

APPROVED
APR 15 2009

REPORT OF GENERAL MANAGER

NO. 09-091

DATE April 15, 2009

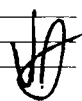
**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: WATTLES MANSION AND GARDENS – AGREEMENT AND MUTUAL
RELEASE OF CLAIMS BETWEEN THE DEPARTMENT OF RECREATION
AND PARKS AND HOLLYWOOD HERITAGE

R. Adams
H. Fujita
S. Huntley
*V. Israel



J. Kolb
F. Mok
K. Regan
M. Shull



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the Agreement and Mutual Release of Claims, substantially in the form on file in the Board Office, between the Department of Recreation and Parks (Department) and Hollywood Heritage, a California Corporation, aka Hollywood Heritage, Inc., (HH) concerning Wattles Mansion and Gardens (Wattles Mansion), subject to the approval of the Mayor and of the City Attorney as to form ;
2. Direct the Board Secretary to transmit the Agreement and Mutual Release of Claims to the Mayor in accordance with Executive Directive No. 3, and concurrently to the City Attorney for review and approval as to form; and,
3. Authorize the General Manger to execute the Agreement and Mutual Release of Claims, upon receipt of the necessary approvals.

SUMMARY:

The Department's License Agreement for the operation and maintenance of Wattles Mansion with HH expired 13 years ago. The License Agreement provided that the Department may audit HH's financial records and controls for HH's operations. In August 2006, Department staff, in consultation with the City Attorney, concluded that it would be in the best interests of the City to conduct an audit of HH's operation of Wattles Mansion. An audit was conducted by Mayer Hoffman McCann P.C., and received by the Department in April 2008.

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Subsequent to the audit, on June 18, 2008, the Board received an Informational Report stating the Department's plan to terminate the License Agreement between the City of Los Angeles and HH, for the purpose of having the Department assume operation of the facility. A summary of the audit findings was attached to the Informational Report. The Department has appreciated HH's many efforts to restore the historic Wattles Mansion site for future generations during its long tenure at the facility. However, Department staff concluded that it is in the City's best interest to terminate the license agreement with HH at this time.

Subsequent to June 2008, the Department has been in discussions with HH about terminating HH's license and their caretaker's tenancy at Wattles Mansion. In order to avoid the necessity of eviction proceedings, the Department, HH, and Council Districts 4 and 13 have negotiated and agreed to the terms of the Agreement and Mutual Release of Claims. Included in the Agreement and Mutual Release of Claims is the following:

1. HH will vacate Wattles Mansion including the caretaker's quarters, the caretaker, the gardens and the parking lot on or before May 22, 2009;
2. HH will prepare a rebuttal to the audit that will be attached to an Informational Board Report to be agendized after execution of the Agreement and Mutual Release of Claims;
3. City will recognize and acknowledge at a City Council meeting, HH for their preservation work; and
4. Upon HH vacating Wattles Mansion, City will be responsible for the operations, maintenance and security of Wattles Mansion, including providing public access.

HH has been notified that if it does not approve, execute and abide by the Agreement and Mutual Release of Claims and vacate the premises on or before May 22, 2009, the City Attorney will thereupon initiate eviction proceedings. On March 23, 2009, a letter was received from HH indicating they have approved and will execute and abide by the terms of the proposed agreement. HH has also represented that their resident caretaker, Stephen Sylvester, will execute the proposed agreement.

The Park Service's Division currently manages four other City rental facilities and will manage Wattles Mansion. Our mission is to provide a reasonably priced, visually pleasing and secure venue for people to entertain family and friends. Our professional staff will assist in the planning, organizing and scheduling of:

- Receptions
- Weddings
- Memorials
- Business Meetings

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- Seminars
- All other social events that can be comfortably accommodated in Wattles Mansion and its expansive grounds.

Department staff will provide maintenance services for the grounds. There will be specific hours for public access when the grounds and house will be open for visitation.

After HH vacates the premises and the Department commences planning for the facility to re-open to the public, an area will be needed for a rental office. The rental office should not be located in a room that could potentially be reserved for a function. The plan is for the office to be located in the former caretakers' room which is on the east side of the Mansion. This location will maximize the floor space in the Mansion for an event or multiple events without being disturbed by normal business being conducted in the rental office. A security system would be installed as it is in the other Department rental facilities. The security system will have cameras that monitor the interior and exterior of the building and sound an alarm. The security system will be connected to the Office of Public Safety so immediate response is made. The security system will not only protect the facility and grounds but also give the neighbors a greater sense of security knowing the grounds are secure. Office equipment and supplies required in the rental office for staff to operate effectively will be secured from existing resources throughout the Region. The Region funds or Park Services MRP funds will be used to meet Information Technology Agency (ITA) needs and miscellaneous equipment/supplies not already in our inventory.

The rental office will be staffed Tuesday through Friday from 10:00 AM to 4:00 PM and on Saturday from 9:00 AM to 3:00 PM. The success of the Department's rental of the Wattles Mansion will depend on the Department's ability to provide on-site staff monitoring and assistance during facility usage, marketing, and the establishment of effective community outreach to ensure that use of the facility will have minimal impact on the community.

The facility's operational and grounds maintenance staffing will be performed by existing staff from Maintenance and the Park Services Division. Funding would initially be absorbed by the Park Services MRP accounts with future revenue from the use of Wattles Mansion to supplement and eventually lead to a cost neutral status.

Wattles Mansion and grounds is in a residential neighborhood where the Department needs to be cognizant, as good neighbors, of the need to minimize the impacts of facility usage when contracting special events, meetings or filming. It is therefore recommended that the Department plan to:

- Attend neighborhood council and Curson Street Community Group meetings for outreach;
- Conduct a large community meeting to share plans of operation;
- Limit evening and weekend events;

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- Establish maximum parking within the Wattles Mansion grounds to avoid any Curson Street parking and search for suitable additional off street parking agreements, if needed;
- Schedule all events to be held between 9:00 AM and 10:00 PM;
- Require utilization of Department contracted bar services for all events for which alcohol is being served; and
- Enforce outside amplified noise guidelines currently being used at other Department rental facilities.

Once the office is established and the Wattles Mansion and grounds are in a condition to begin booking events, the following will occur:

- Flyers will be sent to wedding planners and other social event organizers that will let residents and interested community members know about the beautiful facility and gardens;
- An open house will be hosted, and organizations, businesses and individuals from the neighborhood will be invited to promote the facility;
- A web site will be developed to provide details and pictures to highlight the benefits of renting the mansion and gardens;
- The Department's intra- and internet pages regarding Wattles Mansion, gardens and park will be updated;
- Film LA will be notified that Wattles Mansion is available on a limited basis for film production; and
- Survey cards will be provided to patrons renting the facility for their rating and suggestions.

FISCAL IMPACT STATEMENT:

The proposed agreement poses no impact to the Department's General Fund. Upon assuming operation of the facility, staff and funding will be provided from Park Services Division, which currently operates other Departmental facilities similar to Wattles Mansion.

This report was prepared by Vicki Israel, Assistant General Manager, Operations East.