

0150-08726-0000

TRANSMITTAL

TO The Council	NOV 03 2008	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 14 ✓	

Agreement with Community Partners for the renovation, development of recreational programs and shared use of the Hazard Park Armory

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


MAYOR

ARTS, PARKS, HEALTH & AGING

RPC:VES:08090229t

NOV 05 2008

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 27, 2008

CAO File No. 0150-08726-0000

Council File No.

Council District: 14

To: The Mayor

From: Raymond P. Ciranna, Interim City Administrative Officer *RC*

Reference: Letter to the Mayor from the Board of Recreation and Park Commissioners dated September 19, 2008; referred by the Mayor on October 2, 2008

Subject: **AGREEMENT WITH COMMUNITY PARTNERS FOR THE RENOVATION, DEVELOPMENT OF RECREATIONAL PROGRAMS AND SHARED USED OF THE HAZARD PARK ARMORY**

SUMMARY

At its meeting of September 17, 2008, the Board of Recreation and Park Commissioners (Board) approved a 50-year agreement between Community Partners, a 501(c)(3) California non-profit corporation (Community Partners), acting through and for the benefit of Legacy LA, and the Department of Recreation and Parks (Department) relative to a 4.2 acre portion (Armory) of Hazard Park, located at 1330 San Pablo Street in Council District 14. The main objective of the proposed agreement is to provide Community Partners with site control to facilitate fund-raising and commitments from other non-profit agencies to provide improvements to and recreational programming at the Armory. There is no direct payment or exchange of monetary consideration associated with the proposed agreement.

Under the terms of the proposed agreement, Community Partners is required to complete the following performance requirements:

PRE-DEVELOPMENT PERIOD

- Provide the Department with a list of prospective non-profit program and service providers within six months following the execution of the proposed agreement;
- Prepare and provide the Department with a list of proposed programs and services within six months following the approval of the selected non-profit program and service providers;
- Complete and submit to the Department a conceptual design of the alterations and improvements pursuant to the master plan (attached as Exhibit B to the proposed agreement)
- Negotiate and execute an operations and maintenance agreement with the Department specifying the terms and conditions for the shared operation and maintenance of the Armory, within three months following the approval of the conceptual design, subject to the approval of the Board;
- Complete all required environmental studies and clearances, with related approvals, within six months following the City's approval of the conceptual design; and,

- Secure necessary funding for the renovation of the Armory, through a capital campaign, within 12 months following the execution of the proposed agreement.

DEVELOPMENT PERIOD

- Continuously conduct fund raising activities to fund ongoing operations, maintenance, repairs and additional improvements as necessary, subject to the approval of the Department;
- Complete construction documents, including plans, and obtain all necessary permits and approvals, within 12 months following the completion of the capital campaign;
- Commence construction of the improvements to the Armory, pursuant to plans approved by the City, within four weeks following the date of the Department's Notice to Proceed; and,
- Complete the proposed improvements to the Armory, pursuant to approved plans, within 24 months following receipt of the Department's Notice to Proceed. The improvements shall be considered complete upon acceptance of the project by the Board.

Additionally, Community Partners is required to secure and provide funding necessary to cover the cost of all programs and services to be offered at the Armory, provide youth development programming, provide staff and supplies for the programs and services, submit bi-annual reports to the Department detailing the status of its performance under the agreement, ensure that each of its employees or volunteers shall have been first registered as a City volunteer and passed fingerprint background checks, pay for all utilities associated with its operations at the Armory, and provide appropriate maintenance of the Armory to the satisfaction of the Department.

Under the terms of the proposed agreement, the Department agrees to provide general maintenance of the Armory common areas including the grounds surrounding the Armory, keeping the grounds in good working condition and repair at its sole cost and expense. The Department also agrees to provide staff to assist Community Partners in day-to-day operations as necessary and subject to availability, including but not limited to custodial, maintenance and administrative.

In accordance with Los Angeles Administrative Code Section 10.5, Council approval of the proposed agreement is required because the term exceeds three years.

RECOMMENDATION

That the Council approve, and authorize the President and Secretary of the Board of Recreation and Park Commissioners to execute, the proposed 50-year agreement between Community Partners, a 501(c)(3) California non-profit corporation, acting through and for the benefit of Legacy LA, and the Department of Recreation and Parks relative to a 4.2 acre portion of Hazard Park, subject to the approval of the City Attorney.

FISCAL IMPACT STATEMENT

There is no fiscal impact. Therefore, the City Financial Policies are not applicable.

BOARD OF RECREATION AND
PARK COMMISSIONERS

BARRY A. SANDERS
PRESIDENT

LUIS A. SANCHEZ
VICE PRESIDENT

MARIA A. CASILLAS
CANDY SPELLING
JOHNATHAN WILLIAMS

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

DEPARTMENT OF
RECREATION AND PARKS
1200 W. 7TH ST.
SUITE 762
LOS ANGELES, CA 90017

(213) 928-9040
FAX - (213) 928-9048

JON KIRK MUKRI
GENERAL MANAGER

September 19, 2008

Hon. Antonio R. Villaraigosa, Mayor
City of Los Angeles
Room 303, City Hall

Attention: Ms. June Lagmay

Dear Mayor Villaraigosa:


In accordance with Executive Directive No. 3, there are attached herewith three copies of a proposed agreement with Community Partners for the refurbishment of the Hazard Park Armory, development of recreational programs, and shared use of the Armory.

Also attached for the assistance of your Office in reviewing this proposed agreement is Report No. 08-268, adopted by the Board of Recreation and Park Commissioners at its meeting of September 17, 2008. After review and recommendation by you, the proposed agreement will be submitted to the Board for final action.

If you have any questions with regard to the Proposed Agreement, please contact Cid Macaraeg at (213) 928-9108.

Very truly yours,

BOARD OF RECREATION AND
PARK COMMISSIONERS


MARY E. ALVAREZ
Commission Executive
Assistant

Attachments

cc: Cid Macaraeg

2008 OCT - 6 AM 8: 35
CITY ADMINISTRATIVE OFFICER



**AGREEMENT BETWEEN
THE DEPARTMENT OF RECREATION AND PARKS
AND
COMMUNITY PARTNERS
FOR THE IMPROVEMENT AND SHARED USE OF THE HAZARD PARK ARMORY
FOR THE PURPOSE OF RECREATIONAL PROGRAMS**

This Shared Use Agreement (AGREEMENT) is entered into this _____ day _____ of _____, 2008, by and between the City of Los Angeles, a municipal corporation acting by and through its Board of Recreation and Park Commissioners (CITY) and Community Partners, a 501(c)(3) California non-profit corporation (CORPORATION), acting through and for the benefit of Legacy L.A. (LEGACY), a collaborative community based, start-up organization dedicated to building a legacy for the communities of East Los Angeles by providing expanded youth development programming, at the Department of Recreation and Parks (DEPARTMENT), Hazard Park Armory.

THIS AGREEMENT is made and entered into by and between CITY and CORPORATION (collectively PARTIES);

WHEREAS, CITY is the owner of the facility commonly known as the Hazard Park Armory (ARMORY) located at 1330 San Pablo Street, Los Angeles, CA 90033, within Hazard Park (PARK); and,

WHEREAS, CORPORATION has a unique expertise in providing non-profit organizations with the necessary resources to improve the infrastructure of facilities to facilitate the development and implementation of programs and services directed towards building and reinforcing strong communities; and,

WHEREAS, CITY presently does not have the funding or staff resources available to perform the required tasks and due diligence in the time frame that CORPORATION proposes to perform such work to bring the proposed project to fruition; and,

WHEREAS, the mission of LEGACY is to create and preserve a recreation and cultural center that builds a powerful future for the community of East Los Angeles while reflecting its unique history; and,

WHEREAS, CITY, pursuant to this AGREEMENT, agrees to provide CORPORATION and LEGACY (collectively, PARTNERS) access to the ARMORY for purposes of improving the site through alterations and improvements to the interior of the Armory (ALTERATIONS AND IMPROVEMENTS) funded by PARTNERS at no cost to CITY, subject to the approval of CITY and after all required approvals are obtained, including but not limited to any required by the California Environmental Quality Act (CEQA), and for the development and operation of programming and services to benefit the community of East Los Angeles and surrounding areas, subject to the execution of an operations and maintenance agreement between PARTIES; and,

WHEREAS, CORPORATION, as an umbrella organization and until CORPORATION obtains CITY's approval for CORPORATION to assign this AGREEMENT to LEGACY, agrees to support LEGACY and accepts responsibility over LEGACY's activities at the ARMORY, as well as that of selected non-profit organizations providing programming and services at the ARMORY, pursuant to the terms and conditions of this AGREEMENT and for the purpose of providing LEGACY with the funding, critical support, guidance, and training necessary for the implementation and fulfillment of LEGACY's mission; and,

WHEREAS, this AGREEMENT is intended to set forth the terms and conditions of any potential change of use or physical improvement of the ARMORY, including the shared-use of the ARMORY between LEGACY and DEPARTMENT to provide the community of East Los Angeles, and recreational and programming, services, and benefits; and,

WHEREAS, PARITES agree that the Term of this AGREEMENT shall be for fifty (50) years, contingent upon PARTNERS fulfilling certain requirements and obligations contained in this AGREEMENT, within the specified time period(s) listed in Section 8 of this AGREEMENT and to the satisfaction of CITY.

NOW, THEREFORE in consideration of the foregoing premises and the covenants and conditions contained herein and the performance thereof, the parties hereto mutually agree as follows:

1. AUTHORIZED REPRESENTATIVES

CITY:

Jon Kirk Mukri, General Manager
1200 West 7th Street, Suite 748
Los Angeles, CA 90017

COMMUNITY PARTNERS:

Paul Vandeventer, President & CEO
1000 N. Alameda St., Suite 240
Los Angeles, CA 90012

2. OBJECTIVES

2.1 Purpose of Agreement. The purpose of this AGREEMENT between CITY and CORPORATION shall be to provide site control of portions of the ARMORY to facilitate fund raising and commitments from other non-profit agencies, subject to the CITY's approval, to provide resources for recreational programming during the term of this AGREEMENT, subject to all terms and conditions contained herein.

2.2 Objectives. CORPORATION agrees to: (i) submit plans and specifications (PLANS) to CITY for the renovation of the ARMORY, subject to CITY's sole discretion and approval, and thereafter if CITY approval to make physical changes is obtained to use the improved portion of the ARMORY; (ii) to provide expanded programming for the entire community; (iii) to promote positive life-outcomes through the development of

recreational programs for the well-being of at-risk youth; (iv) to provide opportunities for neighborhood youth to contribute to the betterment of their community; (v) to revitalize the surrounding community through a reduction in gang involvement and related crimes, drop-out rates, truancy rates, and youth unemployment statistics; and (vi) to create a replicable model to be used in other urban parks.

3. PREMISES

3.1 The location of the ARMORY site within Hazard Park is illustrated on the Aerial Site Map attached hereto and incorporated herein as Exhibit-A.

4. CONSIDERATION

4.1 There shall be no direct payment or exchange of monetary consideration associated with this AGREEMENT.

4.2 The consideration between PARTIES for this AGREEMENT shall consist of the following:

- A) CITY shall provide CORPORATION with continued access to the ARMORY for purposes of planning, designing, and renovating the interior of the ARMORY upon approval by CITY of the PLANS, and for the development and implementation of recreational and cultural programs and services.
- B) CORPORATION shall: (i) secure necessary funding for the planning, design, and construction of ARMORY ALTERATIONS AND IMPROVEMENTS; (ii) perform ALTERATIONS AND IMPROVEMENTS pursuant to PLANS approved by CITY; (iii) select non-profit program and service providers, subject to CITY's approval, who shall operate from the improved ARMORY; (iv) develop, implement, and oversee recreation programs and services to be provided by the selected and approved non-profit providers; and, (v) maintain the space allocated to the non-profit program and service providers.

5. ARMORY ALTERATIONS AND IMPROVEMENTS

5.1 CORPORATION shall perform ALTERATIONS AND IMPROVEMENTS to the ARMORY at their sole expense and no cost to CITY, as necessary to accommodate the future development and operation of recreational programs and services to be provided by CORPORATION and selected non-profit providers, subject to CITY's approval, according to future PLANS to be prepared by CORPORATION and approved by CITY, pursuant to the terms and conditions of this AGREEMENT.

5.2 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.

5.3 Proposed improvements to the ARMORY, which shall be identified in further detail on the specific PLANS (architectural drawings, design plans, and/or renderings) to be provided to CITY for review and approval, pursuant to the terms and conditions of this AGREEMENT, shall include, 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;
- J) DEPARTMENT Administrative Offices and Storage Areas;

5.4 A preliminary ARMORY renovation project Master Plan showing the location of the proposed improvements is attached hereto as Exhibit B.

5.5 PLANS for the proposed ARMORY ALTERATIONS AND IMPROVEMENTS shall be submitted to CITY for review and approval prior to the commencement of any construction work. Such PLANS shall be subject to approval by the Board of Recreation and Park Commissioners (BOARD) as provided in Section 5.1 and 5.2 of this AGREEMENT.

5.6 Environmental Due-Diligence. CITY shall require all customary and appropriate studies to be performed at CORPORATION's sole expense. All required and appropriate environmental studies shall be performed and submitted to CITY for review and consideration prior to the commencement of any physical changes to the ARMORY.

6. USE OF ARMORY

6.1 CITY shall have the right to use certain space within the ARMORY, as mutually agreed upon by CITY and LEGACY, for purposes of day-to-day recreational

operations, maintenance, storage, special events and related activities as required by DEPARTMENT.

6.2 It is anticipated that if the PLANS are approved by the CITY, that CORPORATION shall use space within the ARMORY pursuant to the Master Plan attached hereto as Exhibit B.

- A) Prior to final selection, CORPORATION shall provide DEPARTMENT with a list of prospective non-profit program and service providers for review, input and final approval.
- B) CORPORATION shall allocate space among the selected non-profit program and service providers, subject to approval by DEPARTMENT.
- C) CORPORATION shall have the right to engage in concession activities on site, subject to the Board's approval, to generate funds to be used for operations, maintenance, repairs, and additional improvements on site.

6.3 CORPORATION's use of the ARMORY, including its parking lot, shall commence accordingly within sixty (60) days following the respective completion of ALTERATIONS AND IMPROVEMENTS included under each phase of the Master Plan attached hereto as Exhibit-B. Upon completion of each Phase of ALTERATIONS AND IMPROVEMENTS, CORPORATION shall notify DEPARTMENT of each completion, and DEPARTMENT shall subsequently inspect and approve the completion of each Phase within a reasonable time, to authorize CORPORATION's occupancy and commencement of operations within the space included under each Phase of ALTERATIONS AND IMPROVEMENTS.

6.4 Within thirty (30) days prior to the beginning of each subsequent year, CORPORATION and CITY shall mutually review (i) the utilization of the space allocated to each party in the previous year, (ii) the programs offered by CORPORATION in that year and (iii) the programs proposed to be offered by CORPORATION and selected and approved non-profit program and service providers in the upcoming year, as previously approved by DEPARTMENT. Based on this review, the parties shall mutually revise the Schedule of Use to maximize the use of the ARMORY and to accommodate as best as possible the programs to be offered by CORPORATION AND CITY at the ARMORY; provided that CORPORATION AND CITY, mutually agree in writing to such modification(s).

7. TERM

7.1 The Term of this AGREEMENT shall be fifty (50) years (TERM) from the date of its execution ("Execution Date") and shall expire on the at midnight of the day

immediately prior to the fiftieth (50th) anniversary (Expiration Date) of the Execution Date.

8. 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):

8.1 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;

8.2 **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.

9. **OBLIGATIONS OF PARTIES**

9.1 In accordance with the Objectives listed above (Section 2) and the stated purpose of this AGREEMENT, the PARTIES agree, subject to the provisions of Section 5.1 and 5.2, to work together towards the renovation of the ARMORY and the development of recreational programs and services to be available at the ARMORY, pursuant to the terms and conditions listed below and throughout this AGREEMENT.

9.2 CORPORATION As related to the development and provision of proposed programs and services to be provided by CORPORATION and selected and approved non-profit providers following the completion of the ALTERATIONS AND IMPROVEMENTS and commencement of operations at the ARMORY, during the TERM of this AGREEMENT, and contingent upon the fulfillment of the requirements

listed under Section 8 above, CORPORATION preliminarily agrees to the following obligations, which shall be negotiated further and detailed in the required Operations and Maintenance Agreement:

- A) To secure and provide funding necessary to cover the cost of all programs and services offered at the ARMORY and administered solely by CORPORATION through CORPORATION's selected and approved non-profit providers; and,
- B) To provide youth development programming at the ARMORY, pursuant to the terms and conditions of the Operations and Maintenance Agreement and subject to the approval of DEPARTMENT; and,
- C) To provide staff and supplies for the programs and services provided or administered by CORPORATION and the selected and approved non-profit providers, subject to the approval of DEPARTMENT; and,
- D) To submit a bi-annual report by January 1st and July 1st of each calendar year following the Execution Date of this AGREEMENT, to the Superintendent of DEPARTMENT's Metro Region and Director of Real Estate and Asset Management, detailing the status of CORPORATION's performance of this AGREEMENT; and,
- E) To ensure that each employee and volunteer of CORPORATION, and that of the selected and approved non-profit providers working on site at the ARMORY following the completion of IMPROVEMENTS and opening of ARMORY operations, shall have first been registered as a CITY volunteer and passed a fingerprint background check; and,
- F) Following the completion of each Phase of ALTERATIONS AND IMPROVEMENTS, and related occupancy of said space by CORPORATION, to pay for all utilities associated with CORPORATION's operations at the ARMORY, including, but not limited to, electricity, water, gas, and sewer; and,
- G) visually inspect any and all space used within the ARMORY by CORPORATION and selected and approved non-profit providers, and to perform, or cause to be performed, appropriate maintenance on site to the satisfaction of DEPARTMENT to ensure that the ARMORY is maintained in a clean and sanitary condition, including but not limited to, the picking-up and disposal of trash and debris, the removal of graffiti, replacement of damaged or vandalized

fixtures and amenities, and the performance of necessary repairs to space allocated to CORPORATION and the selected and approved non-profit providers.

9.3 CITY Throughout the TERM of this AGREEMENT, but contingent upon CORPORATION fulfilling the requirements listed under Section 8 above and subject to Section 5.1 and 5.2, CITY agrees to the following obligations which shall be negotiated further and detailed in the required Operations and Maintenance Agreement:

- A) To provide general maintenance of ARMORY common areas, including the grounds surrounding the ARMORY ("GROUNDS"), keeping GROUNDS in good working condition and repair at its sole cost and expense; provided however, that CORPORATION may make additional improvements to the ARMORY and GROUNDS at CORPORATION's sole cost and expense, subject to all necessary permits and authorizations being obtained in advance prior to any work being performed, including the approval of DEPARTMENT and CITY, which approval shall not be unreasonably withheld; and,
- B) To provide staff to assist CORPORATION in day-to-day operations as reasonably necessary and available, including but not limited to custodial, maintenance, and administrative; and,
- C) To visually inspect the ARMORY and GROUNDS to ensure that CORPORATION is performing the appropriate maintenance of the ARMORY as stated in Section 9.2 above.

10. ASSIGNMENT OF SPACE

10.1 Neither CORPORATION nor CITY shall assign this AGREEMENT, nor assign or transfer any interest or obligation in this AGREEMENT (whether by assignment or novation) without the prior written consent of the other party. However, it is acknowledged by the PARTIES that upon completion of the Performance Requirements listed under Section 8 of this AGREEMENT, CORPORATION intends to assign all rights and obligations of this AGREEMENT to LEGACY, subject to CITY's approval, which shall not be reasonably withheld.

10.2 CORPORATION shall not enter into any agreement associated with the use or operation of the ARMORY, with any other party without the prior written consent of CITY.

10.3 CORPORATION shall have the right under this AGREEMENT to assign space to selected and approved non-profit recreational program and service providers, subject to review and approval by DEPARTMENT, for the purpose of providing the programs and services to be provided by CORPORATION under the terms and

conditions of this AGREEMENT. CORPORATION shall be responsible for the performance of all terms and conditions of this AGREEMENT, notwithstanding DEPARTMENT's approval of the selected non-profit program and service providers to assist CORPORATION in complying with all terms and conditions of this AGREEMENT. All selected and approved non-profit program and service providers shall be subcontractors of CORPORATION, and their subcontracts shall contain all provisions of this AGREEMENT and shall be subject thereto.

10.4 CORPORATION may seek to obtain third-party sponsorships, such as naming rights for the ARMORY, which shall be subject to review and approval by CITY in its sole discretion.

11. UTILITIES

11.1 Following the completion of each phase of development and the related occupancy of such space by CORPORATION, CORPORATION shall be responsible for payment of all utility costs (electricity, water, gas sewer, phone, etc....) associated with CORPORATION's operations at the ARMORY, including that of the selected and approved non-profit providers.

12. TERMINATION

12.1 CITY shall have the right to terminate this AGREEMENT prior to the Expiration Date upon a material breach by CORPORATION. Upon the occurrence of any such breach, CITY shall notify CORPORATION in writing, explaining the nature of the breach and providing documentation or information substantiating the claim. CORPORATION shall have sixty (60) days from the date of such notice to correct the breach. If CORPORATION fails to correct such breach within sixty (60) days or fails to take the steps necessary to cure the breach if such breach is not curable within sixty (60) days, CITY shall have the right to terminate this AGREEMENT, and CORPORATION agrees to peaceably vacate the ARMORY upon thirty (30) days written notice of such termination.

12.2 Notwithstanding anything in this AGREEMENT to the contrary, and subject to the rights of termination and specific performance contained herein, the provisions of this section 12 provide the exclusive remedy for any breach of this AGREEMENT.

12.3 CORPORATION shall not be held responsible for liabilities or impacts related to on-site conditions in existence prior to CORPORATION's improvements and use of the ARMORY.

13. LIABILITY/ HOLD HARMLESS

13.1 Except for the active negligence or willful misconduct of CITY, or any of its Board, Officers, Agents, Employees, Assigns and Successors in Interest, CORPORATION undertakes and agrees to defend, indemnify and hold harmless CITY and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expense, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including CORPORATION's employees and agents, or damage or destruction of any property of either party hereto or of third parties (collectively, "Losses"), arising in any manner by reason of the negligent acts, errors, omissions, or willful misconduct incident to the performance of this AGREEMENT by CORPORATION or its subcontractors of any tier. The provisions of this paragraph survive expiration or termination of this AGREEMENT for a period of one year from such expiration or termination.

13.2 Except for the active negligence or willful misconduct of CORPORATION, or any of its Board, Officers, Agents, Employees, Assigns and Successors in Interest, CITY undertakes and agrees to defend, indemnify and hold harmless CORPORATION and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expense, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including CITY's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions, or willful misconduct incident to the performance of this AGREEMENT by the CITY or its subcontractors of any tier. The provisions of this paragraph survive expiration or termination of this AGREEMENT for a period of one year from such expiration or termination.

14. INSURANCE

CORPORATION is insured and shall additionally insure CITY for the coverage specified on the 146R Form. CORPORATION also agrees to the Insurance Requirements attached as Exhibit-C hereto. CORPORATION shall maintain, during the term of this AGREEMENT, evidence of insurance acceptable to CITY prior to CORPORATION's performance of this AGREEMENT. CITY reserves the right at any time during the term of this AGREEMENT to change the amounts and types of insurance required hereunder by giving CORPORATION ninety (90) days advance written notice of such change. If such change should result in substantial additional cost to CORPORATION, CITY agrees to pay for such incremental costs.

15. WARRANTIES.

15.1 CORPORATION Warranties As an inducement to CITY to enter into this AGREEMENT, CORPORATION represents, warrants, and covenants as follows:

- A) That it is a regularly organized and existing non-profit organization under the laws of the State of California;
- B) That it has the power and authority to carry on its function as a non-profit organization, to enter this AGREEMENT and to consummate the transaction herein contemplated;
- C) That all actions to be taken by or on behalf of CORPORATION to authorize it to make, deliver and implement the terms of this AGREEMENT have been duly and properly taken prior to the execution of this AGREEMENT;
- D) That this AGREEMENT is a valid and binding obligation of CORPORATION, enforceable in accordance with its terms except as the same may be affected by subsequent changes in law, in court decisions, bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally; and,
- E) That CORPORATION accepts all responsibility for the actions, activities, performance, and non-performance of and by LEGACY, the selected and approved non-profit program and service providers, and any other outside entities under CORPORATION's umbrella, contract, or affiliation, as related to the ARMORY and the performance of this AGREEMENT.

15.2 CITY Warranties As an inducement to CORPORATION to enter into this AGREEMENT, CITY represents, warrants and covenants as follows:

- A) That it is a municipal corporation, duly organized and validly existing under the laws of the State of California;
- B) That it has the power and authority to carry on its function as a city, to enter into this AGREEMENT, and to consummate the transaction herein contemplated;
- C) That all actions to be taken by or on behalf of CITY to authorize it to make, deliver and implement the terms of this AGREEMENT have been duly and properly taken prior to the execution of this AGREEMENT; and

- D) That this AGREEMENT is a valid and binding obligation of CITY, enforceable in accordance with its terms except as the same may be affected by subsequent changes in law, court decisions, bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

16. STANDARD PROVISIONS

The "Standard Provisions for City Contracts" describe standard CITY terms and conditions, and, are attached hereto as Exhibit-D and incorporated herein by reference ("Standard Provisions"). In any instance of conflicting language, this AGREEMENT shall supersede the conflicting language in the Standard Provisions. All references in the Standard Provisions to "Contractor" or "Consultant" refer to CORPORATION.

16.1 Compliance with Statutes and Regulations. CORPORATION warrants and certifies that in the performance of this AGREEMENT, it shall comply with all applicable statutes, rules, regulations and orders of the United States, the State of California, the County and City of Los Angeles, including laws and regulations pertaining to labor, wages, hours, and other conditions of employment and CITY's anti-discrimination provisions and Affirmative Action Plan. If during the course of this AGREEMENT, the CITY receives or promulgates new or revised laws, regulations and/or procedures that apply to the performance of this AGREEMENT, such data shall be submitted to CORPORATION for compliance thereto. These conditions shall be made an integral part of any subcontract arising out of this AGREEMENT. CORPORATION further warrants and certifies that it shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this AGREEMENT.

16.2 Retention of Records, Audit and Reports. CORPORATION shall maintain records, including records of financial transactions, pertaining to the performance of this AGREEMENT, in their original form, in accordance with requirements prescribed by CITY. These records shall be retained for a period of the lesser of three (3) years after termination or ten (10) years from the date of the record. Said records shall be subject to examination and audit by authorized CITY personnel or by CITY's representative at any time during the term of this AGREEMENT or within the three years following the termination date of this AGREEMENT.

17. SPECIFIC PERFORMANCE

In addition to any and all other remedies that may be available in law, in the event of any breach of this AGREEMENT, each party shall be entitled to specific performance of the agreements and obligations of each other party hereunder and to such other injunctive or equitable relief as may be granted by a court of competent jurisdiction.

18. ENTIRE AGREEMENT

18.1 Complete Agreement. This AGREEMENT contains the full and complete agreement between the two parties. No verbal agreement, nor conversation with any officer or employee of either party, shall affect or modify any of the terms and conditions of this AGREEMENT.

18.2 Number of Pages and Attachments. This AGREEMENT is executed in duplicate originals, each of which is deemed to be an original, and includes thirteen (13) pages and our (4) exhibits (A thru D), which constitute the entire understanding and agreement of the parties.

Signature Page to Follow

IN WITNESS WHEREOF, the PARTIES have caused this AGREEMENT to be executed by their duly authorized representatives:

Executed this _____ day
of _____, 2008

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners

By _____
PRESIDENT

By _____
SECRETARY

Executed this _____ day
of _____, 2008

COMMUNITY PARTNERS:

By _____
PAUL VANDEVENTER
PRESIDENT

By _____
SECRETARY/TREASURER

Approved as to Form:

Date: _____

ROCKARD J. DELGADILLO,
City Attorney

By _____
SR. ASSISTANT CITY ATTORNEY

EXHIBIT-A

SITE MAP

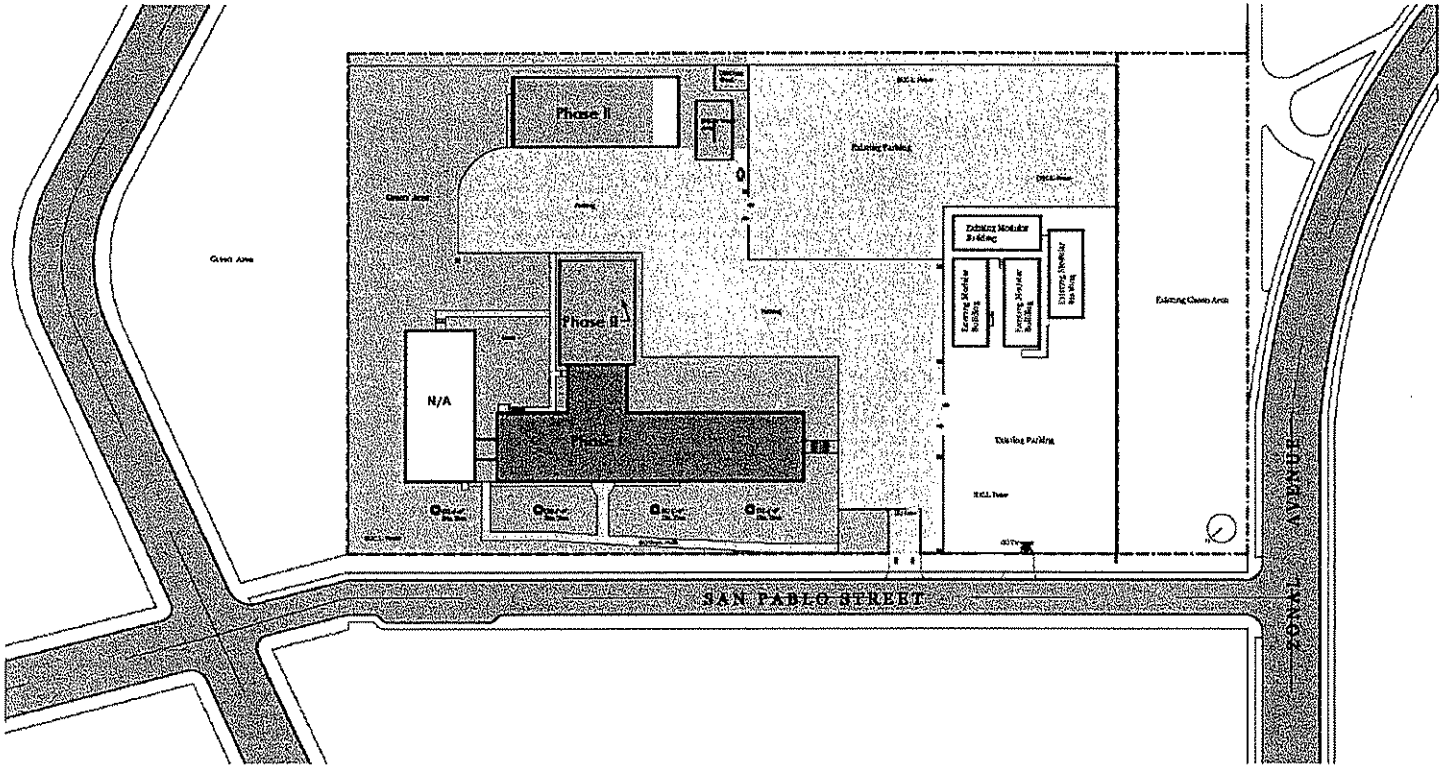
HAZARD PARK ARMORY

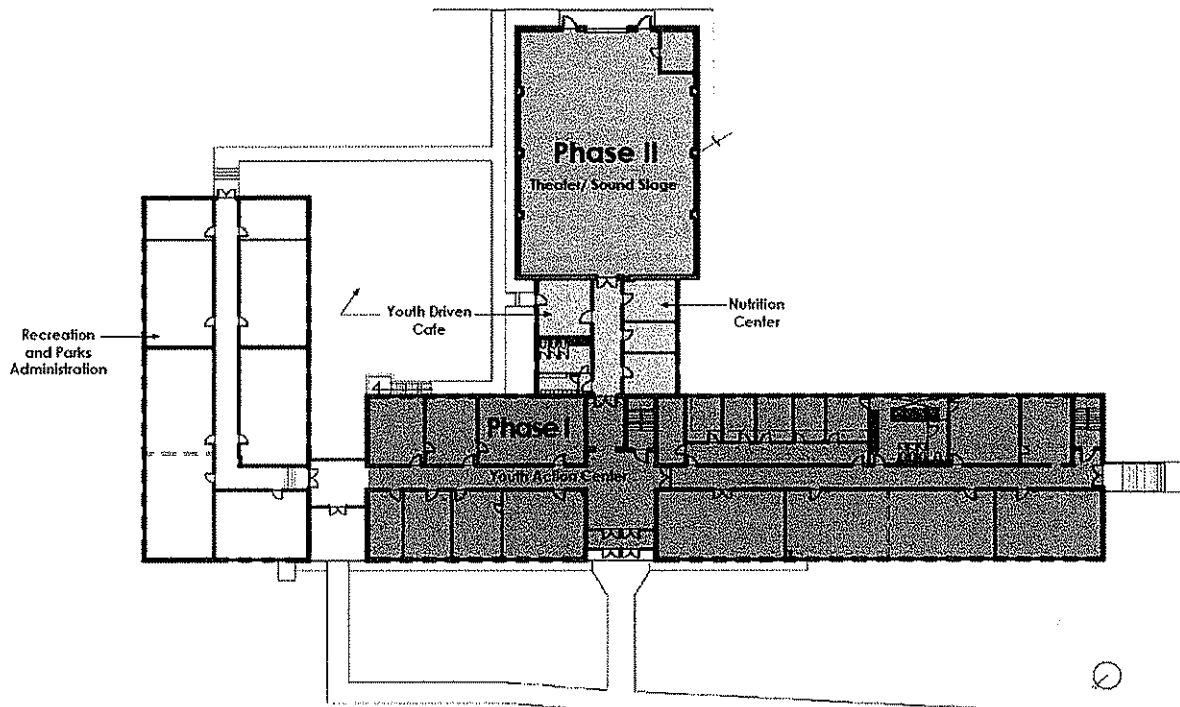


EXHIBIT-B

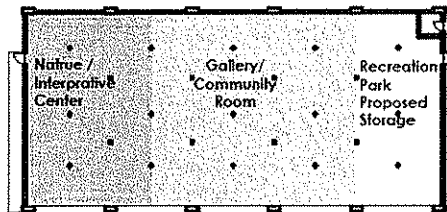
Hazard Park Armory

Master Plan

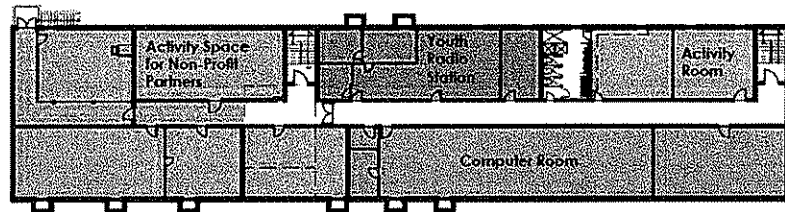




First Floor Plan



Phase 11 - Motor Vehicle First Floor Plan



Phase 1 - Basement Level Floor Plan

REPORT OF GENERAL MANAGER

APPROVED
SEP 17 2008

NO. 08-268

DATE September 17, 2008

**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

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

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

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

Rafa

[Signature]

General Manager

Approved _____

Disapproved _____

Withdrawn _____

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.

REPORT OF GENERAL MANAGER

PG. 2

NO. 08-268

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;

REPORT OF GENERAL MANAGER

PG. 3

NO. 08-268

- 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.

REPORT OF GENERAL MANAGER

PG. 4

NO. 08-268

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.

REPORT OF GENERAL MANAGER

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NO. 08-268

Fiscal Impact:

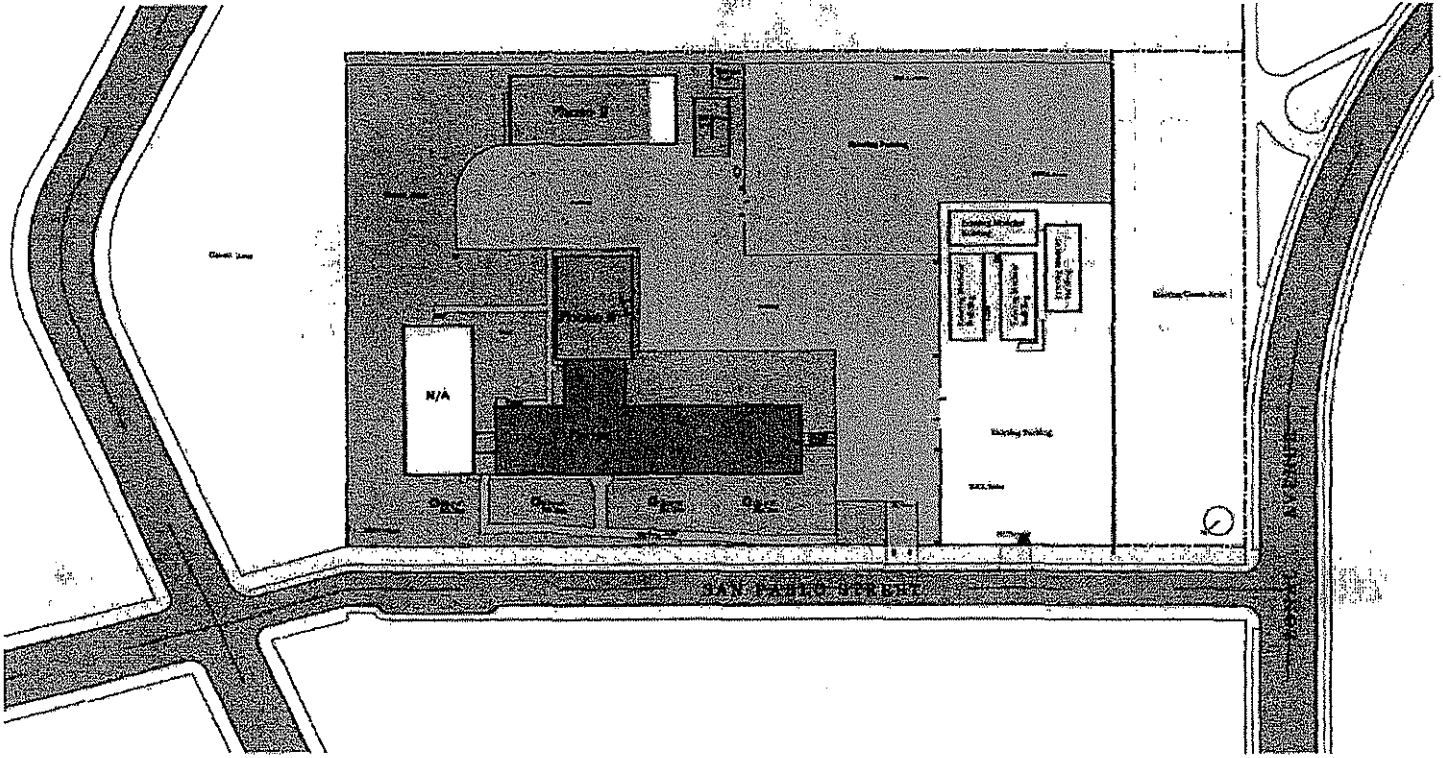
Approval of the proposed Agreement shall present no fiscal impact to the Department's general fund as all aspects of the project associated with the proposed Agreement shall be funded entirely at the sole expense of Corporation.

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

EXHIBIT-A

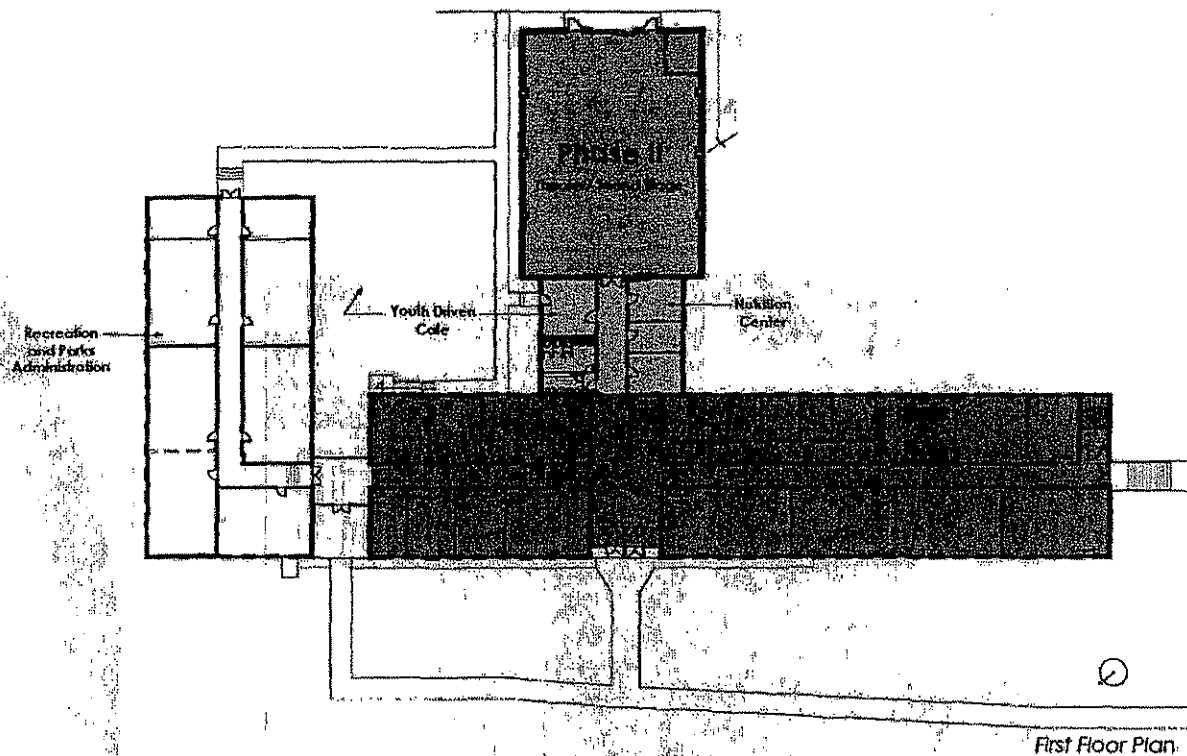
Hazard Park Armory

Master Plan

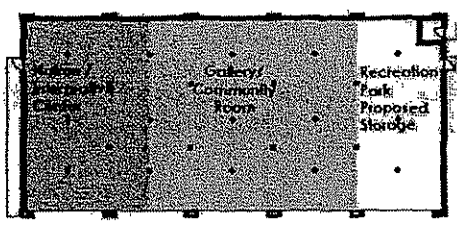


Site Plan

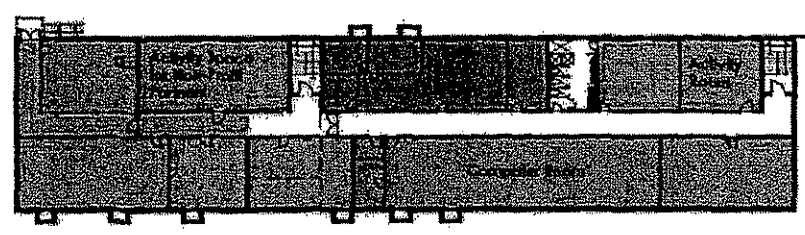
1



First Floor Plan



Phase 11 - Motor Vehicle First Floor Plan



Phase 1 - Basement Level Floor 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.