



# CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE



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November 14, 2013

MEMBERS OF THE PARKS AND RECREATION COMMISSION  
City of Long Beach  
California

## RECOMMENDATION:

Recommend that the City Council authorize the City Manager to execute all necessary documents for a Historic Site Lease with the Rancho Los Cerritos Foundation, for the operation and management of Rancho Los Cerritos Historic Site, for a term of 25 years, through December 31, 2038. (District 8)

## DISCUSSION

The Rancho Los Cerritos Historic Site (Rancho) is an outstanding example of 19th Century ranch life, complete with the characteristic blend of Mexican and American architecture. The site contains a spacious two-story adobe dwelling surrounded by native gardens that tell the story of an earlier era – when ranchos and cattle dotted the Southern California landscape. Once encompassing 27,000 acres, today, the 4.7-acre Rancho offers a rare opportunity for visitors to learn about and experience the history of both Native Americans and early settlers who helped shape California. The Rancho is listed as a historic site on the National Register of Historic Places, and in the Long Beach Municipal Code as a California Historic Landmark.

In 1995, the Rancho Los Cerritos Foundation (Foundation) was incorporated as a nonprofit organization to raise funds to augment the City of Long Beach (City) in the operation of the Rancho. In 1996, the City and the Rancho entered into a Cooperative Agreement to formally establish the relationship between the City and the Foundation. Over the years, the Foundation has raised over one million dollars to improve and restore the Rancho, including funding to support the construction of the newly opened Visitor's Center.

Recently, the Foundation approached the Department of Parks, Recreation and Marine (PRM) to express an interest in operating and managing the Rancho. Through discussions held with the Foundation to develop a contract, a lease with a 25-year term is being proposed. The purpose of the lease is to allow the Foundation to take over the day-to-day operation and maintenance of the Rancho. The lease will also permit the Foundation to build upon fundraising opportunities and improve the facility, in concert with the Rancho Master Plan. All funds raised by the Foundation shall be dedicated to the support of the Rancho and are intended to augment the annual funding provided by

## MEMBERS OF THE PARKS AND RECREATION COMMISSION

November 14, 2013

Page 2

the City. The lease is similar in concept to the agreement between the City and the Rancho Los Alamitos Foundation, approved in 1995. It is in line with the Rancho deed restrictions, retains the name of the Rancho Los Cerritos Historic Site, and keeps the Rancho open to the public.

The proposed lease for the operation and management of the Rancho will contain the following major terms and provisions:

- Term: 25 years, January 1, 2014 through December 31, 2038, with no renewal options.
- Ownership: The City shall retain the Rancho as City property, and retain ownership of the Rancho furnishings, clothing, and historic artifacts (Rancho Collections).
- Annual Rent: The Foundation shall pay annual rent to the City in the amount of \$1.
- Operation and Management: The Foundation shall have the exclusive right and obligation to manage the Rancho and the Rancho Collections on a day-to-day basis, to program all activities, and to charge for programs and services, as determined by the Foundation. The Foundation shall have the exclusive right to fundraise in order to benefit the Rancho and Rancho Collections. The Foundation will continue to keep the Rancho open to the public, free of charge, a minimum of 20 hours per week.
- Annual Management Fee: During the first three years of the lease, the City shall endeavor to budget \$469,820 per year as the Annual Management Fee (Fee), payable to the Foundation. Beginning in year four, commencing January 1, 2017, until the end of the term, any increase in the Fee shall be tied to the City's budget. In no event shall the Fee be less than that paid by the City during the previous year, unless the City's budget is reduced. If the City's budget is reduced, the Fee may be reduced up to the same percentage as the budget for PRM. In addition to the Fee, the City shall remain responsible for the maintenance and repair of capital items, as outlined in the proposed lease.
- Personnel: The Foundation shall hire, manage, and compensate all personnel responsible to support the operation and management of the Rancho.
- Library: The Library shall continue to be maintained and open to the public on an appointment basis.
- City Technology and Furnishings: The City shall donate City-owned computers, printers, video equipment, communication infrastructure, and office furniture to the Foundation. The Foundation shall purchase licenses for all computer software, provide Internet access, and provide all communication equipment.

MEMBERS OF THE PARKS AND RECREATION COMMISSION

November 14, 2013

Page 3

- Utilities: The Foundation shall be responsible for all utility and refuse costs related to the Rancho.
- Insurance: The Foundation shall purchase and maintain all applicable insurance and endorsements, as required and approved by the City's Risk Manager.
- Termination Rights: Either party may terminate the lease by providing a minimum of six months prior written notification. In the event that the City cannot provide a sufficient Annual Management Fee to operate the Rancho, the Foundation may terminate the lease upon 30 days prior written notice.

FISCAL IMPACT

There is no fiscal impact from this action. If a Historic Site Lease is ultimately approved by the City Council, the proposed Management Fee would be virtually the same as the amount budgeted to PRM for its operation of the Rancho, so there would be no impact to PRM.

SUGGESTED ACTION:

Approve the recommendation.

Respectfully Submitted,

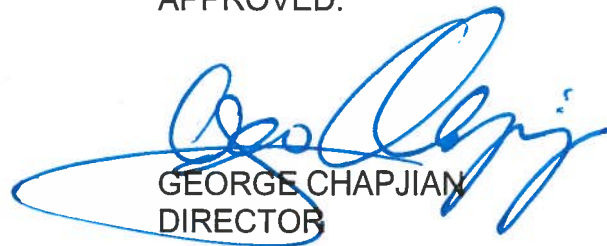


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