SUBJECT: HAZARD PARK ARMORY - AGREEMENT WITH COMMUNITY PARTNERS FOR THE RENOVATION OF THE HAZARD PARK ARMORY, DEVELOPMENT OF RECREATIONAL PROGRAMS, AND SHARED USE OF THE HAZARD PARK ARMORY

RECOMMENDATION:

That the Board:

1. Approve the proposed agreement (Agreement), substantially in the form on file in the Board Office, between the Department of Recreation and Parks (Department) and Community Partners (Corporation) for the refurbishment of the Hazard Park Armory (Armory), development of recreational programs, and shared use of the Armory, subject to the approval of the Board, the City Council, and the City Attorney as to form;

2. Direct the Board Secretary to transmit the proposed Agreement to the Mayor in accordance with Executive Directive No. 3, and concurrently to the City Attorney for review as to form; and,

3. Authorize the Board President and Secretary to execute the Agreement upon receipt of necessary approvals.
SUMMARY:

On March 19, 2008, an informational board report was submitted to the Board making it aware of a proposed project presented to the Department by Community Partners (Corporation) and Legacy L.A. (Legacy) for the refurbishment of the Hazard Park Armory (Armory) through various building modifications (Alterations and Improvements – Master Plan attached as Exhibit-A), development of recreation and cultural programs, and the shared use of the Armory between the Department and Corporation for the administration and operation of said programs (for purposes of this report, collectively referred to as the “Project”). Corporation is a California non-profit organization, acting through and for the benefit of Legacy, a start-up organization dedicated to building a legacy for the communities of East Los Angeles through youth development programs and services. Legacy is not a signatory to the proposed Agreement, but for all intents and purposes of the Project, it shall be considered an interested party acting under the umbrella of Corporation. Pursuant to the proposed Agreement, Corporation shall be responsible for the activities of Legacy.

The Armory, built in 1953, is located at 1330 San Pablo Street on a 4.2 acre portion of the 25.03 acre Hazard Park in the community of East Los Angeles. With the assistance of the City Attorney and support of Councilmember Jose Huizar of the Fourteenth Council District, the Department and Corporation (collectively “Parties”) have agreed to the terms and conditions of the proposed Agreement, which is intended to demonstrate each Party’s’ commitment to the Project, establish the Project’s general scope, requirements and parameters, and specify the responsibilities of each of the Parties.

Corporation, and its affiliate agency Legacy, propose the following, subject to review and approval by the Board:

Agreement Scope:

A) Corporation shall enter into a fifty (50) year Agreement with Legacy for the refurbishment of the Armory, development of community programs and services, and shared operation and maintenance of the Armory through an Operations and Maintenance Agreement to be subsequently executed by Corporation and City, subject to the review and approval by the Board and contingent upon completion of certain items contained in the Corporation Performance Requirements contained in the Agreement and attached hereto as Exhibit-B;

B) Corporation shall identify and secure sufficient funding from private donors through the Legacy capital campaign, to finance the proposed Alterations and Improvements at no cost to the City;
C) Corporation shall contract for and perform, or cause to be performed, the proposed Alterations and Improvements through a licensed contractor, subject to all federal, state, and local requirements and approvals;

D) Corporation shall develop a schedule of community programs and services to be provided by selected non-profit organizations, subject to the terms and conditions of the future Operations and Maintenance Agreement which is subject to approval by the Board;

E) Corporation shall select a list of non-profit organizations possessing the necessary expertise to successfully operate and provide said programs and services, subject to approval by the Board;

F) Corporation and Department shall enter into an Operations and Maintenance Agreement for the shared operation and maintenance of the improved Armory, Subject to approval by the Board;

G) Corporation shall have no right to change the use or physical status of the ARMORY unless and until CITY gives such approval to do so. CITY shall retain full discretion to modify or deny any such change of use or physical status. Such approval by CITY shall be preceded by appropriate CEQA clearance, whether that clearance is a categorical exemption, negative or mitigated negative declaration, or an environmental impact report (EIR), and CITY shall have complete and sole discretion to determine the type of CEQA clearance and whether to adopt or certify any such clearance.

Because certain elements of the Project are preliminary and there exist certain areas of uncertainty associated with the implementation of the Project as a whole, such as, securing of all necessary funding commitments from private donors, final determination of proposed Alterations and Improvements and completion of related design plans and specifications, and determination of environmental clearance requirements; the scope and focus of this report is only that related to the approval of the Agreement, and not the approval of the Project in general, including the Alterations and Improvements, environmental clearances, or Operations and Maintenance Agreement. Upon completion of all required due diligence associated with the Project, staff will present to the Board in the future for review and approval, proof of private donor financial support, the final plans and specifications for the proposed Alterations and Improvements, all required environmental studies and clearances, and the proposed Operations and Maintenance Agreement specifying the terms and conditions for the shared operation of the Armory and implementation of proposed programs and services.
Proposed Alterations and Improvements:

Although not yet confirmed, the proposed Alterations and Improvements, which shall be identified in further detail on final Plans and Specifications (architectural drawings, design plans, renderings, etc…) to be submitted for future approval, shall include, as illustrated by Exhibit-A, but not be limited to the following:

A) Youth Action Center;
B) Vocational Center;
C) Arts Center;
D) Nature Interpretive Center;
E) Nutrition Center and Youth Driven Café;
F) Theater and Sound Stage;
G) Gallery and Community Room;
H) Youth Radio Station and Computer Room;
I) Various Multi-Use, Club, and Activity Rooms; and,
J) DEPARTMENT Administrative Offices and Storage Areas.

Community Support:

As part of the preliminary planning phase, Legacy conducted a series of community tasks, workshops, and interviews to gather information which has been used to accurately assess the community’s needs to identify the most efficient strategic use(s) for the Armory and incorporate them into the Project. This process provided the community with an opportunity to provide input, recommend change, and be a stakeholder in the Project.

Environmental:

Staff has determined that the proposed Agreement will allow for the continued use of the existing Hazard Park Armory and all of the associated facilities with negligible or no expansion, until such time that final plans and specifications are brought before the Board for redevelopment of the same facilities. Therefore, the project is categorically exempt for the provision of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class I(14) of the City CEQA Guidelines. However, the underlying redevelopment and operations resulting from the full execution of the Agreement could have direct environmental effects. Further consideration of the environmental effects of the redevelopment plans and programs under CEQA will be made when those plans and programs are brought before the Board for approval under the terms of the Agreement.
Fiscal Impact:

Approval of the proposed Agreement shall present no fiscal impact to the Department's general fund as all aspects of the project associated with the proposed Agreement shall be funded entirely at the sole expense of Corporation.

This report was prepared by Joel Alvarez, Senior Management Analyst of the Department's Real Estate and Asset Management Section.
EXHIBIT-A

Hazard Park Armory

Master Plan
EXHIBIT-B

CORPORATION PERFORMANCE REQUIREMENTS

The fifty (50) year term of this AGREEMENT is contingent upon CORPORATION completing the following Performance Requirements in accordance with the prescribed time period(s):

Pre-Development:

A) **Non-profit Providers:** CORPORATION agrees to provide the Department within six (6) months following the Execution Date of this AGREEMENT, a list of prospective non-profit program and service providers for the DEPARTMENT'S review and approval;

B) **Development of Programs and Services:** CORPORATION agrees to prepare and provide DEPARTMENT within six (6) months following the approval of the selected non-profit program and service providers, a list of proposed programs and services for review and approval by DEPARTMENT. Such programs and services shall be detailed in the Operations and Maintenance Agreement to be executed between CITY and CORPORATION;

C) **Conceptual Design:** CORPORATION agrees to complete and submit to DEPARTMENT for CITY'S review and approval within three (3) months following the approval of the list of proposed programs and services by DEPARTMENT, the Conceptual Design of the ALTERATIONS AND IMPROVEMENTS pursuant to the Master Plan attached hereto as Exhibit-B;

D) **Operations and Maintenance Agreement:** Within three (3) months following the approval of the Conceptual Design plan, CORPORATION and CITY shall negotiate and execute an Operations and Maintenance Agreement, specifying the terms and conditions for the shared operation and maintenance of the ARMORY, as generally described in this AGREEMENT and subject to approval by the Board of Recreation and Park Commissioners;

E) **Environmental Studies for CEQA Review and Compliance:** CORPORATION agrees to complete all required environmental studies and clearances, with related approvals, within six (6) months following the CITY's approval of the Conceptual Design Plan;

F) **Funding (Capital Campaign):** CORPORATION agrees to secure necessary funding for the renovation of the ARMORY within twelve (12) months through its Capital Campaign, following the Execution Date of this AGREEMENT, in an amount to be determined by CORPORATION, but sufficient enough to complete the ARMORY ALTERATIONS AND IMPROVEMENTS specified in the PLANS;
Development Period:

A) **Fund Raising:** Corporation agrees to continuously conduct fund raising activities to fund on-going operations, maintenance, repairs, and additional improvements as necessary, subject to approval by DEPARTMENT;

B) **Construction Documents:** CORPORATION agrees to complete Construction Documents, including the PLANS, and obtain all necessary permits and approvals, within twelve (12) months following the completion of the Capital Campaign;

C) **Commencement of IMPROVEMENTS:** CORPORATION agrees to commence construction of the ARMORY IMPROVEMENTS, pursuant to the PLANS approved by CITY, within four (4) weeks following the date of DEPARTMENT’s Notice to Proceed; and,

D) **Completion of Improvements:** CORPORATION agrees in good faith to complete the proposed ARMORY ALTERATIONS AND IMPROVEMENTS, pursuant to the approved PLANS, within twenty-four (24) months following CORPORATION’s receipt of DEPARTMENT’s Notice to Proceed. The ALTERATIONS AND IMPROVEMENTS shall be considered complete upon acceptance of the Project by the Board.