

(Lease and Management Agreement
Los Angeles Cleantech Incubator, Inc.)

WHEREAS, the Department of Water and Power of the City of Los Angeles (LADWP) previously purchased the real property located at 525 and 537 South Hewitt Street and 516 and 542 Colyton Street, Los Angeles, California, and all improvements located thereon (the "Property"); and

WHEREAS, LADWP previously determined that the La Kretz Innovation Campus (Campus) would be constructed and located on the Property; and

WHEREAS, the Board of Water and Power Commissioners of the City of Los Angeles (Board) authorized LADWP to enter into a Memorandum of Understanding (MOU) with the Community Redevelopment Agency of the City of Los Angeles, California to establish a clean technology incubation program at the Campus as a key component of the City of Los Angeles' economic development strategy (authorized by Board Resolution No. 010 298 on April 20, 2010); and

WHEREAS, pursuant to Board Resolution No. 014 042 adopted on August 27, 2013, LADWP ground leased the Property to La Kretz Innovation Campus, a nonprofit public benefit corporation (Corporation), and the Corporation, as lessor, subleased the Property back to LADWP, as lessee, for construction and operation as part of financing the Campus improvements under the New Markets Tax Credit Program, established in 2000 as part of the Community Renewal Tax Relief Act of 2000; and

WHEREAS, this clean technology incubation program, managed by Los Angeles Cleantech Incubator, Inc. (LACI), a 501(c)(3) non-profit organization, is also designed to assist LADWP in meeting its legally mandated water conservation and energy goals by guiding the development of new clean technology concepts, products and systems; and

WHEREAS, LACI will be located at the Campus which will house a synergistic mix of clean technology tenants, including, but not limited to, LADWP's energy efficiency and water conservation laboratories, a customer engagement and emerging technology center and cutting edge exhibitions demonstrating the latest technologies promoting water and energy conservation; and

WHEREAS, LACI desires to lease a portion of the Campus and be responsible for the management, operation, and maintenance of the entire Campus pursuant to the terms and conditions of a Lease and Management Agreement (Agreement) and in accordance with an annual operating budget approved by LADWP; and

WHEREAS, pursuant to Section 606 of the Charter of the City of Los Angeles (City Charter), approval of the City Council of the City of Los Angeles (City Council) is required for LADWP to enter into the Agreement; and

NOW, THEREFORE, BE IT RESOLVED that the Agreement, approved as to form and legality by the City Attorney, on file with the Secretary of the Board, and now before this Board in connection with this Resolution, whereby LADWP (i) for and in consideration of one (1) dollar per year plus mutual benefits to be derived, gives permission to LACI to use a portion of the Campus for the purposes and upon the terms and conditions set forth in said Agreement, and (ii) appoints LACI to manage the entire Campus in accordance with an annual operating budget approved by LADWP and upon the terms and conditions set forth in said Agreement, be and the same is hereby authorized and approved; and

BE IT FURTHER RESOLVED that pursuant to the City Charter Section 605(b), the Board finds that: (1) the portions of the Property to be leased for use by LACI are not presently needed for Department purposes; and (2) the grant of this lease will not interfere with Departmental purposes; and

BE IT FURTHER RESOLVED that the City Council is requested to approve said Agreement as provided in the City Charter Section 606; and

BE IT FURTHER RESOLVED that the President or Vice President of this Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said Agreement and subsequent amendments thereto, for and on behalf of LADWP; and

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, the Water Revenue Fund and other grant funding received by LADWP for payment of the obligations arising under said Agreement, which amount is currently estimated not to exceed \$895,000 annually.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held AUG 04 2015

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

BY John Be anum
JUN 16 2015
JOHN BEANUM
DEPUTY CITY ATTORNEY

Barbara E. Angles
Secretary