

REPORT OF GENERAL MANAGER

NO. 04-206

DATE June 16, 2004

C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ANGELS GATE PARK - APPROVAL OF FIVE YEAR TERM LEASE AGREEMENT WITH THE ANGELS GATE CULTURAL CENTER

* K. Chan
H. Fujita
F. Mok

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J. Combs
J. Kolb
G. Stigile



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the proposed five (5) year lease agreement (copy on file in Board Office) with the Angels Gate Cultural Center (AGCC), a California 501 C (3) nonprofit corporation, for the continued development and operation of artistic and cultural programs, services and opportunities provided by the AGCC at Angels Gate Park;
2. Direct the Board Secretary to transmit the proposed lease agreement to the Mayor and City Council for review and approval, in accordance with Executive Directive No. 16, and the City Attorney for review as to form; and,
3. Authorize the Board President and Secretary to execute the lease agreement upon receipt of necessary approvals.

SUMMARY:

On August 12, 1982, the Department of Recreation and Parks (Department) and Angels Gate Cultural Center, Inc. (AGCC), executed a three (3) year license agreement, granting the AGCC authorization to use certain lands and facilities within Angels Gate Park, for the creation and operation of a cultural and arts center offering various opportunities for the development of public programs, which promote cultural and artistic awareness, education, and professional advancement. Following the expiration of the initial agreement, the AGCC continued operating under various extensions and renewals of the original agreement, until expiration of the most recent agreement in January, 1999. The AGCC's administration, under the direction of their Board of Directors, subsequently requested that the Department and AGCC establish a more permanent, longer-term

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agreement.

Seeing this as an opportunity to address several issues of concern, which had arisen over the years, the Department agreed to explore the possibility of developing a longer-term lease agreement. The new document would incorporate previously established terms with current City contract provisions.

Realizing that the AGCC's operation would have to continue during the period of the new agreement's development, the Department authorized the AGCC to continue using the facility under a month-to-month, revocable operating permit issued by Operations East field staff (previously Pacific Region) as a temporary, interim measure. With support from on-site Department staff and the Department's Real Estate and Asset Management Section, the Office of the City Attorney drafted the document currently being considered.

The proposed lease agreement is for a five (5) year term and does not provide the AGCC with an extension option. Any consideration for a subsequent extension or renewal of this lease would require appropriate approvals from the Board, Mayor, City Council, and Office of the City Attorney before being executed. Such consideration for a lease extension or renewal shall take into account data generated from periodic performance reviews conducted by the Department's field staff during the course of the proposed 5-year agreement.

There is no monetary consideration associated with this agreement, in exchange for use of the property. However, the AGCC will be obligated to continue paying the monthly utility fee to the Department, which is then forwarded to the General Services Department (GSD). The current utility fee is \$300, but will increase to \$500 under the proposed agreement. The Department is unable to determine the actual amount of the AGCC's utility usage due to the buildings not being individually metered. Angels Gate Park is presently master metered and is occupied by various entities. Each occupant pays an estimated monthly amount towards the Park's total utility expense. The installation of individual meters for the various buildings within Angels Gate Park had been planned and was being implemented by the GSD, but had to be stopped recently because of a lack of funding. Staff is unaware of any further plans to individually meter the Angels Gate Park facilities.

Although the AGCC has operated at Angels Gate Park since the early 1980's, its administration has undergone several changes over the years. The current administration, headed by Executive Director Nathan Birnbaum, has significantly enhanced the facility and improved the AGCC's overall operations. The AGCC continues to expand its programs for art in all media and has improved its fiscal management. The AGCC's administration has demonstrated their continued commitment to the facility by making upgrades to the electrical system, performing roof repairs to several of the buildings, and bringing additional elements of the facility up to code according to City standards.

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The AGCC encourages community participation and exploration in the arts through art classes, gallery exhibits and shows, theatrical and music productions, work shops, rehearsal and subleased studio space, and a variety of other resources which are made available on a daily basis to California artists and the general public. It is essential to the surrounding community that the AGCC continue to operate at Angels Gate Park, as the AGCC has become a part of the community's identity, instilling a sense of pride and inspiration in adults and children alike.

The Department's Environmental Management staff has determined that the proposed lease agreement and the Cultural Center's operations at Angels Gate Park are exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Article III, Section 1, Class 1(14) and Class 4(7) of the City CEQA Guidelines.

The proposed agreement has been discussed with the Superintendent of the Operations East service area and staff from the Office of Councilmember Janice Hahn of the 15th Council District, and all parties concur in support of staff's recommendations.

This report was prepared by Joel Alvarez, Management Analyst II, of the Department's Real Estate and Asset Management Section.