



Manhattan Beach Senior & Scout Community Center

May 18, 2018

The Honorable Amy Thomas Howorth
The Honorable Steve Napolitano
The Honorable Nancy Hersman
The Honorable Richard Montgomery
The Honorable David J. Lesser
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

Re: Scout House—Friends of Senior and Scout Community Center ("FRIENDS")

Dear Mayor and Councilmembers: *Amy,*

We would like thank you for your support to date regarding the new Senior and Scout Community Center ("SSCC") we hope to locate at the site of the existing Scout House. We have made some significant progress in our planning and informal communications with the City staff, and we would like to keep moving forward by having the City Council direct City Staff to proceed with structuring a transaction with us for submission to the City Council in the near future. Based on our discussions to date, we believe the following terms make sense for both the City and the community groups that would be able to use the SSCC:

1. General Description of Structure: The transaction would be structured as a long-term lease of a City-owned structure comprising approximately 7,000 square feet for use by local Boy and Girl Scout Troops, seniors and other community groups. The construction of the SSCC would initially be undertaken by the City based on plans mutually agreed-upon by the City and Friends of the Senior & Scout Community Center ("FRIENDS"). Preliminary plans have previously been shared by FRIENDS with the City Council and staff.

Friends of Senior & Scout Community Center
1001 6th Street • Suite 150 • Manhattan Beach, CA 90266
TheScoutHouse.org

The City and FRIENDS would enter into a disposition and development agreement (“DDA”) having the form of the Lease as an exhibit, with preconditions to start of the construction specified. The DDA will also provide for City-provided alternative space for current users during construction of the planned facility.

2. Lease: The Lease would be a 55-year lease of the SSCC (the maximum term now allowed by law), with annual rent of \$1 per year. If at some point the existing statutory term limit on leases for property owned by municipalities is changed so as to allow a longer term, the Lease would automatically be extended to the maximum allowable term, but not more than 99 years from the commencement of the Lease term.
3. Construction Obligations: The City will be responsible for building the shell of the SSCC with the exception of the “tenant improvements” to be specified in the DDA (the “Tenant Work”). Tenant Work will be completed by FRIENDS as the tenant upon completion of the shell by the City.
4. Cost of Construction: The City will pay for the cost of construction of the shell, subject to contribution by FRIENDS of an amount to be agreed upon, such contribution to be made at or prior to the start of construction by the City. All costs of the Tenant Work shall be paid for by FRIENDS.
5. Use of SSCC: FRIENDS-related entities (scouting users referred to as “FRIENDS Parties”) will utilize and control the SSCC approximately 50% of the time. The SSCC will have a lockable and separate area for use by City-organized senior activities, and in addition such senior activities shall have priority use of the balance of the SSCC during hours when school is in session during the normal (non-summer) school year. To the extent that the facilities are not scheduled for use by FRIENDS Parties by the date 30 days (or other agreed time period) prior to a given date, other community groups shall have the ability to rent the SSCC for compatible activities.
6. Maintenance and Repair: The City will maintain the SSCC in good condition and repair, except for maintenance obligations that are specified in the Lease as being the tenant’s responsibility.
7. Insurance: The Lease will specify the insurance obligations of the parties.

The final form of the DDA and the Lease will be subject to approval by the City Council and the FRIENDS Board of Directors.

We respectfully request that the City Council direct City Staff to pursue negotiation of more detailed terms for review by the City Council and ultimate execution of a DDA on terms approved by the City Council.

We greatly appreciate your support and assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Tauber", with a long horizontal flourish extending to the right.

Michael Tauber

Chairman

Friends of Senior and Scout Community Center

cc: Bruce Moe ✓
Stephanie Katsouleas