

REPORT OF GENERAL MANAGER

APPROVED
FEB 02 2011

NO. 11-023

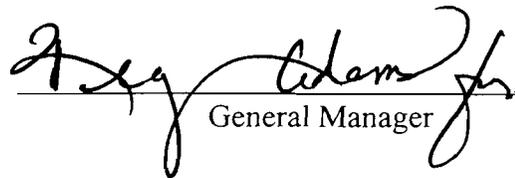
DATE January 19, 2011

C.D. 8

BOARD OF RECREATION
and PARK COMMISSIONERS

SUBJECT: EXPOSITION PARK – SECOND AMENDMENT TO OPERATING AGREEMENT WITH STATE OF CALIFORNIA

R. Adams	_____	F. Mok	_____
V. Israel	_____	K. Regan	_____
H. Fujita	_____	*M. Shull	<u>rks for</u>
S. Huntley	_____		



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve, substantially in the form on file in the Board Office, the proposed Second Amendment (Amendment) to the Operating Agreement with the State of California, acting through the Sixth District Agricultural Association, also known as the California Science Center (hereinafter "Science Center") for the use of Science Center-owned property, commonly known as the Playfields, for sports-related and EXPO Center-related uses, subject to the approval of the Mayor, City Council, and the City Attorney as to form;
2. Direct the Board Secretary to transmit, forthwith, the Amendment to the Mayor in accordance with Executive Directive No. 3 for review and approval, and concurrently to 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:

In November 2008, the Board, through Board Report No. 08-319, approved an Operating Agreement with the Science Center. The agreement was for the use of Science Center-owned property commonly known as the "Playfields", which is located between Bill Robertson Lane, formerly Menlo Avenue, and Vermont Avenue for sports related and EXPO Center-related use.

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In October 2009, the Board, through Board Report No. 09-262, approved the First Amendment to the Operating Agreement. This amendment included certain terms not considered in the original Operating Agreement and/or clarified other terms.

Subsequently, City and Science Center staffs have had further discussions and have come to an agreement on additional terms that further clarify the terms and conditions of the Operating Agreement and the First Amendment. Some of the additional terms include but are not limited to the following:

1. The annual maintenance fee will be paid by the City to the State on or before September 29 of each year, with the payment of \$50,000 for fiscal year '09-'10 being made at the time the Amendment is executed. A payment of \$120,000 for fiscal year '10-'11 will be due on September 29, 2011, and a payment of \$120,000 for fiscal year '11-'12 will be due on September 29, 2012. Payments in future years will be as described in Paragraph 4 of the Operating Agreement. If the parties do not otherwise agreed they will be \$120,000 per year adjusted by CPI.
2. City agrees not to charge for usage of the Playfields for sporting activities in excess of the fees charged by the Department per the Department's schedule of rates and fees for youth and/or adult soccer groups.
3. City shall provide at least two (2) days per month when local community groups may use the Playfields at no charge.
4. Fees for the Expo Center-related events shall be as stated for similar events in the Departments schedule of rates and fees.
5. Science Center shall the right to use the Playfields for functions other than parking.

FISCAL IMPACT:

Approval of the proposed Amendment will not have any additional impacts on the Department's General Fund other than those already considered in the original Operating Agreement. However, the City may be obligated to provide reimbursement to the Science Center should the City fail to prepare the Playfields for scheduled events. As indicated in previous reports, staff will identify potential sources of funds to pay this obligation should this occur.

This report prepared by Cid Macaraeg, Sr. Management Analyst II, Real Estate Section, Planning and Development Branch