.g., water, gas, telephones) which may or may not be used at the donated modular building.

RAP will incur the monthly electrical costs subsequent to the installation of the electrical meter by the Foundation.

9. Insurance

The Foundation will provide and maintain insurance during the term of the Agreement in a manner and form acceptable to RAP and the City Risk Manager. Said insurance will

Ms. Nancy Gneier, Executive Director
December 26, 2013
Page 4

provide acceptable levels of coverage for the New Modular Building at the sole cost of the Foundation.

10. The remaining terms and conditions of a proposed agreement will be consistent with Concession Agreement No. 262.

In order to proceed with the donation of the new modular building and preparation of a new Concession Agreement, a written unconditional acceptance of the aforementioned terms, signed by an authorized agent of the Foundation on Foundation letterhead, must be received by RAP no later than 5:00 P.M. on January 13, 2014. Please send to the following address:

Department of Recreation and Parks
Attn: Vicki Israel, Assistant General Manager
221 North Figueroa Street
Suite 1550
Los Angeles, CA 90012

Upon receipt by RAP of the Foundation's written unconditional acceptance of the aforementioned RAP proposal, RAP staff will prepare the necessary documents for the Board's consideration.

Should you have any questions, please contact Robert Morales, Senior Management Analyst of the Partnership Division, at (818) 243-6488.

Sincerely,



MICHAEL A. SHULL
General Manager

MAS/VIA:mm

Attachments

cc: Regina Adams, Executive Officer
Vicki Israel, Assistant General Manager
Kevin Rogan, Assistant General Manager
Joe Salasos, Park Services Supervisor
Noel Williams, Chief Management Analyst
Agnes Ko, Senior Management Analyst
Robert Morales, Senior Management Analyst
Jose Alvarez, Senior Management Analyst

ATTACHMENT C



TRAVEL TOWN MUSEUM FOUNDATION
AMERICAN SOUTHWESTERN RAILWAY ASSOCIATION
•INCORPORATED•
POST OFFICE BOX 39846 • GRIFFITH STATION
LOS ANGELES, CALIFORNIA 90039

January 7, 2014

Department of Recreation and Parks
Attn: Vicki Israel, Assistant General Manager
221 North Figueroa Street
15 Floor, Suite 1550
Los Angeles, CA 90012

**DONATION OF MODULAR BUILDING TO BE USED AS
THE TRAVEL TOWN MUSEUM GIFT SHOP**

Dear Vicki:

We are in receipt of your letter mailed to American Southwestern Railway Association on December 26, 2013 concerning the Donation of the Modular Building for the proposed use as the Travel Town Museum Gift Shop and other Foundation assistance set out to improve the Travel Town Museum.

We are prepared to accept the provisions set out in this letter, and we ask that you please proceed with preparation of necessary documents for Commission review. If you have any questions, please feel free to contact me at 818-968-3678 (cell). We look forward to working together on the goal of improving the Travel Town Museum!

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory C. Gneier".

GREGORY C. GNEIER
President
American Southwestern Railway Assn., Inc.

cc: Craig A. Smith, Esq.

EXCERPT FROM THE MINUTES OF THE REGULAR MEETING
BOARD OF RECREATION AND PARK COMMISSIONERS
APRIL 2, 2014

14-081

TRAVEL TOWN MUSEUM GIFT SHOP CONCESSION –
AMENDMENT NO. 2 TO CONCESSION CONTRACT NUMBER
262 AND DONATION OF A NEW MODULAR BUILDING

Pursuant to advice provided by the City Attorney, President Alvarez recused herself from acting on this item.

After President Alvarez exited the room, the meeting was chaired by Vice President Zuñiga.

Based on comments provided in the Concession Task Force meeting, Noel Williams, Chief Accounting Employee, amended the contract to state that only for the financial information, that in Year Five of the operation of the Agreement, staff would begin evaluating and negotiating with the Non-Profit for financial terms to take effect during Year Seven. Those terms would be either the greater of 5% of revenues, or the stated amount which is in the contract for the next evaluation period.

The above item was presented to the Board by Department staff, and the Board further discussed the item in detail. Public comment was invited on the item. Six requests for public comment were received and such comment was made to the Commission.

It was moved by Commissioner Patsouras, seconded by Commissioner Sanford, that General Manager's Report 14-081 be approved as amended, and that the Resolutions recommended in the report be thereby approved. There being no objections, the Motion was unanimously approved.

BOARD OF RECREATION
AND PARK COMMISSIONERS

2015 JUL 10 AM 11:32

BOARD DOCUMENTATION NO. 1119

TRANSMITTAL			0150-08808-0002
TO The Board of Recreation and Park Commissioners The City Attorney	DATE JUL 09 2015	COUNCIL FILE NO.	
FROM The Mayor	COUNCIL DISTRICT 4		
<p>Amendment to Concession Agreement No. 262 for the Operation and Maintenance of the Travel Town Museum Gift Shop Concession</p> <p>Transmitted for your consideration. See the City Administrative Offices report attached.</p>  <p>_____ MAYOR</p>			
MAS:1GC:081800031			

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 07-08-15	C.D. No. 4	CAO File No.: 0150-06&08-0002				
Contracting Department/Bureau: Recreation and Parks		Contact: Agnes Ko					
Reference: Letter to the Mayor from the Board of Recreation and Park Commissioners dated May 23, 2014; referred by the Mayor on May 28, 2014							
Purpose of Contract: Amendment to the Concession Agreement with American Southwestern Railway Association, Inc. dba Travel Town Museum Foundation for the operation and maintenance of the Travel Town Museum Gift Shop							
Type of Contract: () New contract (X) Amendment		Contract Term Dates: (Original) One year from date of execution with two one-year renewal options (1 st Amendment) add three one-year renewal options (2 nd Amendment) add 20 years from date of execution					
Contract/Amendment Amount: \$447,600 (amendment amount over 20 years)							
Proposed amount \$447,600 (over 20 years) + Prior award(s) Unknown (Information requested but not yet provided) = Total \$447,600							
Source of funds: Not applicable							
Name of Contractor: American Southwestern Railway Association, Inc. DBA Travel Town Museum Foundation PO Box 30845 Los Angeles, CA 90039							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose		X		a. Equal Employment, Opportunity/Affirm. Action	X		
2. Appropriated funds are available			X	b. Good Faith Effort Outreach**			X
3. Charter Section 1022 findings completed	X			c. Equal Benefits Ordinance	X		
4. Proposals have been requested		X		d. Contractor Responsibility Ordinance			X
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50			X
7. Workforce that resides in the City:				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The City of Los Angeles (City), through the Board of Recreation and Park Commissioners (Board) and Department of Recreation and Parks (Department), owns the Travel Town Museum and the Travel Town Museum Gift Shop (Concession) located at 5200 Zoo Drive in Council District 4. Prior to the initial agreement, the Department reports that the American Southwestern Railway Association, Inc. dba Travel Town Museum Foundation (TTMF) has been operating the Concession under a permit dated January 2000, which converted to a month-to-month basis on December 9, 2005.

In December 2008, the Board approved an Agreement between the City and TTMF, a 501(c)(3) non-profit educational organization, for the operation and maintenance of the Concession for a term of one year with two one-year options to renew. In August 2012, the Board approved the first amendment to include three additional one-year options to renew. The Board made a determination to exempt competitive bidding and approved the first amendment because Department staff anticipated that construction activities related to the Los Angeles Department of Water and Power's

		
LGC Analyst 08150003	Assistant CAO	City Administrative Officer

River Supply Conduit Project (Project) in Griffith Park would make it unlikely to attract proposers with desirable terms. Staff was instructed to develop a Request for Proposals for the Concession, for immediate release once the Project is complete.

At its meeting of April 2, 2014, the Board approved a proposed second Amendment to extend the Agreement by an additional 20 years. The proposed second Amendment changes the rental fee schedule, boundaries of the premises, agreement to include the donation of a new modular building and repurposing of the existing modular building, involvement of TTMF with the Museum Volunteer Program, requirements for museum restoration projects, and payment of utilities. However the Board did not make a finding for exempting the competitive bidding process.

Under the terms of the proposed second amendment, the term will be extended by twenty years effective on the date of execution. The rental fee will be \$1,250 per month (\$15,000 annually) for Years 1 through 3, \$1,550 per month (\$18,600 annually) for Years 4 through 6, \$1,850 per month (\$22,200 annually) for Years 7 through 10, \$2,050 per month (\$24,600 annually) for Years 11 through 15, and \$2,250 per month (\$27,000 annually) for Year 16 through 20. The terms further indicate that during Year 5 of the amendment, the Department will evaluate the Concession's financial information, negotiate with the Concessionaire, and recommend to the Board whether the terms of the rental payment should be further revised to be the greater of either five percent of gross revenue generated at the Concession or the established rental fee, to be made effective at the beginning of Year 7.

The proposed second Amendment also includes the donation of a new modular building from TTMF to be used as the new site for the gift shop and refurbishment of the old modular building. The Department will have to first approve all upgrades performed prior to TTMF being able to use the existing modular building for another purpose.

In accordance with the requirements of the California Environmental Quality Act (CEQA), the Department determined that the proposed second Amendment would consist of allowing the Travel Town Gift Shop to be used for operations involving no expansion of use, and therefore is exempt from the provisions of CEQA, pursuant to Article III, Section 1, Class 1, Category 14 of the City's CEQA Guidelines.

Council approval of the proposed second Amendment to the Agreement is not required because although the cumulative term exceeds three years, the estimated annual payments to the City do not exceed \$141,949.

RECOMMENDATION

That the Mayor:

- a) Return the proposed second Amendment to the Concession Agreement between the City of Los Angeles and American Southwestern Railway Association, Inc. dba Travel Town Museum Foundation without action to the Board of Recreation and Park Commissioners; and
- b) Request the Board of Recreation and Park Commissioners to make a finding on the basis for exempting the City's competitive bidding requirements for the proposed second Amendment.

FISCAL IMPACT STATEMENT

The American Southwestern Railway Association, Inc. dba Travel Town Museum Foundation (TTMF) shall continue to pay five percent of the total gross receipts to the Recreation and Parks as rent as outlined in its current contract which expires on September 22, 2015. There is no known impact on the General Fund. To the extent applicable, the recommendation above complies with the City's Financial Policies in that user charges and fees are set to support the full cost of operations for which the fees are charged.

Attachments

MAS. LC.08160003

**REVISED AMENDMENT NO. 2 TO
CONCESSION AGREEMENT NO. 262
FOR THE OPERATION AND MAINTENANCE OF THE
TRAVEL TOWN MUSEUM GIFT SHOP CONCESSION**

THIS AMENDMENT NO. 2A TO CONCESSION AGREEMENT NO. 262 (AMENDMENT) is made and entered into this _____ day of _____, 20____, by and between the CITY OF LOS ANGELES, a municipal corporation (CITY), acting by and through its Board of Recreation and Park Commissioners (BOARD), and AMERICAN SOUTHWESTERN RAILWAY ASSOCIATION, INC., dba TRAVEL TOWN MUSEUM FOUNDATION, a California 501(c)(3) non-profit educational organization, (CONCESSIONAIRE).

WITNESSETH

WHEREAS, CITY has chosen to serve the public by providing a souvenir stand at Travel Town in Griffith Park through a concession operator; and,

WHEREAS, CITY previously selected CONCESSIONAIRE to operate the Travel Town Museum Gift Shop (CONCESSION) in accordance with the terms and conditions of Concession Agreement No. 262 as amended (AGREEMENT); and,

WHEREAS, the AGREEMENT was executed on September 23, 2009, and encompassed all rights and duties of the parties; and,

WHEREAS, the AGREEMENT was amended on February 20, 2013 to extend the AGREEMENT term to one (1) year, effective on February 20, 2013, with five (5) one (1) year options to renew, at the sole discretion of the GENERAL MANAGER; and,

WHEREAS, CONCESSIONAIRE has submitted an unsolicited proposal (Exhibit F) to donate a new modular building to be used as the Travel Town Museum Gift Shop; and,

WHEREAS, CONCESSIONAIRE has agreed to assume all costs and liabilities associated with the procurement, permitting, delivery, and installation of the new modular building; and,

WHEREAS, it is in the CITY's best interest to accept the donation of a new modular building and continue services with CONCESSIONAIRE, who has demonstrated its capability to perform said services; and,

WHEREAS, the principal purpose of CITY in entering into this AGREEMENT is to serve the public by providing a quality souvenir stand, historic restoration, historic interpretation of facilities and equipment at Travel Town, and volunteer management services; and,

WHEREAS, BOARD finds, in accordance with Charter Section 1022, that it is necessary, feasible, and economical to secure these services by contract as it lacks available personnel in its employ with sufficient time and expertise to undertake these specialized professional services; and,

WHEREAS, BOARD finds, pursuant to Charter Section 371(e)(10), that the use of competitive bidding would be undesirable and impractical because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by the DEPARTMENT for the improvement, operation, and maintenance of CONCESSION; and,

WHEREAS, the Board finds, in accordance with Los Angeles Administrative Code Section 10.15(a)(10), that it does not require competitive bids for contracts for the performance of professional, scientific, expert, technical, or other special services where not practicable with or advantageous to the CITY's interests; and,

WHEREAS, CONCESSIONAIRE's distinction as a California 501(c)(3) non-profit educational organization allows all of CONCESSIONAIRE's profits from the CONCESSION to be reinvested directly into the expert historic restoration, interpretation, and maintenance of Travel Town grounds and equipment; and,

WHEREAS it is not advantageous to the CITY's interest to introduce a competitive proposal process because CONCESSIONAIRE possesses specific expert and technical knowledge and skills related to Travel Town equipment and history, which are required to successfully operate the Gift Shop, volunteer program, and restoration program; and,

WHEREAS, CONCESSIONAIRE's extensive experience managing the gift shop, volunteer programs, restoration programs, and educational programs; coupled with a deep knowledge of the history of Los Angeles Railroads and their impact on the development of this region is unique to CONCESSIONAIRE; and,

WHEREAS, Los Angeles Administrative Code Section 10.17 does not require competitive proposals for contracts for the performance of professional, scientific, expert, or technical services where not reasonably practicable and compatible with the CITY's interests; and,

WHEREAS, it is not compatible with the CITY's interests to introduce a competitive proposal process because CONCESSIONAIRE provides expert and technical services which are only accessible to CITY through relationships maintained by CONCESSIONAIRE with local artists, historians, organizations, and vendors.

THEREFORE, the parties to the AGREEMENT hereby mutually agree to amend the AGREEMENT as follows:

1. SECTION 3. PREMISES

Replace the first paragraph with the following paragraph:

"The PREMISES (Exhibit A) subject to this AGREEMENT are located at: 5200 Zoo Drive, Los Angeles, CA 90027. The PREMISES shall include the site proposed for the new modular building (designated as Point A), and the site of the existing modular building, previously used as the Travel Town Museum Gift Shop, as depicted in Exhibit A (designated as Point B). The new modular building shall be designed and located as proposed by CONCESSIONAIRE in the January 4, 2013 unsolicited proposal (Exhibit E)."

2. SECTION 4. TERM OF AGREEMENT

Replace the first paragraph with the following:

"The term of the AGREEMENT shall be ten (10) years with one (1) five (5) year option to renew at the sole discretion of the GENERAL MANAGER. Said term shall begin on the effective date of execution of this AMENDMENT."

3. SECTION 6. RENTAL FEE AND PAYMENT

Replace the first paragraph and corresponding percentage of gross receipts with the following:

"As part of the consideration for CITY's granting the concession rights herein above set forth, CONCESSIONAIRE shall pay to CITY a monthly rental fee as follows:

Agreement Years 1 through 3	\$ 1,250.00 per month
Agreement Years 4 and 5	\$ 1,550.00 per month
Agreement Years 6 through 10	\$ 1,850.00 per month
Renewal Option Years 11 through 15	\$ 2,050.00 per month

If GENERAL MANAGER chooses to exercise the option to renew, prior to the execution of the renewal option, GENERAL MANAGER shall evaluate the financial performance of CONCESSION for Contract Years 1 through 10, and recommend to BOARD either of two options to begin with Contract Year 11: 1) To remain with the aforementioned monthly rental fee established by this Amendment; or, 2) Propose a contract amendment to adjust the monthly rental fee to be the greater of either five percent (5%) of gross revenue generated by CONCESSIONAIRE, or the established rental fee for the respective Contract Year.

In addition to the aforementioned monthly rental fee, CONCESSIONAIRE shall provide technical assistance and in-kind services directly benefitting the public at Travel Town, with a value equivalent to no less than fifteen percent (15%) of gross revenue generated by CONCESSIONAIRE per AGREEMENT year. Documentation detailing these technical and in-kind services and their associated value must be provided to the DEPARTMENT annually for each preceding calendar year's operations (Exhibit E). Failure of CONCESSIONAIRE to provide technical assistance and in-kind services at Travel Town with a value of a minimum of fifteen percent (15%) of gross revenue generated by CONCESSIONAIRE is a material breach of this AGREEMENT and is subject to the termination of this AGREEMENT at the discretion of the GENERAL MANAGER. CONCESSIONAIRE hereby expressly waives all claims for compensation, or for any diminution or abatement of the rental payment or any other benefits provided for herein, for the performance of technical assistance and in-kind services with a value which exceeds fifteen percent (15%) of gross revenue generated by CONCESSIONAIRE per AGREEMENT year.

Both CITY and CONCESSIONAIRE agree that such determination and recommendation will be at the sole discretion of the GENERAL MANAGER, BOARD, and CITY."

4. SECTION 9. OPERATING RESPONSIBILITIES

Replace Section 9.M "Utilities" with the following:

"CITY shall pay for all utilities except for electricity, telephone, and internet. Electrical utilities shall be sub-metered for both the existing modular building and the donated modular building. CONCESSIONAIRE shall reimburse the DEPARTMENT for all electricity costs reported by the existing modular building and donated modular building sub-meters.

CONCESSIONAIRE shall assume any and all costs to install or provide electrical hook-up or connections to the new modular building. CITY will not be responsible for any costs associated with the installation of utility hook-ups or for any other utilities (e.g., water, gas, telephone) which may or may not be used at the new modular building.

CONCESSIONAIRE hereby expressly waives all claims for compensation, or for any diminution or abatement of the rental payment provided for herein, for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of the water, heating, air conditioning systems, electrical apparatus, or wires furnished to PREMISES which may occur from time to time and from any cause or from any loss resulting from water, earthquake, wind, civil commotion, or riot; and CONCESSIONAIRE hereby expressly releases and discharges CITY and its officers, employees, and agents from any and all demands, claims, actions, and causes of action arising from any of the aforesaid causes.

In all instances where damage to any utility service line is caused by CONCESSIONAIRE, its employees, contractors, sub-contractors, suppliers, agents, or invitees, CONCESSIONAIRE shall be responsible for the cost of repairs and any and all damages occasioned thereby.

Water shall be utilized by CONCESSIONAIRE in the most efficient manner possible. CONCESSIONAIRE expressly agrees to comply with all CITY water conservation programs.”

Include the following as Section 9.T “Museum Volunteer Program”:

“Under the direction of the designated CITY representative, CONCESSIONAIRE will provide oversight of the Museum Volunteer Program, to include:

- a) Docent tours;
- b) Educational and informational outreach;
- c) Grounds maintenance to supplement CITY maintenance; and,
- d) Exhibit development and maintenance.

CONCESSIONAIRE will actively assist CITY in creating awareness of the Museum Volunteer Program, to include outreach, training, and retention of volunteers.”

Include the following as Section 9.U “Museum Restoration Program”:

“All new restoration projects require CONCESSIONAIRE to submit a written proposal for consideration by the GENERAL MANAGER. Proposed restoration projects will not commence until written approval by the GENERAL MANAGER is obtained by CONCESSIONAIRE.

Progress on all current restoration projects will be reported every twelve (12) months to the GENERAL MANAGER, along with a projected work plan with completion dates for approval. CONCESSIONAIRE shall not commence work detailed in the projected work plan until written approval by the GENERAL MANAGER is obtained. A list of the current Travel Town Museum restoration projects overseen by CONCESSIONAIRE is included as Exhibit E.

CITY will bear no costs associated with any current or proposed Museum Restoration Program project (Exhibit G) and is not obligated to fund or provide any form of service for such projects, unless approved in writing by the GENERAL MANAGER."

5. SECTION 17. TAXES, PERMITS, AND LICENSES

Replace section 17.D. with the following:

"Pursuant to Article 1.3 of the Los Angeles Municipal Code (LAMC), Commercial Tenant's Occupancy Tax (Occupancy Tax), CONCESSIONAIRE must pay an occupancy tax in connection with the use of City of Los Angeles Department of Recreation and Parks (RAP) facilities pursuant to the Permit. The Occupancy Tax payment is calculated at One Dollar and Forty-Eight Cents (\$1.48) per One Thousand Dollars (\$1,000.00) or less of "charges" attributable to said calendar quarter, plus One Dollar and Forty-Eight Cents (\$1.48) per calendar quarter for each additional One Thousand Dollars (\$1,000.00) of "charges" or fractional part thereof in excess of One Thousand Dollars (\$1,000.00). For the purposes of applying the Occupancy Tax, "Charges" are defined in LAMC Article 1.3, Section 21.3.2.e as follows:

"Charges shall include all amounts paid by tenant to a lessor for services performed, materials used, or utilities or facilities furnished by the lessor on the premises or in connection with the tenant's use, possession or the right to possess the premises. Charges shall also include any charges paid by a tenant to a lessor for the use or possession of land, or the right to use or possess land other than that upon which the building or structure is located but which is used or possessed or is available for use or possession by a tenant for purposes related to his tenancy. Charges shall also include all amounts paid as prepaid rent."

The charges for late or delinquent payments shall be Fifty Dollars (\$50.00) for each month late plus interest calculated at the rate of eighteen percent (18%) per annum, assessed monthly, on the balance of the unpaid amount."

6. SECTION 11. IMPROVEMENTS

Include the following as Section 11.D "Donation of Modular Building":

"CONCESSIONAIRE will donate a modular building to CITY as described in the CONCESSIONAIRE's January 4, 2013, unsolicited proposal (Exhibit F), and shall assume all costs and liabilities associated with the procurement, permitting, delivery, and installation of the new modular building. (Exhibit H). CITY will bear no costs, and shall not be responsible for any CONCESSIONAIRE activities, actions, or liabilities associated with the donation, including, but not limited to: design, permits, licenses, delivery, installation, insurance, and/or site preparation. CONCESSIONAIRE shall utilize the donated modular building for Gift Shop operations.

CONCESSIONAIRE will cease using the existing modular building immediately upon occupancy of the donated modular building. Before CONCESSIONAIRE is allowed to reuse the existing modular building, CITY must approve all upgrades performed by CONCESSIONAIRE at no cost to CITY to ensure compliance with DEPARTMENT standards and with the Americans with Disabilities Act (ADA) regulations.

CONCESSIONAIRE must submit a written proposal to the GENERAL MANAGER, to be reviewed in good faith and in a timely manner, for approval detailing improvements and projected use of the existing modular building. Said proposal shall include operating hours and projected public access plan. Said proposal must be approved by GENERAL MANAGER before CONCESSIONAIRE may reuse the existing modular building.

After receiving approval to reuse the existing modular building, CONCESSIONAIRE shall utilize it as a research library and volunteer break room. If CONCESSIONAIRE wishes to utilize the existing modular building for any other purpose, CONCESSIONAIRE must submit a written request to the DEPARTMENT. CONCESSIONAIRE will be responsible for any and all costs of repairs, upkeep, maintenance, and operation of the existing modular building.”

7. SECTION 37. INCORPORATION OF DOCUMENTS

Replace Exhibit A “Premises Map” with the attached and revised Exhibit A “Premises Map Revised in Accordance with Amendment No. 2A”.

Replace Exhibit B “Monthly Remittance Advice Form” with the attached “Monthly Concession Fee Form”

Include the following as Exhibits to the AGREEMENT:

- “E. Travel Town Museum Foundation Annual Technical Assistance and In-Kind Contribution Form
- F. January 4, 2013 Unsolicited Proposal
- G. List of Current Travel Town Museum Restoration Projects overseen by CONCESSIONAIRE
- H. Gift Shop Costs”

All other terms and conditions of the AGREEMENT shall remain unchanged.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this AMENDMENT NO. 2A to Concession Agreement No. 262 for the operation and maintenance of the Travel Town Museum Gift Shop Concession to be executed by their duly authorized representatives.

CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARKS COMMISSIONERS

AMERICAN SOUTHWESTERN RAILWAY ASSOCIATION INC. (dba TRAVEL TOWN MUSEUM FOUNDATION)
A California 501(c)(3) non-profit educational organization

By: _____
President

Date: _____

By: _____
Secretary

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

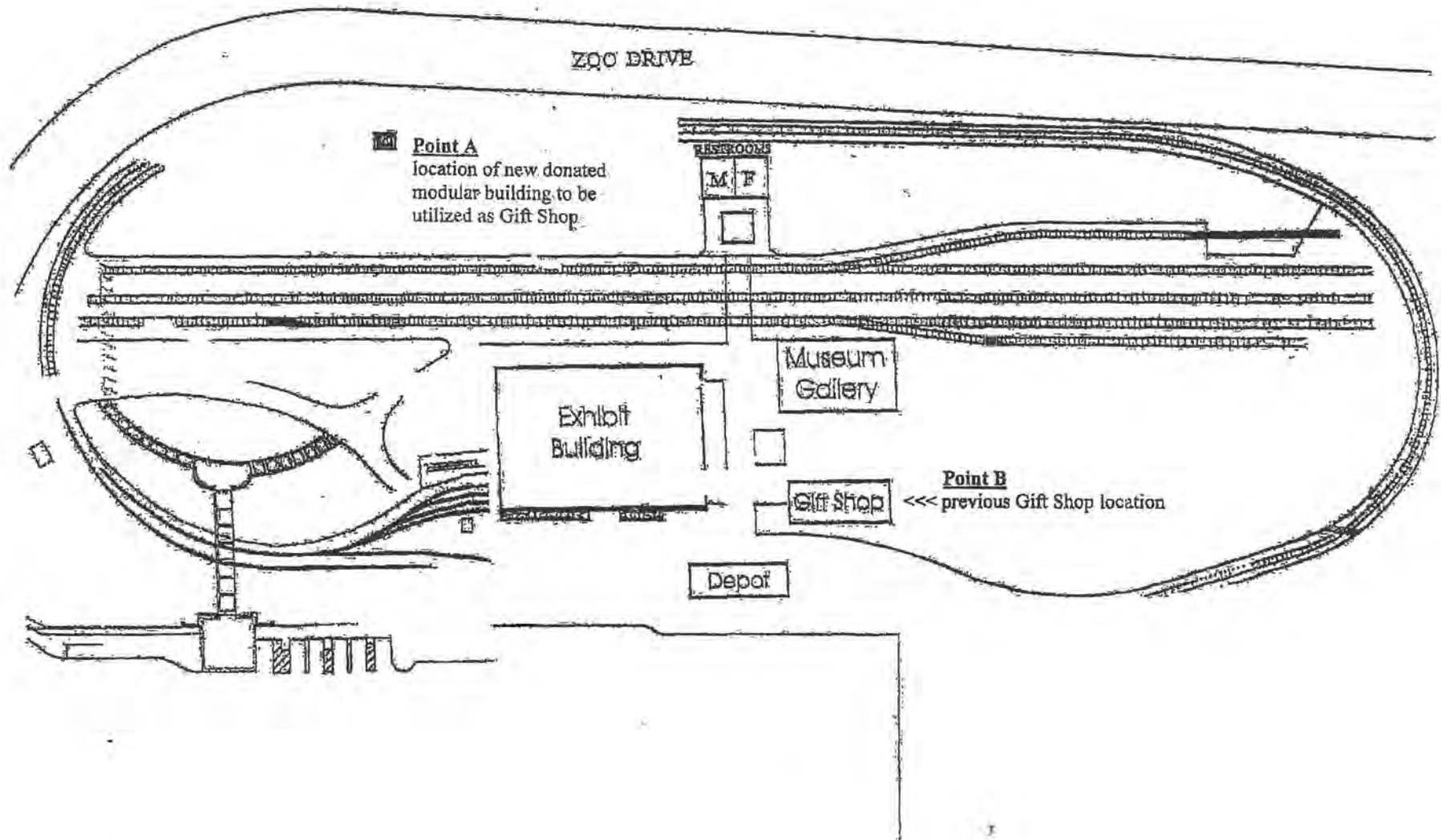
APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____
Deputy City Attorney

Date: _____

EXHIBIT A
PREMISES MAP REVISED IN ACCORDANCE WITH AMENDMENT NO. 2
CONTRACT NUMBER 262
TRAVEL TOWN MUSEUM GIFT SHOP CONCESSION



CITY OF LOS ANGELES
 DEPARTMENT OF RECREATION AND PARKS
 Concessions Unit
 P.O. Box 86328
 Los Angeles, CA 90086

MONTHLY RENT REPORT
 Travel Town Gift Shop Concession
 American Southwestern Railway Association, Inc.
 DBA Travel Town Museum Foundation

PERIOD COVERED: From: _____ To: _____

Category	Gross Sales	Flat Monthly Rate	Amount Due
Gift Shop Sales	\$ _____		
Penny Machine	\$ _____		
Monthly Fee:		\$ 1,250.00	\$ _____
Utilities:	Electrical reimbursement paid in accordance with RAP-issued Utilities Reimbursement Invoice (attach applicable invoice to this form)(see Amendment No. 2 to Agreement)		\$ _____
Occupancy Tax:	Paid Quarterly (April / July / October / January) for preceeding three months at \$1.48 per \$1,000 of fees paid (see Amendment No. 2 to Agreement)		\$ _____
Late Rent Fee	\$50 + 1.5% of unpaid balance, assessed monthly. All payments are due on or before the 15th day of the month of operation.		\$ _____
Sub-total Due:			\$ _____
Adjustments*:	Explain: _____ _____ _____		\$ _____
TOTAL AMOUNT DUE:			\$ _____

*NOTE: All amortizations (allowance for rent reduction for any expenditure) must be approved in writing by the Department of Recreation and Parks. Invoices and proof of payment must be submitted with the Monthly Rent Report for any and all months amortization is realized.

I hereby certify that this is a true and correct record of the period stated above:

Signature: _____ Date: _____

Travel Town Museum Foundation Annual Technical Assistance and In-Kind Contribution Form

Period Covered:

Category	Hours	Rate	Total Value
Educational Services			
Docent Tours		\$ -	\$0.00
Archival Services		\$ -	\$0.00
Operating and Moving Train Cars			
<i>Skilled Engineer</i>		\$ -	\$0.00
<i>Unskilled Labor</i>		\$ -	\$0.00
			\$0.00
Special Event Support			
<i>Depot Day</i>		\$ -	\$0.00
<i>National Train Day</i>		\$ -	\$0.00
<i>Miscellaneous Special Events</i>		\$ -	\$0.00
			\$0.00
Subtotal		\$ -	\$0.00
Facilities Investment			
Artifacts Preservation and Maintenance		\$ -	\$0.00
Train Cleaning		\$ -	\$0.00
Railroad Signal Installation and Maint.		\$ -	\$0.00
Exhibits Curation and Preparation		\$ -	\$0.00
Steam Locomotive Care		\$ -	\$0.00
General Train Track Maintenance		\$ -	\$0.00
Tool & Equipment Maintenance		\$ -	\$0.00
Subtotal			\$0.00
Volunteer Coordination			
Volunteer Research Library Access		\$ -	\$0.00
Volunteer Management			
<i>Senior Volunteer Program Manager</i>		\$ -	\$0.00
<i>Volunteer Team Lead</i>		\$ -	\$0.00
			\$0.00
Subtotal			\$0.00
Technical Train Restoration Projects			
Little Nugget			
<i>Graphic Design Restoration</i>		\$ -	\$0.00
<i>Unskilled Labor</i>		\$ -	\$0.00
			\$0.00
M-177			
<i>Diesel Mechanic Labor</i>		\$ -	\$0.00
<i>Unskilled Labor</i>		\$ -	\$0.00
			\$0.00
Crane 1887		\$ -	\$0.00
Diner 369		\$ -	\$0.00
SP 219		\$ -	\$0.00
Rose Bowl		\$ -	\$0.00
Hunter's Point			
<i>Diesel Mechanic Labor</i>		\$ -	\$0.00

Travel Town Museum Foundation Annual Technical Assistance and In-Kind Contribution Form

<i>Unskilled Labor</i>		\$ -	\$0.00
			\$0.00
Diesel Maintenance			
<i>Diesel Mechanic Labor</i>		\$ -	\$0.00
<i>Unskilled Labor</i>		\$ -	\$0.00
			\$0.00
Subtotal			\$0.00
Other			
		\$ -	\$0.00
		\$ -	\$0.00
		\$ -	\$0.00
		\$ -	\$0.00
		\$ -	\$0.00
Subtotal			\$0.00

Grand Total: \$0.00

TTMF Gross Revenue 20__ =	\$ -
Rental Rate =	5%
TTMF Rent to RAP 20__ =	\$ -
Technical Assistance & In-Kind Services 20__ =	\$0.00
Total Contribution to RAP (in dollars) =	\$ -
Total Contribution to RAP (% of Gross) =	#DIV/0!

ATTACHMENT A



Travel Town Museum Foundation
American Southwestern Railway Association, Inc.
P.O. Box 39846, Griffith Station
Los Angeles, CA 90039

January 4, 2013

Robert Morales
City of Los Angeles
Department Recreation and Parks
221 N. Figueroa St. Suite 1550,
Los Angeles, CA 90012

Dear Mr. Morales,

The American Southwestern Railway Association, doing business as the *Travel Town Museum Foundation* (TTMF), would like to make the offer of a new Gift Shop building to the Department of Recreation and Parks for the Travel Town Museum. The new building would be a modular structure, centrally located on Museum grounds near the existing restrooms. The building project would greatly improve an unplanted dirt area at the museum and help improve the entire facility. The new gift shop would offer a larger retail space than the current gift shop, enabling the store to offer a greater selection of merchandise to better serve the Museum's visitors.

As part of the project, the TTMF would like to repurpose the current gift shop space as a Volunteer Center and Program Office. The Volunteer center would house a Library and Conference Room where the volunteers and members of the public could conduct research. There would be an office for the Program Manager and locker area for volunteers to store personal belongings while serving at the Museum.

The new building, as well as the repurposing of the existing building, would be done as a donation to Museum with funds raised for that purpose. The ASRA/TTMF anticipates continuing the operation of the Gift Shop concession under the current Concession Agreement, at least for the remaining 5 years stipulated in the agreement.

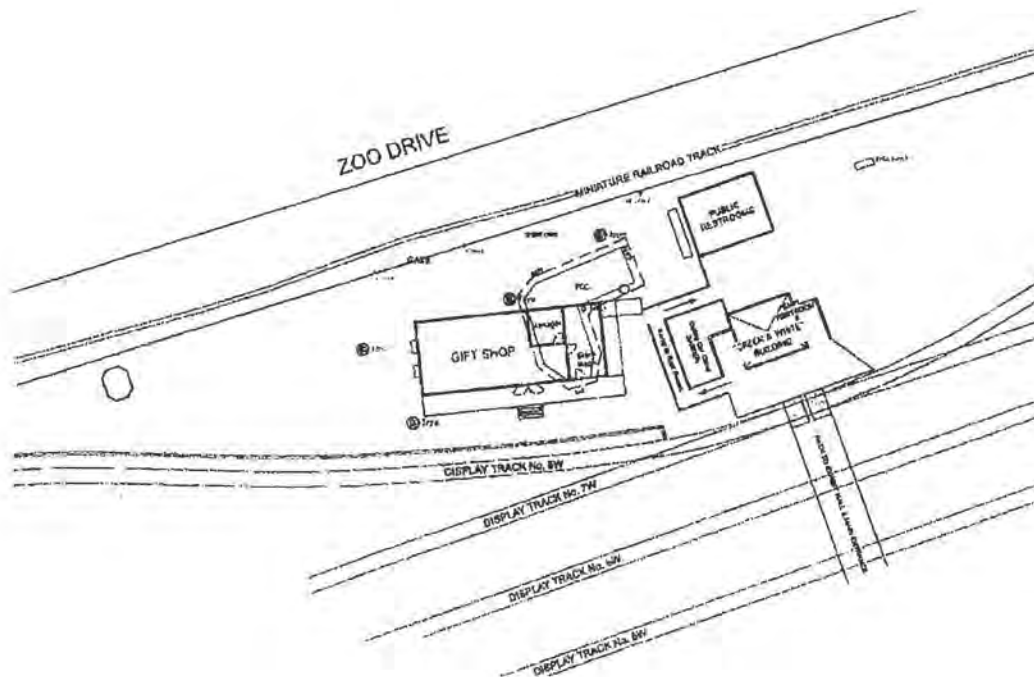
New Gift Shop Building

The New Gift shop will be in a more central location at the Museum. The Photo below shows the current status of the proposed site – our volunteers would remove the fencing and re-locate the materials inside the fencing to the service yard area of the museum.

DesignSpace Modular Buildings of Fontana, CA, (DSMB) has quoted us a turnkey price of \$219,000, which the ASRA/TTMF is willing to fully fund.



Below is the plan for the new building, as supplied by DSMB. Below that is a draft plan of the north side of Travel Town, with the new building outline in blue.



Budget for Gift Shop

The following is an abbreviated budget for the cost estimates including the Income of grants from Foundations that support the work of the Travel Town Museum Foundation. Expenses above and beyond the cost of the building include furnishing the inside of the building. The old building will also need to be furnished. Fundraising and in-kind donation solicitation is on-going to cover these costs.

DSMB has given us a turnkey quote, however we need to bring the City of Los Angeles Department of Recreation and Parks Planning, Construction and Maintenance representatives and DSMB together to make sure we can work through any unforeseen issues.

Volunteer Center Cost Estimates (2012 Estimates)

Expenses

Turn-key purchase of 24 x 60 Modular Building	198,268
Wooden deck, ramps, and steps, with tax	17,883
	<u>216,151</u>
 New Gift Shop Furnishings	
	<u>11,355</u>
 Office Furnishings subtotal	<u>2,100</u>
TOTAL EXPENSES	<u>229,606</u>

Income:

Grant from Parsons Foundation	50,000
Grant from the Griffith Trust	50,000
Grant from the Ahmanson Foundation	80,000
Pledge from Universal LLC Evolution Plan Contribution	50,000
	<u>230,000</u>

Attachments

Attached please find the Proposal from Design Space Mobile Modular. We anticipate that there will need to be several meetings to approve the final placement of the new building as well as other move-in challenges.

Scheduling

Once we have had this offer accepted from the Department, we would like to get the process started and schedule any permitting meetings to make sure the installation will be seamless. The build-time for the new building is estimated to be from 2-6 months, so move in probably cannot take place until July or August of 2013. This should give the Museum volunteers time to clear

the site, the City and DSMB time to prepare the site for the piers, telephone and electrical hook-up, and the Foundation time to raise more money for furnishings and landscaping.

We look forward to hearing from you soon. We are very excited to move forward with this great improvement for the Travel Town Museum facility. If I can provide any more information please contact me at 818-822-7022, or via e-mail at Nancy.newgiftshop@traveltown.org.

Thank you again for your support!

Nancy Gneier
Executive Director
Travel Town Museum Foundation

Attachments:
DesignSpace Modular Buildings Proposal

ATTACHMENT B

**BOARD OF RECREATION AND
PARK COMMISSIONERS**

BARRY A. SANDERS
PRESIDENT

W. JEROME STANLEY
VICE PRESIDENT

LYNN ALVAREZ
SYLVIA PATSAOURAS
JILL T. WERNER

LATONYA D. DEAN
COMMISSION EXECUTIVE ASSISTANT II

CITY OF LOS ANGELES
CALIFORNIA



ERIC GARCETTI
MAYOR

**DEPARTMENT OF
RECREATION AND PARKS**

221 NORTH FIGUEROA STREET
15TH FLOOR, SUITE 1500
LOS ANGELES, CA 90012

(213) 202-2833
FAX (213) 202-2614

MICHAEL A. SHULL
GENERAL MANAGER

December 26, 2013

Ms. Nancy Gnsler, Executive Director
American Southwestern Railway Association, Inc.
DBA Travel Town Museum Foundation
P. O. Box 39846
Los Angeles, CA 90039.

**DONATION OF A MODULAR BUILDING FOR THE PROPOSED USE AS THE
TRAVEL TOWN MUSEUM GIFT SHOP**

Dear Ms. Gnsler,

I am in receipt of your revised proposal E-mailed to the Department of Recreation and Parks (RAP) on October 2, 2013. I am also in receipt of your E-mail to RAP and Councilmember Tom LaBonge dated November 21, 2013.

Over the past year, RAP has attempted to provide the American Southwestern Railway Association, Inc., dba Travel Town Museum Foundation (Foundation) with a means to donate the proposed modular building and use throughout a long-term agreement. RAP has also provided the Foundation with the option to donate the proposed modular building at no cost to the City or RAP under the terms of existing Concession Agreement No. 262. The Foundation has elected to not accept the terms of the previous RAP proposals.

The following is the current RAP proposal in response to your October 2, 2013, counter proposal. Please understand that the non-acceptance by the Foundation will create delays in the ability to present a mutually agreed upon proposal to the Board of Recreation and Park Commissioners to consider. This includes delays in presenting the item to the Mayor and Council should a proposal for a new agreement eventually be agreed upon.

Final Proposal

The following are RAP's terms for the proposed acceptance of the donation of a modular building and the Foundation's use as the Museum Gift Shop:

1. Term of Agreement

Twenty (20) years from the date of execution of the proposed agreement.

Ms. Nancy Gneier, Executive Director
 December 26, 2013
 Page 2

2. Payment to RAP

The following monthly payments will be due to RAP on the first day of each month, and will be considered late if said payment is postmarked after the fifteenth (15th) day of the month payment is due:

Contract Years 1 through 3	\$ 1,250 per month	(\$15,000 annually)
Contract Years 4 through 6	\$ 1,550 per month	(\$18,600 annually)
Contract Years 7 through 10	\$ 1,850 per month	(\$22,200 annually)
Contract Years 11 through 15	\$ 2,050 per month	(\$24,600 annually)
Contract Years 16 through 20	\$ 2,250 per month	(\$27,000 annually)

The charges for late or delinquent payments shall be \$50.00 for each month the payment is late, plus interest calculated at the rate of eighteen percent (18%) per annum, assessed monthly on the balance of the unpaid amount. Payments shall be considered past due if postmarked after the fifteenth (15th) day of the month in which payment is due.

Note: The matter of rent reduction will not be included in the proposed agreement. All Concessionaires have the ability to request temporary rent reduction and, at the written approval of the Board, be granted such temporary rent reduction.

3. Premises

The Premises for the Museum Gift Shop will be revised to include the site proposed for the modular building, as proposed by the Foundation in the January 4, 2013, unsolicited proposal (Attachment A).

4. Donation of a New Modular Building

The Foundation will donate a modular building to RAP as described in the January 4, 2013, unsolicited proposal (Attachment A). The City and/or RAP will bear no costs associated with the donation, including, but not limited to: design, permits, licenses, delivery, installation, and/or site preparation.

5. Existing Modular Building

The Foundation will cease using the Existing Modular Building as a Gift Shop immediately upon occupancy of the donated modular building. By entering into this Agreement, the Foundation may repurpose the existing modular building as a Volunteer Center. The Foundation will be responsible for any and all costs of repairs, upkeep, maintenance and operation of the existing modular building. Before the Foundation is allowed to "reuse" the existing modular building, the Department must approve all upgrades are performed to Department standards and be compliance with the ADA regulations.

Ms. Nancy Gneier, Executive Director

December 26, 2013

Page 3

6. Museum Volunteer Program

Under the direction of the designated RAP Representative, the Foundation will provide oversight of the Museum Volunteer Program, to include: 1) docent tours; 2) educational and informational outreach; 3) grounds maintenance to supplement RAP maintenance; and, 4) exhibit maintenance. The Foundation will actively assist RAP in creating awareness of the Museum Volunteer Program, to include outreach, training, and retention of volunteers.

Note: Clarification of the Foundation's role and relationship in the Museum Volunteer Program may be required prior to a proposed agreement being submitted to the Board for consideration.

7. Museum Restoration Program

All new restoration projects will require the Foundation to submit a written proposal for consideration by the RAP General Manager. Restoration projects will not commence until written approval by the RAP General Manager is obtained.

All current restoration projects will be completed within twelve (12) months of execution of the proposed agreement. Any current restoration projects not completed within the aforementioned timeframe will require the Foundation to submit a written proposal for consideration by the RAP General Manager in order to continue the restoration.

A list of current restoration projects approved by the RAP General Manager will be included as an exhibit to any proposed agreement prior to submission to the Board for consideration.

8. Utilities

The Foundation will assume any and all costs to install or provide electrical hook-up or connections to the new modular building.

RAP will not be responsible for any costs associated with the installation of utility hook-ups, including installation of dedicated electrical meters or for any other utilities (e.g., water, gas, telephones) which may or may not be used at the donated modular building.

RAP will incur the monthly electrical costs subsequent to the installation of the electrical meter by the Foundation.

9. Insurance

The Foundation will provide and maintain insurance during the term of the Agreement in a manner and form acceptable to RAP and the City Risk Manager. Said insurance will

Ms. Nancy Gneier, Executive Director
December 26, 2013
Page 4

provide acceptable levels of coverage for the New Modular Building at the sole cost of the Foundation.

10. The remaining terms and conditions of a proposed agreement will be consistent with Concession Agreement No. 262.

In order to proceed with the donation of the new modular building and preparation of a new Concession Agreement, a written unconditional acceptance of the aforementioned terms, signed by an authorized agent of the Foundation on Foundation letterhead, must be received by RAP no later than 5:00 P.M. on January 13, 2014. Please send to the following address:

Department of Recreation and Parks
Attn: Vicki Israel, Assistant General Manager
221 North Figueroa Street
Suite 1550
Los Angeles, CA 90012

Upon receipt by RAP of the Foundation's written unconditional acceptance of the aforementioned RAP proposal, RAP staff will prepare the necessary documents for the Board's consideration.

Should you have any questions, please contact Robert Morales, Senior Management Analyst of the Partnership Division, at (818) 243-6488.

Sincerely,



MICHAEL A. SHULL
General Manager

MAS/VIJA:mn

Attachments

cc: Regina Adams, Executive Officer
Vicki Israel, Assistant General Manager
Kevin Regan, Assistant General Manager
Joe Salices, Park Services Supervisor
Noel Williams, Chief Management Analyst
Agnes Ko, Senior Management Analyst
Robert Morales, Senior Management Analyst
Joel Alvarez, Senior Management Analyst

ATTACHMENT C



**TRAVEL TOWN MUSEUM FOUNDATION
AMERICAN SOUTHWESTERN RAILWAY ASSOCIATION**

•INCORPORATED•

POST OFFICE BOX 39846 • GRIFFITH STATION
LOS ANGELES, CALIFORNIA 90039

January 7, 2014

Department of Recreation and Parks
Attn: Vicki Israel, Assistant General Manager
221 North Figueroa Street
15 Floor, Suite 1550
Los Angeles, CA 90012

**DONATION OF MODULAR BUILDING TO BE USED AS
THE TRAVEL TOWN MUSEUM GIFT SHOP**

Dear Vicki:

We are in receipt of your letter mailed to American Southwestern Railway Association on December 26, 2013 concerning the Donation of the Modular Building for the proposed use as the Travel Town Museum Gift Shop and other Foundation assistance set out to improve the Travel Town Museum.

We are prepared to accept the provisions set out in this letter, and we ask that you please proceed with preparation of necessary documents for Commission review. If you have any questions, please feel free to contact me at 818-968-3678 (cell). We look forward to working together on the goal of improving the Travel Town Museum!

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory C. Gneier".

GREGORY C. GNEIER
President
American Southwestern Railway Assn., Inc.

cc: Craig A. Smith, Esq.

DEPARTMENT OF RECREATION AND PARKS
 CONCESSION AGREEMENT NO. 262
 LIST OF CURRENT TRAVEL TOWN MUSEUM RESTORATION PROJECTS

Updated 9/20/2016

Restoration Projects	Work remaining	Status
"The Little Nugget"	Wallpaper, hang photos, paint interior, paint exterior. Get furnishings. Replicate light fixtures.	Available for display.
UPRR Dining Car 369	Interior wood refinishing, interior painting. New windows and sashes. Exterior Painting.	Available for display.
Pullman Car - Rose Bowl	Interior painting and reupholstery. Exterior Painting.	Available for display.
Pullman Car - Hunters Point	Vestibule rebuilt. Interior painting and reupholstery. Exterior Painting.	Available for display.
M-177	Upholstery, exterior painting, electrical work, air compressor still to repair.	Closed for Restoration.
SP 219 Steam locomotive	Boiler fabrication and reassembly	Closed for Restoration.

Updated New Gift Shop Building Costs as of
September 2016

New Building	\$238,612
Handicapped Accessible Ramp	\$62,698
Soil Prep and Grounds	\$29,428
All Permits and Fees	\$32,662
Shop Furnishings	\$25,958
Total	\$389,357
Income:	
Grant from Parsons Foundation	\$50,000
Grant from the Griffith Trust	\$50,000
Grant from the Ahmanson Foundation	\$80,000
CD4 AB1290 Funding	\$20,000
Community Foundation of the Verdugo	\$8,000
Griffith Trust follow-up Grant	\$20,000
Universal LLC Evolution Plan Contributi	\$50,000
Interest	\$1,615
Member and Individual Donations	\$4,115
Interior Furnishings Grant from Parson:	\$30,000
TOTAL INCOME	\$323,730
TTMF Contribution	\$65,627

Travel Town Museum Foundation Technical Assistance & In-Kind Services Contribution Cost Analysis

TTMF Technical Services Value 2016				
Category	Hours	Rate	Total Value	
Docent Tours	392.50	\$ 12.52	\$4,914.10	
Archival Services	95.00	\$ 31.44	\$2,986.80	
Operating and Moving Train Cars	41.75		\$834.58	
<i>Skilled Engineer</i>	6.50	\$ 60.50	\$393.25	
<i>Unskilled Labor</i>	35.25	\$ 12.52	\$441.33	
Special Event Support	832.75		\$10,426.03	
<i>Depot Day</i>	624.75	\$ 12.52	\$7,821.87	
<i>National Train Day</i>	111.75	\$ 12.52	\$1,399.11	
<i>Miscellaneous Special Events</i>	96.25	\$ 12.52	\$1,205.05	
Artifacts Preservation and Maintenance	732.00	\$ 12.52	\$9,164.64	
Train Cleaning	221.75	\$ 12.52	\$2,776.31	
Railroad Signal Installation and Maint.	49.50	\$ 12.52	\$619.74	
Exhibits Curation and Preparation	74.25	\$ 12.52	\$929.61	
Steam Locomotive Care	44.25	\$ 12.52	\$554.01	
Heisler Train Repair	66.50	\$ 12.52	\$832.58	
General Train Track Maintenance	21.75	\$ 12.52	\$272.31	
Tool & Equipment Maintenance	84.00	\$ 12.52	\$1,051.68	
Volunteer Research Library Access	5.00	\$ 12.52	\$62.60	
Volunteer Management	195.75		\$5,234.69	
<i>Senior Volunteer Program Manager</i>	143.50	\$ 31.92	\$4,580.52	
<i>Volunteer Team Lead</i>	52.25	\$ 12.52	\$654.17	
Little Nugget	182.25		\$5,295.90	
<i>Graphic Design Restoration</i>	162.75	\$ 31.04	\$5,051.76	
<i>Unskilled Labor</i>	19.50	\$ 12.52	\$244.14	
M-177	161.75		\$8,718.32	
<i>Diesel Mechanic Labor</i>	139.50	\$ 60.50	\$8,439.75	
<i>Unskilled Labor</i>	22.25	\$ 12.52	\$278.57	
Crane 1887	22.50	\$ 12.52	\$281.70	
Diner 369	7.00	\$ 12.52	\$87.64	
SP 219	53.75	\$ 12.52	\$672.95	
Rose Bowl	15.50	\$ 12.52	\$194.06	
Hunter's Point	242.75		\$10,847.98	
<i>Diesel Mechanic Labor</i>	162.75	\$ 60.50	\$9,846.38	
<i>Unskilled Labor</i>	80.00	\$ 12.52	\$1,001.60	
Diesel Maintenance	43.75		\$1,879.20	
<i>Diesel Mechanic Labor</i>	27.75	\$ 60.50	\$1,678.88	
<i>Unskilled Labor</i>	16.00	\$ 12.52	\$200.32	
Grand Total:			\$68,637.42	
TTMF Gross Revenue 2016 =			\$280,117.23	
TTMF Rent to RAP 2016 =			\$14,005.86	
Technical Assistance & In-Kind Services =			\$68,637.42	
Total Contribution to RAP =			\$82,643.28 = 30% of Gross Revenue	

Values based on regular volunteer Hour = \$12.52 (living wage)

Professional rates for specialists based on following chart, only for certain hours when professional services were being rendered. Numbers are averages of CAO MOUs for salary wages, as TTMF experts would be above minimum grade, but possibly below highest pay grade.	\$31.92 Archivist
	\$31.92 Graphic Designer
	\$31.92 Supervising Manager
	\$60.50 Diesel Mechanic