

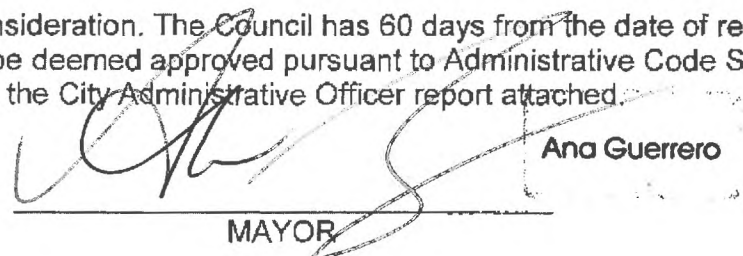
0150-06696-0001

TRANSMITTAL

TO The City Council	DATE OCT 08 2015	COUNCIL FILE NO. 99-0866
FROM The Mayor	COUNCIL DISTRICT 9	

**Amendment to Lease Agreement No. 250
between the City of Los Angeles and City of Glendale**

Transmitted for your consideration. The Council has 60 days from the date of receipt to act, otherwise the contract will be deemed approved pursuant to Administrative Code Section 10.5(a). See the City Administrative Officer report attached.


Ana Guerrero
MAYOR

MAS:LGC:08160018f

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 30, 2015

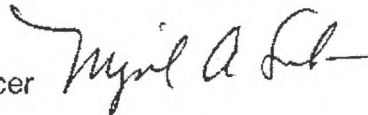
CAO File No. 0150-06696-0002

Council File No. 99-0866

Council District: 9

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Letter to the Mayor from the Board of Recreation and Park Commissioners dated, September 3, 2015; referred by the Mayor on September 28, 2015

Subject: **REVISED AMENDMENT TO LEASE AGREEMENT NO. 250 BETWEEN THE CITY OF LOS ANGELES AND CITY OF GLENDALE**

SUMMARY

At its meeting of January 21, 2015, the Board of Recreation and Park Commissioners (Board) approved a proposed amendment to Lease Agreement No. 250 with the City of Glendale (Glendale) for an area located within the Department of Recreation and Parks' (Department) Griffith Park/ Central Service Yard, relative to exercising the ten-year extension of the lease agreement. The site is currently being used by the City of Glendale to remediate toxic groundwater through the placement of two subsurface extraction and monitoring wells and associated pipelines. This effort is part of the U.S. Environmental Protection Agency's cleanup remedy for the groundwater contamination in the Glendale Study Area portion of the San Fernando Valley Superfund site.

On June 29, 2015, the Office of the City Administrative Officer (CAO) released a report on the proposed amendment, recommending that the provisions of the proposed amendment be clarified to reflect the continuation of rent adjustments every five years (Attachment).

At its meeting of August 3, 2015, the Arts, Parks, Health, Aging, and River Committee requested that the Board consider the inclusion of a provision that would allow the Board to terminate the lease agreement upon written notice, prior to the conclusion of the ten-year renewal period. The termination language in the current agreement only provides a termination option to the City of Glendale. The General Manager of the Department agreed to present the concerns to the Board, in addition to the request to incorporate termination language and the changes included in the CAO report.

At its meeting of September 2, 2015, the Board rescinded its approval of the initial amendment and approved a proposed revised amendment to Lease Agreement No. 250. The proposed revised amendment exercises the ten-year extension, incorporates the continuation of the rent

adjustment provisions every five years, and provides the Board with the ability to terminate the lease agreement upon a 30-day written notice.

The term of the original 15-year lease agreement between the Board and Glendale began on February 9, 2000, with an effective date of March 24, 2000. The lease agreement includes one ten-year renewal option. The proposed revised amendment exercises the ten-year renewal option. The terms of the lease agreement also provides that upon the expiration of the agreement, the agreement may continue on a month to month basis upon the same terms as specified in the agreement, until terminated by either parties or a new written agreement is executed by both parties.


RECOMMENDATION

That the Council:

1. Approve and authorize the President and Secretary of the Board of Recreation and Park Commissioners to execute the proposed revised amendment to Lease Agreement No. 250 with the City of Glendale for a ten-year extension, subject to the approval of the City Attorney as to form; and
2. Request the Board of Recreation and Park Commissioners to revise the term of the Amended Memorandum of Lease to commence on February 9, 2015 and expire on February 8, 2025, to accurately reflect the ten-year renewal period approved by the Board.

FISCAL IMPACT STATEMENT

The City of Glendale will pay \$11,520 in rent annually or \$115,200 during the ten-year renewal period. The rent adjustment may result in an increase of up to \$1,059.84 annually or \$10,598.40 for the term of the renewal period. Additional revenue may also be received during the subsequent rent adjustment. Revenues from this agreement will be deposited in equal parts between the Department of Recreation and Parks General and Special funds. There is no additional impact on the City's General Fund. To the extent applicable, the recommendation stated in this report complies with the City Financial Policies in that user charges and fees are set to support the full cost of operations for which the fees are charged.


MAS:LGC:08160018

Attachment

**BOARD OF RECREATION AND
PARK COMMISSIONERS**

SYLVIA PATSAOURAS
PRESIDENT

LYNN ALVAREZ
VICE PRESIDENT

MELBA CULPEPPER
MISTY M. SANFORD
IRIS ZUÑIGA

ARMANDO X. BENCOMO
COMMISSION EXECUTIVE ASSISTANT II

CITY OF LOS ANGELES
CALIFORNIA



ERIC GARCETTI
MAYOR

**DEPARTMENT OF
RECREATION AND PARKS**

COMMISSION OFFICE
POST OFFICE BOX 86328
LOS ANGELES, CA 90088-0328

Telephone: (213) 202-2640
Facsimile: (213) 202-2610
RAP.Commissioners@LACity.org

MICHAEL A. SHULL
GENERAL MANAGER

September 3, 2015

Honorable Eric Garcetti, Mayor
City of Los Angeles
Room 303, City Hall

Attention: Ms. Pamela Finley

Dear Mayor Garcetti:

In accordance with Executive Directive No. 3, attached herewith are three copies of a proposed Amendment to the Lease Agreement between the Department of Recreation and Parks and the City of Glendale to perform groundwater environmental remediation on a portion of the Department's Griffith Park/Central Service Yard.

Also attached for the assistance of your Office in reviewing this proposed Amendment is Report No. 15-204 adopted by the Board of Recreation and Park Commissioners at its Regular Meeting of September 2, 2015. After your review and recommendation, the proposed Amendment will be submitted to the Board for final action.

If you have any questions with regard to the proposed Amendment, please contact Mr. Cid Macaraeg, Senior Management Analyst II, at (213) 202-2608.

Very truly yours,

BOARD OF RECREATION AND
PARK COMMISSIONERS

ARMANDO X. BENCOMO
Commission Executive Assistant II

Attachments

cc: Cid Macaraeg, Senior Management Analyst II

2015 SEP 28 PM 2:38
CITY ADMINISTRATIVE SERVICES



AMENDMENT TO LEASE AGREEMENT

**BETWEEN LOS ANGELES DEPARTMENT OF RECREATION AND PARKS AND
CITY OF GLENDALE**

This Amendment to the Lease Agreement dated February 9, 2000 ("Lease Agreement") by and between the Department of Recreation and Parks ("Department") of the City of Los Angeles, a municipal corporation ("Lessor") , acting by order of and through its Board of Recreation and Park Commissioners ("Board") and the City of Glendale, a municipal corporation ("Lessee"), is made and entered into this ____ day of _____ 20__, by and between Lessor and Lessee.

WHEREAS, Lessee and Lessor are parties to the above-described Lease Agreement, whereby Lessor leases to Lessee, its successors and assigns, use of the certain real property owned by Lessor. A true and correct copy of the Lease Agreement in its entirety is attached hereto and incorporated herein by reference as Exhibit "1";

WHEREAS, the Term of the lease, in accordance with Section 4(a) of the Lease Agreement, is for fifteen (15) years, commencing on February 9, 2000, and expiring on February 8, 2015;

WHEREAS, Section 4(c) of the Lease Agreement allows Lessee to request renewal of the Lease Agreement for one (1) additional consecutive term of ten (10) years.

WHEREAS, on April 3, 2014, Lessee, in accordance with Section 4(c), has submitted its written request for the renewal of the Lease Agreement's Term to Lessor.

WHEREAS, Lessor, with the approval of the Board has agreed to the renewal of the Term of the Lease Agreement for an additional Term of ten (10) years effective February 9, ^[PL1], 2015.

WHEREAS, Lessor and Lessee agree to continue rent adjustments every five years beginning at the sixteenth (16th) year of the lease or the first (1st) year of the renewal term;

WHEREAS, Lessor and Lessee agree to give Lessor the same rights for termination that Lessor has under the lease;

WHEREAS, Lessor and Lessee desire to amend said Lease Agreement.

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein, Lessor and Lessee agree as follows:

1. **Term.** The Term of the Lease Agreement is hereby renewed and extended by one Term of ten (10) years effective February 09, 2015. The Lessor is also to be given the same rights as the Lessee to terminate the agreement. The following language shall replace Section 4(a) and 4(e) of the Lease Agreement:

4. Term

- a. Unless sooner terminated by the City or Lessor, the term of the Lease and Renewal Period shall be a total of twenty-five (25) years, and shall commence on the date ("Commencement Date") that this Agreement is executed by Lessor and City.

- e. Notwithstanding any other provision contained in this Agreement to the contrary, the City or Lessor may, at any time, terminate this Agreement, with or without cause, upon thirty (30) days' prior written notice. The date upon which this Agreement is terminated shall be hereinafter referred to as the "Termination Date."

2. **Consideration.** Rent adjustment shall be applied during the first (1st) and sixth (6th) year of the renewal term, using the same method during the original term of the Lease Agreement. The following language shall replace the first (1st) and second (2nd) paragraphs of Section 6(d) of the Lease Agreement:

6. Consideration

- d. Annual Rent ("Annual Rent") for the first five (5) years of the term of the of the Lease in the amount of eight thousand eight hundred eight dollars (\$8,808) for the lease of the Premises. At the end of the fifth (5th), tenth (10th), fifteenth (15th), and twentieth (20th) years, the Annual Rent shall be adjusted upwards (the "Rent Adjustment") by a percentage which represents the cumulative total of the percentage increase in CPI for each year of the immediately preceding five (5) year period. As used herein, the term "CPI" shall mean the Consumer Price Index for All Items, All Urban Consumers for the Los Angeles-Riverside-Orange County, California Area (1993-1995 = 100) published by the Bureau of Labor Statistics of the U.S. Department of Labor.

Annual Rent shall be due and payable in advance commencing on the Commencement Date and on each subsequent anniversary of the Commencement Date. Annual Rent payments shall be made to Lessor at the address set forth in Section 14 of this Agreement or at such other address as Lessor requests pursuant to the notice provisions of this Agreement. Annual Rent payments for the sixth (6th), eleventh (11th), sixteenth (16th), and twenty-first (21th) year of the term of the Lease shall be made as follows: (1) on the sixth anniversary of the Commencement Date, the City shall pay eight thousand eight hundred eight dollars (\$8,808) to Lessor, and the City shall make an additional payment to Lessor in the amount of the Rent Adjustment within (10) days after the Lessor and City agree on the amount of the Rent Adjustment for the following five (5) year period; and (2) on the eleventh (11th), sixteenth (16th), and twenty-first (21th) anniversary of the Commencement Date, the City shall pay to the Lessor the amount of the Annual Rent paid for tenth (10th), fifteenth (15th), and twentieth year (20th) of the Lease, respectively, and the City shall make an additional payment to the Lessor in the amount of the Rent Adjustment within ten (10) days after the Lessor and City agree on the amount of the Rent Adjustment for the following five (5) year period.

3. **Amended Memorandum of Lease.** Lessor and Lessee hereby agree that upon execution of this Amendment No. 1, they will execute an Amended Memorandum of Lease in substantially the form attached and included as Exhibit "C" in Exhibit "1" hereto, which shall be recorded in the Official Records of Los Angeles County, California within thirty (30) days of the Lease Agreement renewal commencement date.

EXCEPT AS SPECIFICALLY PROVIDED HEREIN, all other terms, conditions, provisions and requirements of the Lease Agreement shall remain the same.

Signature Page to Follow

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Lease Agreement, on the date first above written.

LESSOR:

Executed this _____ day
of _____, 20__

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

Approved as to Form:

By _____
PRESIDENT

Date: _____
MICHAEL N. FEUER
City Attorney

By _____
SECRETARY

By: _____
DEPUTY CITY ATTORNEY

LESSEE:

Executed this _____ day
of _____, 20__

CITY OF GLENDALE

By _____
CITY MANAGER

Approved as to Form:

Date: _____
MICHAEL J. GARCIA
City Attorney

By _____
Dorine Martirosian,
Assistant City Attorney