



AGENDA REPORT

Meeting Date: August 21, 2007
Item Number: F-15
To: Honorable Mayor & City Council
From: Pat Agnitch, Assistant Director Community Services/Recreation & Parks
Subject: AMENDMENT NO. 1 TO AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS UNIFIED SCHOOL DISTRICT FOR FUNDING THE INSTALLATION OF SYNTHETIC TURF AT BEVERLY HILLS HIGH SCHOOL
Attachments:
1. Amended Agreement
2. Letter from Beverly Hills Unified School District

RECOMMENDATION

Staff recommends that the City Council authorize an amendment to an agreement with the Beverly Hills Unified School District that revises loan repayment dates for funds used relative to the purchase and installation of synthetic turf at Beverly Hills High School which would benefit the students and the community as a whole.

INTRODUCTION

Late last year the District upgraded the lower athletic field at Beverly Hills High School by replacing natural turf with synthetic turf. Purchasing and installing synthetic turf has allowed for additional use of the athletic field by the City and District, and subsequently is helping to minimize wear and tear on City park facilities.

On August 1, 2006 City Council executed an agreement with the Beverly Hills Unified School District to contribute funds towards the installation of synthetic turf at Beverly Hills High School. A provision of the agreement includes a \$300,000 loan towards the purchase and installation of synthetic turf which was recently requested.

DISCUSSION

District and City programs extensively use the athletic field at Beverly Hills High School and the District has limited resources to properly maintain the field in a safe condition.

The installation of synthetic turf last year has helped to relieve District staff from significant maintenance efforts and the field has been available for District and City programs on a year-round basis.

The agreement provides for repayment of a 5-year loan, beginning on August 1, 2006. The District, however, recently requested the loan and subsequently the amendment revises the dates for the term of the loan and payment due dates to begin August 1, 2007 and conclude August 1, 2012.

Informationally, per the terms of the agreement, the District has established a replacement fund to cover the cost of removal, disposal and replacement of the synthetic turf when it requires replacement.

FISCAL IMPACT

The bid amount to design, purchase and install synthetic turf on the lower athletic field is \$1,168,525. The project cost was \$1,171,700.08 and the City contributed \$600,000 toward the expenditure. The agreement also provides an interest free loan to the District in the amount of \$300,000. An additional contingency loan for unexpected construction costs has not been requested.

The \$300,000 loan will be 5 years in length with yearly minimum payments of \$60,000. Agreement terms specify that if in any year the District receives school impact fees in an amount that exceeds the District's projection for that year, the minimum payment would instead be the amount of those excess fees. Any payment that exceeds \$60,000 will be carried over to the next annual payment. In addition, the District has sole discretion to determine the actual funding source for that payment.



Scott Miller
Finance Approval

Steve Miller 
Approved By

Attachment 1

Agreement

AMENDMENT NO. 1 TO AGREEMENT BETWEEN THE
CITY OF BEVERLY HILLS AND THE BEVERLY HILLS
UNIFIED SCHOOL DISTRICT FOR FUNDING THE
INSTALLATION OF SYNTHETIC TURF AT BEVERLY
HILLS HIGH SCHOOL

This Amendment No. 1 is made and entered into this 21st day of August 2007, to that certain Agreement between the City of Beverly Hills, a municipal corporation, hereinafter referred to as the "City," and the Beverly Hills Unified School District, a regularly organized and existing school district under the laws of the State of California, hereinafter referred to as the "District" dated August 1, 2006 and identified as Contract No. 276-06 ("Agreement").

RECITALS

a. Pursuant to the provisions of Title 1, Division 1, Part 7, Chapter 10 of the California Education Code (commencing with section 10900), Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (commencing with section 6500), and section 37110.5 of the California Government Code, the City and the District are authorized to enter into an agreement providing for educational, recreational, and community facilities and programs.

b. The City and District entered into an Agreement whereby the City provided partial funding for the purchase and installation of synthetic turf for the lower athletic field at Beverly Hills High School and the District made available the improved athletic field to the City pursuant to the terms of Agreement No. 199-05 between the City and the District commonly known as the Joint Use Facilities Agreement.

c. The Agreement also provided the District with an interest free loan in the amount of Three-Hundred Thousand Dollars (\$300,000) for the purchase and installation of the synthetic turf. The District desires to request such loan in order to assist the District with the costs of its purchase and installation.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the adequacy of which is hereby acknowledged, the parties hereby agree as follows:

Section 1. Paragraph A of Section 3 ("Loan Terms") of the Agreement shall be amended to read as follows:

"A. The loan shall be funded within thirty days of District's written request for funding or as soon as possible thereafter."

Section 2. Paragraph B of Section 3 ("Loan Terms") of the Agreement shall be amended to read as follows:

"B The term of the loan shall be five years in length, beginning on August 1, 2007 and ending August 1, 2012 ("term")."

Section 3. Exhibit B (Payment Schedule) attached to the Agreement shall be superceded by Exhibit B-1 attached and incorporated herein by this reference. All references to Exhibit B in the Agreement shall be to Exhibit B-1.

Section 4. Except as specifically amended by this Amendment No. 1, the remaining terms of the Agreement shall remain in full force and effect.

Executed on the day and year first above written, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

JIMMY DELSHAD
Mayor of the City of
Beverly Hills, California

ATTEST:

(SEAL)
BYRON POPE
City Clerk

BEVERLY HILLS UNIFIED
SCHOOL DISTRICT



JOHN D. MILLAN
President, Board of Education



Kari McVeigh
Secretary, Board of Education

Approved as to form:



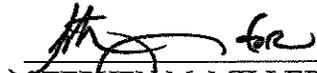
LAURENCE S. WIENER
City Attorney

Approved as to content:

RODERICK J. WOOD
City Manager



SCOTT G. MILLER
Chief Financial Officer/Director of
Administrative Services



STEPHEN M. MILLER
Director of Community Services

EXHIBIT B-1

PAYMENT SCHEDULE

Unless otherwise provided for in the Agreement, the minimum payment owing to the City shall be repaid in accordance with the following payment schedule:

<u>Year of Loan</u>	<u>Payment Owed*</u>	<u>Date Payment Due</u>
Fiscal Year One (2007-2008)	\$60,000	August 1, 2008
Fiscal Year Two (2008-2009)	\$60,000	August 1, 2009
Fiscal Year Three (2009-2010)	\$60,000	August 1, 2010
Fiscal Year Four (2010-2011)	\$60,000	August 1, 2011
Fiscal Year Five (2011-2012)	\$60,000	August 1, 2012

* The payment amount may be increased if the District requests use of the Contingency Fund pursuant to Section 2.C of this Agreement.

Attachment 2

Letter from Beverly Hills Unified School District



255 South Lasky Drive
Beverly Hills, California 90212-3697
(310) 551-5100

July 10, 2007

Rod Wood
City of Beverly Hills

Beverly Hills, CA 90210

Dear Mr. Wood.

The City and the School District entered in to an agreement for the installation of artificial turf at the Beverly Hills High School. The agreement included a loan for \$300,000 to assist the District with cash flow. The Board approved requesting the loan at the June 12, 2007 Board of Education Meeting.

This letter represents the District's request for the \$300,000 loan.

Yours truly,

Cheryl Plotkin
Cheryl Plotkin
Assistant Superintendent Business Services