REPORT OF THE GENERAL MANAGER

NO. 01-245

DATE: July 11, 2001

CD 12

BOARD OF RECREATION AND PARKS COMMISSIONERS

SUBJECT: APPROVAL TO RENEW LEASE AGREEMENT WITH THE METROPOLITAN WATER DISTRICT

J. Combs _____
A. Coroalles _____
J. Duggan _____
J. Kolb _____

H. Fujita _____
*M. Tamuri _____
M. Matthews _____

_____
General Manager

Approved_____ Disapproved_____ Withdrawn_____

RECOMMENDATION:

It is recommended that the Board:

1. Approve the execution of the second five-year option to renew Lease Agreement No. 973 between the Metropolitan Water District (MWD) of Southern California and our Department for the use of approximately 21 acres at the Joseph Jensen Filtration Plant, located at 13100 Balboa Boulevard in Granada Hills; and,

2. All terms and conditions of the current Agreement remain in effect; however, if there are any subsequent additions or changes made by MWD, the Department will review them before they are incorporated into the Agreement.

SUMMARY:

The present Agreement with MWD contains two extension options. The first option was exercised in 1996 and expires on November 1, 2001. The rent is adjustable every two years by a formula using the U.S. Wholesale Commodity Price Index and is calculated by MWD. The rent is currently $2,194.00 a year.

The Department sub-leases this vacant property to a non-profit group known as the Granada Hills Youth Recreation Center (GHYRC). The group organizes baseball and soccer teams and playoffs. GHYRC reimburses the Department for the rent owed to MWD.

Department staff and the office of Council District 12 recommend exercising the second five-year option, which will extend the Agreement to November 1, 2006.

This report was prepared by Beverly Reynolds, Real Estate and Asset Management Division.