

**APPROVED**  
SEP 05 2012

REPORT OF GENERAL MANAGER

NO. 12-266

DATE September 5, 2012

BOARD OF RECREATION  
AND PARK COMMISSIONERS

C.D. 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: JENSEN FILTRATION PLANT – LEASE AGREEMENT WITH METROPOLITAN WATER DISTRICT AND SUB-LEASE AGREEMENT WITH THE GRANADA HILLS YOUTH RECREATION CENTER, INC., FOR YOUTH SPORTS ACTIVITIES

R. Adams	_____	K. Regan	_____
H. Fujita	_____	*M. Shull	<u><i>MS</i></u>
V. Israel	_____	N. Williams	_____

*[Signature]*  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Lease Agreement, substantially in the form on file in the Board Office, between the City of Los Angeles and the Metropolitan Water District (MWD) of Southern California, for the use of a 17-acre site, also known as the Jensen Filtration Plant in Granada Hills, for youth sports activities, subject to approval of the Mayor, the City Council, and the City Attorney as to form;
2. Approve a proposed Sub-lease Agreement, substantially in the form on file in the Board Office, between the City of Los Angeles and the Granada Hills Youth Recreation Center, Inc. (GHYRC), for the use of the Jensen Filtration Plant for youth sports activities, subject to approval of the Mayor, the City Council, and the City Attorney as to form;
3. Direct the Board Secretary to transmit the proposed Lease and Sub-lease Agreements to the Mayor in accordance with Executive Directive No. 3 and concurrently to the City Attorney for review and approval as to form; and,
4. Authorize the Board President and Secretary to execute the Lease Agreement and Sub-lease Agreement, upon receipt of the necessary approvals.

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### SUMMARY:

On November 1, 1976, the Department of Recreation and Parks (Department) and MWD entered into Revenue Lease ("RL") No. 371 for use of a portion of the Joseph Jensen Filtration Plant measuring approximately 21 acres located at 13100 Balboa Boulevard in Granada Hills, California for recreational purposes. The Department, in turn, entered into a sublease with the GHYRC for sports team activities including little league baseball and youth soccer. The annual rent was \$2,000. The lease with MWD was for five-years with the option for two additional five-year periods. The lease was to terminate on October 31, 1991. However, prior to the termination date, MWD gave notice that it was terminating the lease effective July 1, 1990 due to its plans to expand the filtration plant. Thereafter, MWD proposed an alternative location for GHYRC's playing fields and the lease agreement continued on a month-to-month basis from July 1, 1990 to October 31, 1991.

On November 1, 1991, MWD and the Department executed RL 973 which superseded RL 371. The term of the lease was retroactive to November 1, 1991 and was for five years with the option to renew the lease for two additional consecutive five-year terms. The lease authorized the Department to use the property for park and recreational uses only and also authorized the assignment or subleasing of the property to GHYRC. The property leased to the Department now consists of the alternate 21 acres proposed by MWD. All other terms of the lease remains the same.

On July 11, 2001, the Board exercised its option to extend RL 973 an additional five years through October 31, 2006 for the use of the approximately 21 acres for the same purpose. The option and Amendment No. 1 to RL 973 was executed on October 5, 2001 and February 6, 2002, respectively. On March 1, 2002, MWD and the Department executed Amendment No. 2 to RL 973 which increased the annual rent from \$2,000 to \$2,282.

On November 1, 2004, MWD proposed a new six-year and two month agreement, RL 2300, expiring on January 1, 2011. All other terms and conditions to remain the same as in lease RL 973. A further Amendment No. 1 to RL 2300 which added a reference and incorporated the Child Support Assignment Orders which were requirements of Section 10.10 of the Los Angeles Administrative Code. The Board was to consider the proposed RL 2300 and Amendment No. 1 to RL 2300 at its Board meeting on January 19, 2005. However, the matter was referred to the Board of Referred Powers, on February 1, 2005 pursuant to Los Angeles Charter Section 222, due to one of the Commissioner's inability to vote on the matter due to a professional relationship with MWD. On February 4, 2005, the Board of Referred Powers, instead of the Board, adopted the Department's recommendations and approved RL 2300 and Amendment No. 1 to RL 2300 and authorized the General Manager of the Department to execute the lease and the Amendment No. 1. The City Council adopted the Board of Referred Powers recommendations

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on February 11, 2005. It should be noted that the property leased to the Department was reduced from 21 acres to 17 acres with the new lease and Amendment No. 1.

RL 2300 expired on January 1, 2011. Both MWD and the Department agreed to continue its terms on a month-to-month basis while a further extension could be negotiated.

Recently, both MWD and the Department have come to an agreement on a proposed 45 year lease agreement for the same 17 acre portion of the Joseph Jensen Filtration Plant with the following stipulations: a) that MWD would be able to secure an Use Agreement with the City of Los Angeles, Department of Water and Power (DWP) for the continued use of DWP property for solids handling lagoons; b) MWD would forgo rent with the exception of past due rent for the use of MWD property; c) DWP would be billed for water deliveries to the sports fields site at MWD's applicable full service water rate and charges through a separate service connection agreement with DWP; d) the lease with MWD would terminate if the Use Agreement with DWP is terminated; and e) we could sub-lease the site only to GHYRC under the same provisions as the lease between the Department and MWD. The new proposed agreement essentially contains the same provisions as in past agreements with the exceptions stated above.

Since 1976, the Department has been subleasing the MWD to GHYRC which is a non-profit organization that provides team sports activities that include Little League Baseball and Youth Soccer. Through several sub-leases and permits, all concurrent with the Department's lease with MWD, GHYRC has been responsible for the construction, maintenance, management and operations of the sports fields at their own cost. This includes all rental payments required under the lease with MWD. GHYRC is considered an excellent organization and provided services sought after by the community.

The arrangement with MWD and GHYRC has provided valuable organized team sports programming to the local community for the past 36 years. It is the intent of the Department, MWD, and GHYRC to continue with this successful arrangement for the foreseeable future. Department staff are presenting for the Board of Recreation and Park Commissioners' consideration two long-term leases. The first is a 45-year lease with MWD for the use of 17 acres at their Jensen Filtration Plant (Exhibit A). The second is a 45-year sub-lease with GHYRC for the same site at MWD's Jensen Filtration Plant. The sub-lease will contain the same terms and conditions required of the Department under the proposed lease with MWD and will require that GHYRC will maintain and operate the site at no cost to the Department. The two agreements will run concurrently.

Staff has determined that the subject project will consist of the issuance of a lease to allow the use of an existing outdoor recreation facility involving negligible or no expansion of use. Therefore, the project 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.

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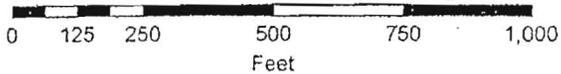
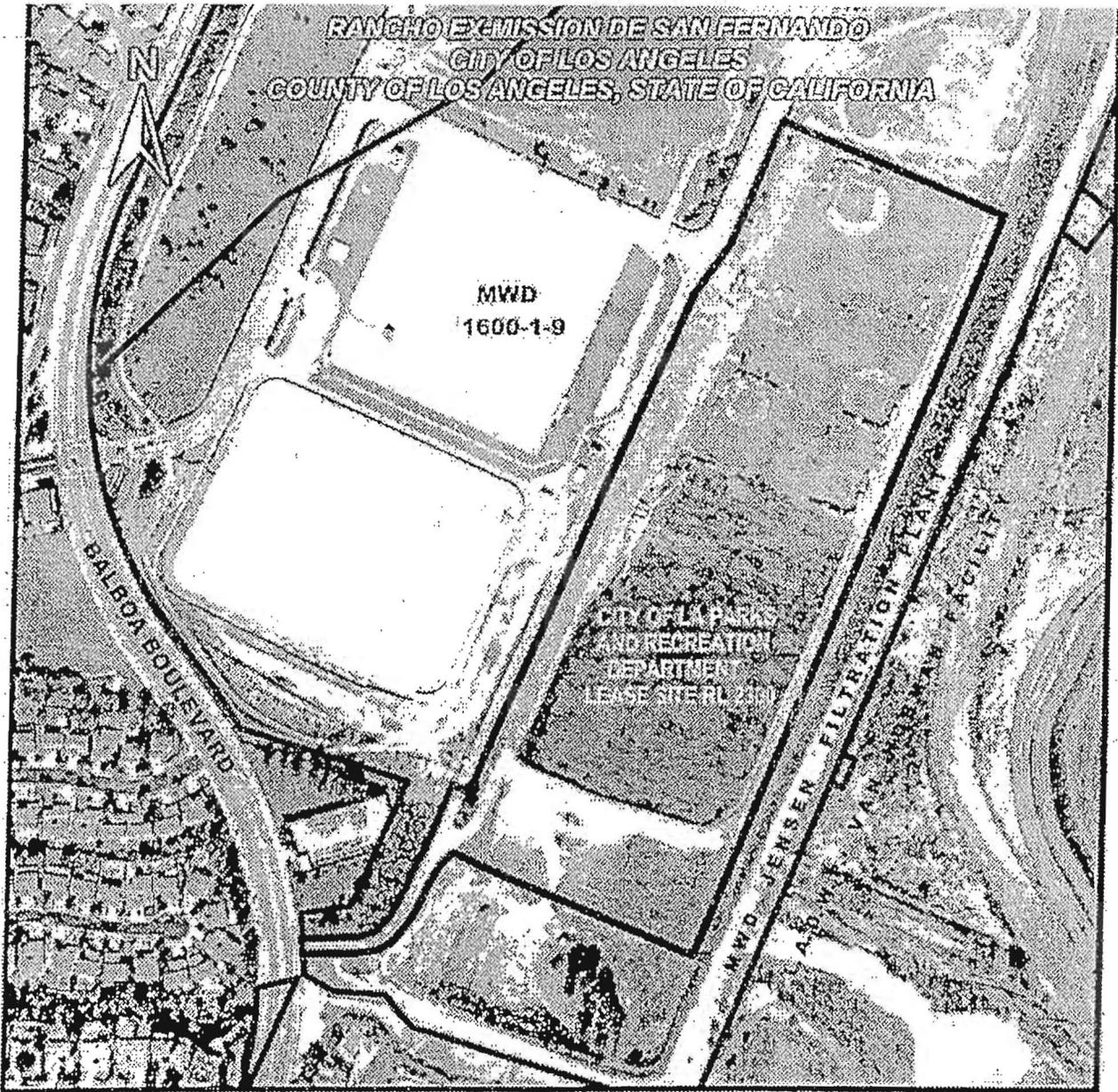
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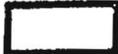
FISCAL IMPACT STATEMENT:

There will be no fiscal impact to the Department's General Fund associated with this project. The past due rent owed is \$5,304, which covers the period of November 1, 2010 through the execution of the proposed new lease later this year. The payment to the DWP will be paid from Fund 302, Department 89, Account No. 89823M. All costs for the management, operation and maintenance of the site will be provided by GHYRC.

This report was prepared by Cid Macaraeg, Sr. Management Analyst II, Planning, Construction, and Maintenance Division.



The Metropolitan Water District of Southern California


 MWD TO CITY OF LOS ANGELES  
 DEPT. OF PARKS AND RECREATION  
 REVENUE LEASE RL 2300

PREPARED BY:  
 RIGHT OF WAY ENGINEERING  
 OCTOBER 28, 2004

MDT-MWD-CityofLA-RL2300.mxd

**THE METROPOLITAN WATER DISTRICT  
 OF SOUTHERN CALIFORNIA  
 JENSEN FILTRATION PLANT  
 RECREATION FIELDS (1600-1-9 por)  
 REVENUE LEASE RL 2300**  
 MWD  
 TO CITY OF LOS ANGELES  
 DEPT OF PARKS AND RECREATION