

APPROVED
SEP 19 2007

REPORT OF GENERAL MANAGER

NO. 07-199

DATE September 5, 2007

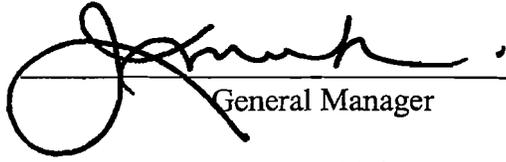
BOARD OF RECREATION
and PARK COMMISSIONERS

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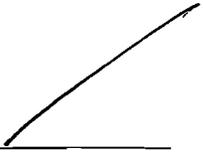
BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LINCOLN PARK - AMENDMENT NO. 3 TO LEASE NO. 249 WITH PLAZA DE LA RAZA, INC.

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



 General Manager

Approved 

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the proposed Amendment No. 3 to Lease No. 249 with Plaza de la Raza, Inc., substantially in the form on file in the Board Office;
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 Attorney for review as to form; and,
3. Authorize the Board President and Secretary to execute the proposed Amendment upon receipt of the necessary approvals.

SUMMARY:

This non-profit organization has operated a multi-discipline, cultural and arts education center since the early 1970s. They offer after-school and other year-round classes and programs in theater, dance, music, and the visual arts with approximately 25,000 participants each year.

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The current ground lease with the City for the use of 2.85 acres of Lincoln Park, was executed in 1999. It was amended in 2001 to add cross-default wording as required by the Proposition K program after the center received a grant for general capital improvements. In 2006, a second amendment extended the lease's expiration to 2027. This was at the center's request to give them a sufficient number of years of site control in order to qualify for additional funding.

As a result, the center obtained another Proposition K grant to upgrade their electrical systems. The subsequent grant agreement, No. C-111825, was executed on June 30, 2007. The City Attorney liaison for the grant program has advised that a new amendment is needed, to specifically address cross-default provisions for this latest grant; therefore, the proposed Amendment No. 3 states that a default of the new grant agreement will create a corresponding default of the Lease. All other terms of the Lease, as previously amended, will remain the same.

Staff determined that the proposed Amendment No. 3 will not change the center's use and operations and is, therefore, 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.

The Acting Assistant General Manager of Operations East, the Superintendent of the Metro Region and the Office of Council District One concur with staff's recommendations.

FISCAL IMPACT STATEMENT:

The proposed Lease Amendment has no fiscal impact on the Department's General Fund.

Report prepared by Joan Reitzel, Senior Management Analyst in Real Estate and Asset Management.