

REPORT OF GENERAL MANAGER

NO. 05-28

DATE January 19, 2005

C.D. 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: JENSEN FILTRATION PLANT: SIX YEAR LEASE AGREEMENT AND AMENDMENT WITH THE METROPOLITAN WATER DISTRICT AND SUB-LEASE / LEASE AGREEMENT WITH THE GRANADA HILLS YOUTH RECREATION CENTER, INC., FOR YOUTH SPORTS ACTIVITIES

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|-----------|-----------|------------|-------|
| * K. Chan | <u>kc</u> | J. Kolb    | _____ |
| J. Combs  | _____     | F. Mok     | _____ |
| H. Fujita | _____     | G. Stigile | _____ |

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

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Approve the Lease and Amendment to lease, substantially in the form on file in the Board Office, between the City of Los Angeles and the Metropolitan Water District (MWD) of Southern California, for the use of a 17 acre site, also known as the Jensen Filtration Plant located in Granada Hills, for youth sports activities;
2. Approve the Sub-Lease / Lease, substantially in the form on file in the Board Office, between the City of Los Angeles and the Granada Hills Youth Recreation Center Inc., (GRYRC), for the use of the Jensen Filtration Plant for youth sports activities; and,
3. Direct the Board Secretary to transmit the proposed Lease and Sub-Lease / Lease Agreements to the Mayor in accordance with Executive Directive No. 16 for review and approval and concurrently to the City Attorney for review as to form; and
4. Upon obtaining all necessary approvals, authorize the Board President and Secretary to execute the Agreements;

SUMMARY:

The Department of Recreation and Parks (Department) has been leasing from the MWD a portion of MWD's Joseph Jensen Filtration Plant located at 13100 Balboa Boulevard in Granada Hills, since 1976. Said property in turn has been sub-leased by the Department to GHYRC, a non-profit organization, for team sports activities which include Little League Baseball and Youth Soccer.

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This arrangement has provided valuable organized team sports programming to the local community. Under the sub-lease, GHYRC has maintained, managed, and operated the leased facilities at the Jensen Filtration Plant at GHYRC's cost and continues to do so. All rental payments required under the lease with MWD are paid for by GHYRC. The annual rent is adjustable every two years by a formula contained in the leases, which utilizes the U.S. Consumer Price Index. In September of 1994 Lease No. 238 was executed between the City of Los Angeles and the MWD for five (5) years beginning November 1, 1991, with two (2) – five year options. On September 4, 1996, the Board of Recreation and Park exercised its option to extend its lease with MWD for the use of the Jensen Filtration Plant for an additional five (5) years, through October 31, 2001. On July 11, 2001, the Board approved a 2<sup>nd</sup> option for an additional term, beginning on November 1, 2001. The current lease with MWD expires on October 31, 2006. The sub-lease with GHYRC expired on October 31, 2001, and has a continued month-to-month basis and under a right-of-entry permit.

In late 2004, MWD offered the Department a six (6) year extension to the current lease. This extension would make it possible for the GHYRC to continue its team sports operations at the Jensen Filtration Plant through 2012. The rent will be \$2,282.00 per year and shall be paid in advance on an annual basis. GHYRC will continue to operate, maintain, and manage the subject MWD site under a new sub-lease. All costs associated with the operation, maintenance and management of site will be the responsibility of GHYRC. The Sub-lease with GHYRC will incorporate all of the provisions of the MWD Lease Agreement making the GHYRC responsible and subject to all the provisions of the MWD Lease. It should be noted that the current lease does not address the City's mandated Child Support Ordinance as required under City Administrative Code 10.10. Therefore, an Amendment to the lease which incorporate the City's Child support assignment provisions is attached for consideration and approval by the Board. The term of the sub-lease with the GHYRC will coincide with the term of the Department's lease with MWD since the new lease agreement with MWD extending the term to 2012 will provide the City with much needed recreation facilities of this type in the area that otherwise would have to close.

Staff has determined that the subject project will consist of issuance of a lease to allow the use of an existing outdoor recreation facility involving negligible or no expansion of use. Therefore, project 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.

The Operations West Superintendent and the Councilmember for Council District 12 concur with staff's recommendations.

This report was prepared by John Barraza, Management Analyst II in the Real Estate and Asset Management Division.