

REPORT OF GENERAL MANAGER

NO. 05-282

DATE October 19, 2005

C.D. 2

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LINCOLN PARK - AMENDMENT NO. 2 TO LEASE NO. 249 WITH PLAZA DE LA RAZA, INC.

J. Combs	_____	J. Kolb	_____
H. Fujita	_____	F. Mok	_____
S. Huntley	_____	K. Regan	_____
B. Jensen	_____	*M. Shull	<u>MSH</u>

Robert H. Jensen (Sr)  
General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Approve Amendment No. 2, substantially in the form on file in the Board Office, to Lease No. 249 with Plaza de la Raza, Inc., located at 3540 North Mission Road, subject to the approval of the Mayor and City Council and of the City Attorney as to form;
2. Direct the Board Secretary to transmit Amendment No. 2 to the City Attorney for review as to form and concurrently to the Mayor for review in accordance with Executive Directive No. 16; and
3. Upon obtaining the necessary approvals, authorize the Board President and Secretary to execute the Amendment.

SUMMARY:

This non-profit organization has operated a multi-discipline, cultural and arts-education Center since the early 1970s. They offer after-school and other, year-round classes and programs in theater, dance, music and the visual arts; participants total approximately 25,000 a year. For the past fifteen years the Center has been one of the community-based partners of the California Institute of the Arts, in this case, with their theater department.

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The current ground Lease with the City for the use of approximately 2.85 acres of Lincoln Park, Lease No. 249, was executed on December 1, 1999, with an original term of three years. Later, the Center exercised the option to extend the Lease for fifteen years, making November 30, 2017 the new expiration date. This was done in order to satisfy site-control requirements for a competitive cycle of grants funded by Proposition K. The Center subsequently received \$250,000.00 for the reconstruction of music and dance studios; the projects have since been completed.

In correspondence of September 1, 2005, the Center requested a further extension in order to demonstrate site control of sufficient length to qualify for the current, fifth competitive cycle of grants funded by the same program. The Center has applied for \$700,000.00 in order to update exterior and interior lighting.

The sum being requested is approximately half the cost of the new capital project, which will also include refurbishment of the restrooms and other areas; these additional improvements will need separate funding, which is likely to require the Center to demonstrate long-term site control. Therefore, staff recommends extending the Lease's term by ten years so that the new expiration date will be November 30, 2027; this date will provide tenure of 22 more years under the existing Lease. All other terms of the Lease, as previously amended, will be unchanged by the proposed Amendment No. 2. Amendment No. 1, executed on April 11, 2001, added a cross-default provision required by Proposition K, making a default of the grant Agreement a corresponding default of the Lease.

Staff has determined that the proposed Amendment No. 2 will not significantly change the Center's use and operations and is therefore 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 Assistant General Manager of Operations East, the Superintendent of Metro Region and the Office of Council District One concur with staff's recommendations.

### FISCAL IMPACT STATEMENT:

The proposed Lease extension has no fiscal impact on the Department. Extending the Lease's term may result in Plaza de la Raza's receiving funding to improve structures and amenities located on park property.

Report prepared by Joan Reitzel, Senior Management Analyst in Real Estate and Asset Management.