

APPROVED

REPORT OF GENERAL MANAGER

AUG 03 2011

NO. 11-221

DATE August 3, 2011

BOARD OF RECREATION and PARK COMMISSIONERS

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: EXPO CENTER – AMENDMENT TO LEASE AGREEMENT NO. C105590 WITH KIDS IN SPORTS, A CALIFORNIA NON-PROFIT CORPORATION, RELATED TO THE CONTINUED USE OF CERTAIN OFFICE AND CONFERENCE ROOM SPACE

R. Adams _____ K. Regan _____
H. Fujita _____ M. Shull _____
*V. Israel _____ N. Williams _____

[Signature]
General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

- 1. Approve a proposed Amendment to Lease Agreement No. C-105590 (Amendment), substantially in the form on file in the Board Office, between the City of Los Angeles (City) and Kids In Sports (KIS), a 501c(3) California non-profit corporation, extending the existing Lease term an additional fifteen (15) years, and clarifying the status of, and the terms and conditions for the authorized use of, the second floor conference room, subject to the approval of the Mayor and the City Council, and of the City Attorney as to form;
2. Direct the Board Secretary to transmit the proposed Amendment to the Mayor in accordance with Executive Directive No. 3, and concurrently to the City Council and the City Attorney for review and approval as to form; and,
3. Authorize the Board President and Secretary to execute the Amendment, upon receipt of the necessary approvals.

SUMMARY:

On September 4, 2003, the City of Los Angeles, through its Board of Recreation and Park Commissioners (Board), executed Lease No. C-105590 (Report 03-126) with Kids In Sports (KIS), a California non-profit corporation, authorizing KIS' use of certain office space within EXPO Center, for an initial term of fifteen (15) years (expiring on the last day of September, 2018). Since then,

REPORT OF GENERAL MANAGER

PG. 2 NO. 11-221

KIS has maintained administrative operations at EXPO Center while providing financial and programmatic support to the Department of Recreation and Parks (Department) at various recreation centers, and additionally operating KIS' own athletic programs at EXPO Center through the Department's permitting process.

The proposed Amendment will extend the existing Lease term by an additional fifteen (15) years upon expiration of the current Term on the last day of September 2018, setting a new Lease expiration date as the last day of September 2033. The proposed Lease extension is being done pursuant to a request from KIS. Staff considers KIS a valuable benefit to the Department and the City, and therefore, recommends that the extension be granted to assure KIS funders and sponsors that KIS' administrative function at EXPO Center will remain on site for some time in the future.

Section 5 (Term) of LEASE shall be amended to include Subsection 5.2.1, to provide as follows:

“5.2.1 Extension of Lease Term. Upon expiration of the Lease Term occurring on the last of September, 2018, the Lease Term shall be extended for a subsequent period of fifteen (15) years commencing on the day following the last day of September, 2018, and expiring on the last day of September, 2033.”

Additionally, the proposed Amendment will also clarify the status of an existing second floor conference room, excluding it from the Lease premises, and setting the terms and conditions for its authorized use by KIS and others. As presently written, Section 4.1 of the existing Lease is unclear as to who has scheduling control of the conference room. In order to coordinate the use of said conference room among KIS, EXPO Center staff, and all other tenants and users of the EXPO Center facility, EXPO Center staff requested that Section 4.1 of the Lease be amended to clarify each party's understanding and place the responsibility of scheduling use of the conference room with EXPO Center staff. In order to satisfy the needs of KIS, and ensure that they have conference room access for staff meetings, board meetings, and other standing events which are or may be consistently scheduled at the same time.

Under Article 4, PREMISES, Section 4.1. of LEASE shall be amended as follows:

The last sentence of Section 4.1., which reads “The use of the shared conference room shall be in accordance with scheduling coordinated by TENANT” shall be deleted, and replaced with the following:

“The use of the shared second floor conference room, comprising of approximately 552 square feet of conference room space, shall be coordinated with and approved by EXPO Center staff; provided, however, TENANT (a) shall have priority access to the conference room for its staff and board meetings, and (b) shall have the right to utilize such conference room for a minimum of 30 hours per month.”

REPORT OF GENERAL MANAGER

PG. 3 NO. 11-221

Staff has determined that the subject Amendment to the existing Lease will consist of the renewal of a lease to use an existing facility involving negligible or no expansion of use, and therefore, is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(14) of the City CEQA Guidelines.

FISCAL IMPACT:

There is no fiscal impact to the Department's General Fund associated with the proposed extension of the lease term or the clarification of conference room use, as existing operations at EXPO Center will remain unchanged.

This report was prepared by Joel Alvarez, Senior Management Analyst, Partnership Division.