

REPORT OF GENERAL MANAGER

**APPROVED**  
**DEC 11 2013**

NO. 13-303

DATE December 11, 2013

**BOARD OF RECREATION  
& PARK COMMISSIONERS**

C.D. 14

**BOARD OF RECREATION AND PARK COMMISSIONERS**

**SUBJECT: HAZARD PARK ARMORY – ASSIGNMENT OF CONTRACT NO. 3278, AGREEMENT BETWEEN THE DEPARTMENT OF RECREATION AND PARKS AND COMMUNITY PARTNERS FROM COMMUNITY PARTNERS TO LEGACY LA**

R. Adams \_\_\_\_\_  
H. Fujita \_\_\_\_\_  
V. Israel \_\_\_\_\_

K. Regan \_\_\_\_\_  
\*M. Shull *ms*  
N. Williams \_\_\_\_\_

*[Signature]*  
General Manager

Approved *[Signature]*

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve the assignment of Contract No. 3278, between the Department of Recreation and Parks (RAP) and Community Partners (Corporation), from Corporation to Legacy LA (Legacy); and,
2. Direct the RAP General Manager to provide Corporation with written approval of Corporation's assignment of Contract No. 3278 to Legacy.

SUMMARY:

The Hazard Park Armory is located at 1330 San Pablo Street on a 4.2 acres portion of the 25.03 acres Hazard Park, a park in the community of East Los Angeles. In February of 1953, the City of Los Angeles through the Board of Recreation and Park Commissioners (Board), entered into a lease agreement with the United States of America, acting by and through the Department of the Army, Corps of Engineers (Army) for a term of fifty (50) years that concluded in February of 2003. Thereafter, RAP entered into a second lease agreement with the Army for a term of one (1) year beginning February 27, 2003 and ending February 26, 2004 that contained two (2) one-year options for renewal which the Army exercised. The second and final lease with the Army terminated in February of 2006 and no further agreements were executed between RAP and the Army.

## REPORT OF GENERAL MANAGER

PG. 2 NO. 13-303

In March of 2008, an informational board report was submitted to the Board making it aware of a proposed project presented to RAP by Corporation, a 501 (c)(3) California non-profit corporation, acting through and for the benefit of Legacy, for the refurbishment of Hazard Park Armory (Armory) through various building modifications, development of recreation and cultural programs, and the shared use of the Armory between RAP and Corporation for the administration and operation of said programs.

On September 17, 2008, the Board approved Board Report No. 08-268 authorizing RAP to execute Contract No. 3278, an Agreement between RAP and Corporation, for the Improvement and Shared Use of Hazard Park Armory for the Purpose of Recreational Programs (Agreement). The City Council approved the Board's action on February 6, 2009.

Corporation has operated since April 2007. Corporation entered into this Agreement for the benefit of Legacy by providing Legacy with the expertise and resources necessary to improve the infrastructure at the Armory of the facilities and to facilitate the development and implementation of programs and services directed towards building and reinforcing strong communities. Legacy is a collaborative community-based, start-up organization dedicated to building a legacy for the communities of East Los Angeles by providing expanded youth development programming at Hazard Park Army. Legacy's mission is to create and preserve a recreation and cultural center that builds a powerful future for the community of East Los Angeles while reflecting its unique history. The fifty (50) year term of the Agreement was contingent upon Corporation having completed certain performance requirements within a prescribed time period. Corporation acting through and for the benefit of Legacy, as permitted in the Agreement, completed the necessary performance requirements in a timely manner. Under the Agreement, Corporation improved the Armory building, developed youth programming, provided staff and supplies for the programs and services provided by and, or, administered by Corporation, and selected and approved non-profit providers, subject to the approval of RAP, at no cost to the City. The operation of programming and services approved by the City in the Agreement and provided by Corporation has been a benefit to the community of East Los Angeles and surrounding areas.

In September of 2010, Legacy received its IRS 501 (c)(3) determination, qualifying Legacy to receive the assignment of Contract No. 3278 from Corporation. In March of 2011, Corporation directed a letter to RAP's General Manager, expressing their support of reassigning Contract No. 3278, to the newly formed independent non-profit Legacy, as expressly allowed in Section 10.1 of the Agreement. In a letter of response dated May of 2011, RAP's General Manager, acknowledged receipt of Corporation's letter and RAP's approval of Corporation's assignment of the Contract No. 3278 to Legacy.

Councilmember Jose Huizar's office, the Assistant General Manager of Planning, Construction and Maintenance, and the Metro Region Superintendent are in support of this action.

REPORT OF GENERAL MANAGER

PG. 3            NO. 13-303

FISCAL IMPACT STATEMENT:

There is no fiscal impact to the RAP's General Fund by the Board approving this assignment of Contract No. 3278.

This Report was prepared by Gregory Clark, Management Analyst II in Real Estate and Asset Management, Planning, Construction and Maintenance Branch.



March 24, 2011

Paul Vandeventer  
President & CEO  
Board of Directors

Lisa Cleri Reale  
Chair  
Consultant

William C. Choi  
Vice Chair  
Rodriguez, Honi, Choi  
& Cafferata LLP

Steve Meier  
Treasurer  
Pfaffinger Foundation

Deidre Lind  
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Mattel, Inc.

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Deloitte Tax LLP

Andrea Capachietti  
International Humanitarian  
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Janet Clayton  
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Ameriprise Financial, Inc

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The Erickson Group

Irwin J. Jaeger  
New Phoenix  
Management

Ann Reiss Lane  
Women Against  
Gun Violence

Steve A. Nissen  
NBC Universal, Inc.

Perry Parks  
Strategic Counsel PLC

Joy Picus  
Former Councilwoman,  
City of Los Angeles

Maryann Reyes  
Southern California Edison

Albert R. Rodriguez  
Founding Board Chair

Jack Shakely  
Center on Philanthropy  
and Public Policy,  
University of  
Southern California

John Mukri, General Manager  
Department of Recreation and Parks  
City of Los Angeles  
221 N. Figueroa Street, Suite 1550  
Los Angeles, CA 90012

Dear Mr. Mukri,

Community Partners supports transferring the Shared Use Agreement, dated February 6, 2009 between Community Partners and the City of Los Angeles, to the independent nonprofit, Legacy LA. Community Partners is a 501(c)3 nonprofit corporation that operates a fiscal sponsorship program where over 100 charitable initiatives operate under our tax-exempt status. Since April 2007, Legacy LA has operated as a project of Community Partners but is currently in the process of separating from our fiscal sponsorship program. Community Partners and the Legacy LA team have targeted a separation date of June 30, 2011. Legacy LA has already formed a corporation in the state of California in February 2010 and received its IRS 501(c)3 determination in September, 2010. In the nearly four years under the fiscal sponsorship of Community Partners, Legacy LA has established strong programs that continue to serve the community well, developed a board of directors and secured a solid funding base. At this time, we believe they are prepared to separate and operate as their own nonprofit corporation.

Should you have any questions, please do not hesitate to contact me.

Kind regards,

Paul Vandeventer  
President

cc:  
Mike Shull, Recreation and Parks  
Ana Cubas, Chief of Staff  
Councilman Jose Huizar

BOARD OF RECREATION AND  
PARK COMMISSIONERS

BARRY A. SANDERS  
President

LYNN ALVAREZ  
W. JEROME STANLEY  
JOHNATHAN WILLIAMS  
JILL T. WERNER

JON KIRK MUKRI  
General Manager

CITY OF LOS ANGELES



CALIFORNIA  
ANTONIO R. VILLARAIGOSA  
MAYOR

DEPARTMENT OF  
RECREATION AND PARKS  
221 N. Figueroa Street, Suite 100  
LOS ANGELES, CA 90012

(213) 202-2681  
FAX (213) 202-2612

MICHAEL A. SHULL  
Superintendent  
Planning, Construction, and Maintenance

May 11, 2011

Paul Vandeventer, President  
Community Partners  
1000 North Alameda Street, Suite 240  
Los Angeles, CA 90012

Dear Mr. Vandeventer:

**HAZARD PARK – RELATIONSHIP BETWEEN COMMUNITY PARTNERS AND LEGACY LA**

We are in receipt of your letter dated March 24, 2011 concerning the agreement for the shared use of the Department of Recreation and Parks' Hazard Park Armory between your organization and the City. Please be advised that Department staff is in agreement with your plan to separate from Legacy LA and supportive of your recommendation to have the agreement transferred to Legacy LA.

Upon the completion of any required action(s) by your board to make the proposed separation possible, it is the intent of Department staff to submit a recommendation to the Board of Recreation and Parks Commissioners to authorize the staff to issue the necessary permits to allow Legacy LA to remain on-site until the final approval of a new agreement.

Should you have any further questions on this matter, please contact Cid Macaraeg, Director of Real Estate, at (213) 202-2608.

Sincerely yours,

JON KIRK MUKRI  
General Manager

MICHAEL A. SHULL  
Superintendent of Planning and Construction

JKM/MAS/CM:ct

cc: Donna Roberts, Vice President Finance & Administration, Community Partners  
1000 North Alameda Street, Suite 240, Los Angeles, CA 90012  
Lou Calanch, Executive Director, Legacy LA  
P.O. Box 31322, Los Angeles, CA 90031  
Vicki Israel, Assistant General Manager  
Reading File



## COMMUNITY PARTNERS<sup>CU</sup>

### PROJECT SPONSORSHIP SEPARATION AGREEMENT (with Successor Organization)

This Separation Agreement (Agreement) is made by and between **Lou Calanche** (Project Leader) for **Legacy LA** (the Project), (the Successor) and Community Partners. Community Partners and the Successor are both California nonprofit public benefit corporations located in Los Angeles, California. Both are qualified as exempt from federal tax under IRC section 501(c)(3) and as public charities under IRC sections 509(a)(1) and 170(b)(1)(A)(vi).

The purpose of this Agreement is to terminate the fiscal sponsorship relationship between Community Partners and Project Leader under the Project Sponsorship Agreement dated 4/11/2007 between Project Leader and Community Partners, and to transfer all assets and liabilities of Project to the Successor for continued operation of the Project.

The parties hereby agree as follows:

#### 1. Operations

As of 11:59 p.m. on 6/30/2011 (Transfer Date), Community Partners shall cease operation of the Project, and the Successor shall assume those operations, including all work in progress conducted under sponsorship of Community Partners, as described more fully below.

#### 2. Cash Balance

On a date after the Transfer Date, when pre-transfer-date liabilities have been paid and grants and contracts have been transferred, Community Partners shall grant to the Successor, and the Successor shall accept, all right, title, and interest in the fund established for the Project on Community Partners' books of account, consisting of the cash balance in that fund as of the Transfer Date, which both parties agree is approximately equal to \$103,215.03, prior to returning any unspent grant funds, if any.

#### 3. Other Assets

On the Transfer Date, Community Partners shall grant to the Successor, and the Successor shall accept, all right, title, and interest in all other assets related to the Project held by Community Partners on the Transfer Date, tangible or intangible, including but not limited to equipment and furniture, materials and supplies, inventory, outstanding pledges and/or statements of intention to contribute, grants receivable, accounts receivable, any and all rights under all contracts (whether oral or written) in connection with the operation of the Project, deposits, credit balances, mailing lists, trademarks, copyrights, and goodwill. A list of all such known assets is set forth on Exhibit A attached to this Agreement.

Should any additional revenues be received by Community Partners for the benefit of the Project subsequent to the Transfer Date, Community Partners shall disburse to the Successor, for use to further the purposes of the Project, the net amount of such revenues after payment of Community Partners' administrative charge and any outstanding obligations.

#### **4. Transfer of Obligations**

On the Transfer Date, Community Partners shall assign to the Successor, and the Successor and Project Leader hereby jointly and severally assume full and complete responsibility for, all liabilities (Assumed Liabilities) to third parties incurred by Community Partners for the Project, including but not limited to accounts payable (including, for avoidance of doubt, (a) invoiced accounts payable and (b) accrued but un-invoiced accounts payable), any and all claims whether asserted or unasserted on the Transfer Date, any performances due under all contracts (whether oral or written), goods to be delivered, and services to be performed, and any other obligations under all contracts (whether oral or written) in connection with the operation of the Project. A list of all such known liabilities is set forth on Exhibit B attached to this Agreement.

For clarification purposes, Assumed Liabilities shall include all liabilities of or relating to the Project and the Project's assets, whether or not now known by the parties. Project Leader hereby represents and warrants to Community Partners and to the Successor that all known, actual, pending or threatened liabilities and obligations of or relating to the Project as of the Transfer Date are set forth on Exhibit B.

Both parties shall act in good faith to expedite obtaining any necessary consent of third parties to the transfer of all contractual rights and obligations from Community Partners to the Successor.

#### **5. Planned Activities**

All community programs, public information work, fundraising events and other activities planned by the Project shall, on the Transfer Date, become the responsibility of the Successor. Although the Project is welcome to refer to its former association with Community Partners, the Project will delete all references that state that Project is currently a sponsored project of Community Partners from its letterhead, brochures, grant proposals, and any other existing and future materials.

#### **6. Employees**

Unless otherwise agreed, all employees of Community Partners working in support of the Project shall be terminated by Community Partners on or before the Transfer Date, and any salary and other benefits required to be paid upon such termination shall be paid out of Project funds.

#### **7. Restricted Fund Management/ Performance of Charitable Purposes**

All of the assets transferred from Community Partners to the Successor under this Agreement shall be devoted to the purposes of the Project. The Successor shall use the assets received from Community Partners under this Agreement to further the tax-exempt purposes for which those assets were received by and held by Community Partners for support of the Project.

#### **8. Further Assurances**

In case, at any time after the Transfer Date, any further action is reasonably necessary, proper or advisable to carry out the purposes of this Agreement, as soon as reasonably practicable, each party hereto shall take, or cause its proper officers or directors to take, all such necessary, proper or advisable actions.

If, at any time, the Successor requests copies of Community Partners' financial records relating to the Project, Community Partners will furnish such copies provided that they are reasonably related to the Project, the request was submitted with reasonable notice, and the Successor organization pays reasonable costs of producing such copies.

**9. Indemnification**

The Successor and Project Leader, jointly and severally, hereby irrevocably and unconditionally agree, to the fullest extent permitted by law, to defend, indemnify, and hold harmless Community Partners, its officers, directors, trustees, employees, agents, volunteers, and members from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with the Assumed Liabilities or from or in connection with any act or omission of the Successor or Project Leader, or any of their respective officers, directors, volunteers, employees, or agents arising from or in connection with the Project before or after the Transfer Date.

**10. Miscellaneous**

Each provision of this Agreement shall be separately enforceable, and the invalidity of one provision shall not affect the validity or enforceability of any other provision. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder. This Agreement shall be interpreted and construed in accordance with the laws of the State of California as applied to contracts to be performed entirely within the State.

**11. Entire Agreement**

This Agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. All Exhibits hereto are a material part of this Agreement and are incorporated by reference. This Agreement, including any Exhibits hereto, may not be amended or modified, except in a writing signed by all parties to this Agreement.

In witness whereof, the parties have executed this Project Sponsorship Separation Agreement on the dates set forth below and effective as of the Transfer Date.

Dated: 7/7/11

  
\_\_\_\_\_  
Donna Roberts,  
VP of Finance and Administration  
COMMUNITY PARTNERS

Dated: 7/12/11

  
\_\_\_\_\_  
Lou Calanche  
Project Leader

Dated: 7/13/2011



Frank Quevedo  
Board member

Legacy LA Youth Development Corporation  
Successor

Legacy LA Youth Development Corporation  
1350 San Pablo Street  
Los Angeles, CA 90033  
Successor Address

01-0960970  
Successor Tax ID Number

\*Please attach a copy of your IRS 501c(3) letter.

Exhibits A & B

## Exhibit A -- Assets

1. Program materials and supplies of Legacy LA.
2. Office furniture and equipment, including computers and software located at Legacy LA's office.
3. All intellectual property rights associated with the Project including, without limitation:
  - (a) All right, title and interest in and to the names and/or trademarks (registered or unregistered) "Legacy LA" and all abbreviations and derivations thereof and all logos and outreach materials and slogans used in connection with the Project.
  - (b) All right, title and interest in and to copyrights, technology rights and licenses, trade secrets, domain names and other intellectual property and the associated object and source code and developer documentation which relates to the website at <http://www.legacyla.org/>.
  - (c) All right, title and interest in any derivatives of any intellectual property associated with the Project, in any and all forms and media and on a worldwide basis, and in any rights to sue for past, present or future infringements of such intellectual property.
  - (d) All right, title and interest in materials created by the Project including multi-media presentations and handouts used at Project events.
  - (e) All right, title and interest in any and all goodwill symbolized by or associated with the Project.
4. Donor contact information and mailing lists

## Exhibit B – Liabilities

There are no outstanding liabilities.

REPORT OF GENERAL MANAGER

NO. 9-78

DATE JAN 5, 1978

C. D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: Lease Agreement with U. S. Army -  
Hazard Park

\*JB \_\_\_\_\_  
JCH \_\_\_\_\_  
SNJ \_\_\_\_\_  
GWR \_\_\_\_\_  
JHW \_\_\_\_\_

\_\_\_\_\_  
General Manager

Approved

Disapproved \_\_\_\_\_

Further Report \_\_\_\_\_

The U. S. Army Corps of Engineers has informed us that the Army is exercising its option to extend the Hazard Park Armory lease for the second 25-year period and has transmitted a "Notice of Renewal."

The lease, executed on February 26, 1953, gives the Army the sole option to renew; and according to the City Attorney we have no legal recourse but to accept.

Recommendation:

That the Board acknowledge the receipt of the Notice of Renewal and authorize the President of the Board to sign said Notice.

STANDARD FORM 2  
FEBRUARY 1965 EDITION  
GENERAL SERVICES  
ADMINISTRATION  
FPR (41 CFR) 1-16.601

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

February 27, 2003

LEASE NO.

DACA09-5-03-0054

*THIS LEASE, made and entered into this date by and between the City of Los Angeles, Department of Recreation and Parks whose address is 200 North Main Street, City Hall East, Los Angeles California 90012-5173 and whose interest in the property hereinafter described is that hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:*

*WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:*

*1. The Lessor hereby leases to the Government the following described premises:*

*U.S. Army Reserve Center  
1350 San Pablo Street  
Los Angeles, California*

*BP* (Lessor initials)

*two (2)*

*AC* (Lessee initials)

*As further described on Exhibits "A & "B" attached hereto and part of to be used for government purposes.*

*2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on February 27, 2003 to February 26, 2004 firm with one-year options subject to prior approval from the lessor, provided that unless and until the Government shall give notice of termination in accordance with the provisions No. 4 hereof.*

*3. The consideration for this lease is the operation and maintenance of the premises by the Lessee for the benefit of the United States public in accordance with the conditions herein set forth.*

*4. The Government may terminate this lease in whole or in part by giving at least 90 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.*

*5. The Lessor agrees that all fixtures, additions, structures or signs placed in, upon or attached to the leased premises by the government shall be and remain the property of the Government and may be removed or otherwise disposed by the Government. The Government reserves the right at its option to abandon in place said structures, additions and fixtures.*

*6. The Government agrees to pay for all utility charges furnished to said premises, telephone, electricity, gas and water, provided however, that the City shall furnished water for the landscape area.*