

CATEGORICAL EXEMPTION, and NEIGHBORHOODS AND COMMUNITY ENRICHMENT COMMITTEE REPORT relative to an agreement with A.J. Family Entertainment, LLC for the operation and maintenance of the Sherman Oaks Castle Park batting cages concession.

Recommendations for Council action:

1. DETERMINE that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(14) [Issuance, renewal or amendment of any lease, license or permit to use an existing structure or facility involving negligible or no expansion of use] of City CEQA Guidelines and Article 19, Section 15301 of California CEQA Guidelines and DIRECT staff to file a Notice of Exemption with the Los Angeles County Clerk.
2. AUTHORIZE the President and Secretary of the Board of Recreation and Park Commissioners to execute the proposed agreement with A.J. Family Entertainment, LLC, for the operation and maintenance of the Sherman Oaks Castle Park batting cages concession, for a term of 10 years with one five-year option to renew, subject to the terms and conditions of the lease between the City and the United States Army Corps of Engineers and the approval of the City Attorney as to form.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no additional impact to the Recreation and Parks Fund. Under the proposed agreement, as part of the consideration to operate and maintain the Concession, the Concessionaire will pay a monthly revenue-sharing fee equal to the greater of: (i) the Minimum Annual Guarantee (MAG) of \$375,000, which for years two through ten shall be the previous year's MAG or 90 percent of the combined gross receipts paid to the Department for the previous contract year, whichever is greater; or, (ii) the combined amounts of gross receipts, comprised of the following: 45 percent of gross receipts resulting from batting cage pitches, rentals, and film sales, and 20 percent of retail and all other sales.

Financial Policies Statement: The CAO further reports that the recommendation in the report complies with the City Financial Policies in that user charges and fees are set to support the full cost of operations for which the fees are charged.

Community Impact Statement: None submitted.

**TIME LIMIT FILE – MAY 6, 2024
(LAST DAY FOR COUNCIL ACTION – MAY 3, 2024)**

Summary:

On April 3, 2024, your Committee considered the January 23, 2024 CAO report relative to an agreement with A.J. Family Entertainment, LLC for the operation and maintenance of the Sherman Oaks Castle Park batting cages concession. The report attached to the Council file includes some background on the matter.

After providing an opportunity for public comment, the Committee moved to approve the recommendations detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

NEIGHBORHOODS AND COMMUNITY ENRICHMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
HERNANDEZ:	YES
LEE:	ABSENT
HUTT:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-