

0150-07924-0001

TRANSMITTAL

TO
David H. Wright, General Manager
Department of Water and Power

DATE
JUN 15 2017

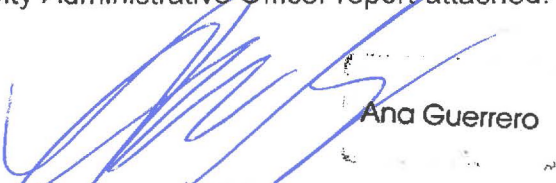
COUNCIL FILE NO.
17-0577

FROM
The Mayor

COUNCIL DISTRICT
14

LEASE AGREEMENT BETWEEN DWP AND RAP FOR NATURAL AREAS AND OPEN SPACES ON A PORTION OF DWP ASCOT RESERVOIR

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.


Ana Guerrero
MAYOR

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 7, 2017

CAO File No.: 0150-07924-0001

Council File No.: 17-0577

Council District: 14

To: The Mayor

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

RHL
RW

Subject: **LEASE AGREEMENT BETWEEN DWP AND RAP FOR NATURAL AREAS AND OPEN SPACES ON A PORTION OF DWP ASCOT RESERVOIR**

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed DWP Resolution 017238 authorizing a 30-year lease agreement with the Department of Recreation and Parks for natural areas and open space on a portion of the DWP Ascot Reservoir; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

SUMMARY

Approval of the proposed resolution and new lease agreement between the Department of Water and Power (DWP) and the Department of Recreation and Parks (RAP) provides 93.51 acres of natural areas and open space on a portion of the DWP Ascot Reservoir located in the community of El Sereno. The lease states RAP will pay DWP a nominal amount of \$1.00 per year over a 30-year term, expiring March 1, 2047. Additionally, RAP agrees to provide maintenance services to the leased areas with an estimated cost savings to DWP of \$11,000 per year.

In February 2010, DWP executed a 20-year lease agreement with RAP for the same areas (DWP Resolution 010 231). Subsequently, RAP entered an agreement with Northeast Trees, a non-profit organization dedicated to building public spaces, to design and landscape the leased premises on behalf of RAP (CF 15-1115). Northeast Trees obtains financial support through grant funding opportunities; however, a qualification for certain grant funding is long-term control of the property through ownership or lease agreements with durations greater than 20 years. As the remaining term of the current lease is approximately 13 years, it is not sufficient to allow Northeast Trees to qualify for the aforementioned grants. The proposed 30-year lease agreement will enable Northeast Trees to qualify for the desired grant funding opportunities. Approval of the proposed lease will concurrently terminate the remaining term of the current lease agreement.

DWP has determined that the proposed easements present no adverse operational impacts or maintenance expenses associated with its current or anticipated operations.

Approval by City Council is required pursuant to City Charter Section 607(a). There is no time limit for Council action on agreements for real property or any rights in real property held by DWP that will be sold, leased or withdrawn from the Department's control. The City Attorney has approved the proposed resolution as to form and legality.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution will impact the Water Revenue Fund with a nominal lease payment of \$1.00 per year and an estimated cost savings of \$11,000 per year for maintenance activities performed by the Department of Recreation and Parks over a 30-year term. There is no fiscal impact to the City General Fund.

RHL:RR:10170138