



CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE



June 17, 2014

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HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION

Authorize the City Manager to execute the Seventeenth Amendment to Historical Site Lease No. 24291 with Rancho Los Alamitos Foundation to provide for a one-time supplemental payment of \$38,444 to increase the total management fee to \$470,000 for Fiscal Year 2014. (District 3)

DISCUSSION

On October 3, 1995, the City Council authorized Historical Site Lease No. 24291 (Lease) with the Rancho Los Alamitos Foundation (Foundation) to manage, operate, and interpret the City's historical site known as Rancho Los Alamitos Historic Ranch and Gardens (Rancho). As stated in the Lease, the Foundation is responsible for enhancing the educational value of the site through public and community activities, assemblies, and visits. Maintenance responsibilities of the Foundation include: maintenance of gardens, residential and agricultural structures, interiors and furnishings, fixtures, utilities, carpeting, and equipment.

In consideration of the Foundation's agreement to manage the educational, historical, and community service aspects of the Rancho, the City of Long Beach (City) pays the Foundation an annual management fee. The management fee is budgeted in the Department of Parks, Recreation and Marine (PRM), and is approved by the City Council upon its adoption of the City's budget each fiscal year. Therefore, once the budget is adopted for the upcoming fiscal year, PRM annually requests City Council authorization to amend the Lease reflecting the current management fee for the corresponding Lease year.

On October 15, 2013, the City Council authorized execution of the Sixteenth Amendment to the Lease, which contained a management fee of \$431,556 for Fiscal Year 2014. On December 17, 2013, the City Council approved Historical Site Lease No. 33339 with the Rancho Los Cerritos Foundation, which contained a management fee of \$470,000. In order to maintain equity between the two Ranchos, an increase of \$38,444 is needed to match Rancho Los Cerritos' management fee for FY14. Therefore, a Seventeenth Amendment to the Lease is required to increase the management fee to \$470,000 for FY14. This will result in a one-time supplemental payment to the Foundation in the amount of \$38,444.

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This matter was reviewed by Deputy City Attorney Kendra L. Carney on May 27, 2014, and by Budget Management Officer Victoria Bell on May 30, 2014.

TIMING CONSIDERATIONS

City Council action is requested on June 17, 2014, in order to authorize the execution of the Seventeenth Amendment to Lease No. 24291.

FISCAL IMPACT

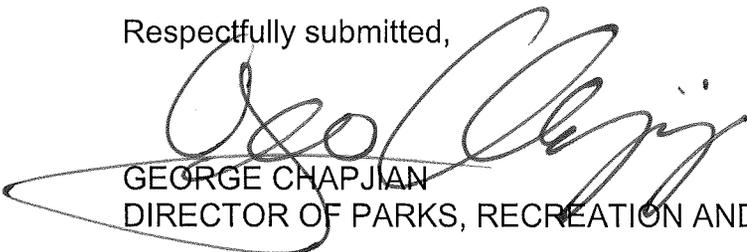
The recommended action will increase the Foundation's management fee to \$470,000 to match the management fee contained in Lease No. 33339 with the Rancho Los Cerritos Foundation. A total of \$432,000 is currently budgeted for the Rancho Los Alamitos Foundation's annual management fee in the General Fund (GP) in the Parks, Recreation and Marine Department (PR). This leaves a funding shortfall of \$38,000, which is the variance between the budgeted amount and the \$470,000 management fee.

During the FY13 and FY14 Budget Adoption process, the City Council allocated one-time funding to be divided equally among the nine Council Districts for parks improvements and infrastructure projects. Council District 3 proposes to use \$38,000 of its allocation to pay for the proposed increase in the Rancho's FY14 management fee. There is no impact to jobs associated with the recommended action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE

GC:SS:RL:ak

APPROVED:



PATRICK H. WEST
CITY MANAGER