

APPROVED

Feb 19 2026

BOARD REPORT

**BOARD OF RECREATION
AND PARK COMMISSIONERS**

NO. 26-036

DATE February 19, 2026

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SHERMAN OAKS CASTLE PARK BATTING CAGES CONCESSION AGREEMENT NO. 4047 – APPROVAL OF PRICE INCREASE – STATUTORILY EXEMPT FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE 18, SECTION 15273(a)(1) AND 15273 (a)(2) [CEQA DOES NOT APPLY TO THE ESTABLISHMENT, MODIFICATION, STRUCTURING, RESTRUCTURING, OR APPROVAL OF RATES, TOLLS, FARES, OR OTHER CHARGES BY PUBLIC AGENCIES WHICH THE PUBLIC AGENCY FINDS ARE FOR THE PURPOSE OF: (1) MEETING OPERATING EXPENSES, INCLUDING EMPLOYEE WAGE RATES AND FRINGE BENEFITS, (2) PURCHASING OR LEASING SUPPLIES, EQUIPMENT, OR MATERIALS] OF CALIFORNIA CEQA GUIDELINES AS WELL AS ARTICLE II, SECTION 2(o)(1) AND SECTION 2(o)(2) OF CITY CEQA GUIDELINES

B. Aguirre	<u>BA</u>	M. Rudnick	_____
B. Jones	_____	C. Santo Domingo	_____
C. Stoneham	_____	N. Williams	_____

General Manager

Approved X Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

1. Approve the requested increase in the per pitch price at the Sherman Oaks Castle Park (SOCP) Batting Cages Concession, from the current 30 pitches for \$6.00, to 25 pitches for \$6.00 (a per pitch price increase from \$0.20 cents to \$0.24 cents), effective March 1, 2026, subject to the approval of the U.S. Army Corps of Engineers (USACE).
2. Determine that the proposed Board action is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 18, Section 15273(a)(1) and 15273 (a)(2) [CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of: (1) Meeting operating expenses, including employee wage rates and fringe benefits, (2) Purchasing or leasing supplies, equipment, or materials] of California CEQA Guidelines as well as Article II, Section 2(o)(1) and Section 2(o)(2) of City CEQA Guidelines, and direct staff to file a Notice of Exemption (NOE) with the Los Angeles County Clerk and the Governor’s Office of Land Use and Climate Innovation;
3. Authorize RAP’s Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of \$75.00 for the purpose of filing an NOE; and
4. Authorize RAP staff to make technical corrections as necessary to carry out the intent of this Report.

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SUMMARY:

SOCP is a five-acre family entertainment center in Sherman Oaks featuring three landscaped 18-hole miniature golf courses, an arcade and food service concession, and batting cages.

The center of the property features a 7,500 square-foot medieval castle-themed building which houses the arcade & food concession, and miniature golf administration. Approximately 300,000 guests visit the facility annually, which is open every day of the year. Parking for roughly 140 vehicles is available at the facility.

The miniature golf portion of the park is operated by Department of Recreation and Parks (RAP). The batting cages, arcade and food service are each operated by independent, private business entities under concession agreements with RAP.

The batting cages concession features the latest pitching machines with pitch speeds from 40 miles per hour (mph) to 80 mph for both slow (softball) and fast pitch (hardball and softball). A.J. Family Entertainment LLC (Concessionaire), the current batting cages concessionaire, has been operating the SOCP Batting Cages (Concession) since 2007 pursuant to a concession agreement (Agreement), as further described in Board Report No. 06-219. On February 21, 2018, the Board of Recreation and Park Commissioners (Board) approved an extension of the Agreement's expiration date from May 16, 2017 to May 16, 2022 (BR No. 18-031). Additionally, due to the batting cages closure and limited operations during the COVID-19 pandemic, the Agreement was further extended by fifteen months to August 16, 2023 (BR No. 22-103). On February 8, 2023, RAP issued a new request for proposal was released and Concessionaire was once again the successful proposer. On September 7, 2023, Concessionaire was awarded a new ten-year concession agreement, with a five-year renewal option exercisable at the sole discretion of RAP's General Manager (BR No. 23-158).

The last price increase for the Concession was approved in January 2023 (BR No. 23-023), which provided for a per pitch increase from \$0.18 to \$0.20 cents, or from thirty pitches for \$5.50, which was subsequently changed to thirty pitches for \$6.00.

The Concessionaire has submitted a request for a per pitch price increase due to business related cost increases, including:

- The rise of the City's Living Wage rate for batting cage employees from \$17.29 to \$19.12 per hour, resulting in substantial increases to payroll and related costs such as workers compensation; and
- Equipment price increases due to ongoing supply chain issues since the Pandemic, resulting in price increases of their most frequently replaced parts between 20% to 300%.

The proposed increase per pitch will assist in offsetting these rising business costs.

The current concessions agreement requires concession prices to "be comparable to prices charged in similar establishments in the City." A recent survey of three Los Angeles area batting cages demonstrated that the operator's current price of \$0.20 cents per pitch is lower than the average prices in other establishments. The rates at comparable facilities have an overall average of \$0.22 cents per pitch. The proposed price of \$0.24 cents per pitch will continue to be

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comparable with these local facilities. A sampling of the price points is below:

Facility	Number of Pitches/Rate (2026)	Per Pitch Cost (2026)	Proposed Number of Pitches/Rate (2026)	Proposed Per Pitch Cost (2026)
Batcade (Burbank)	50/\$10.00	\$0.20		
MB2 (Santa Clarita)	30/\$8.00	\$0.27		
Hitting Zone (Westlake Village)	20/\$4.00	\$0.20		
Average Per Pitch Cost		\$0.22		
Castle Park Batting Cages	30/\$6.00	\$0.20	25/\$6.00	\$0.24

RAP Staff recommends approval of this rate increase to allow the operator to recover some of the increased operational costs while remaining competitive with other Los Angeles area batting cages. The U.S. Army Corps of Engineers (USACE) has reviewed and approved the recommended price increase (See Attachment 1).

ENVIRONMENTAL IMPACT

The proposed Board action consists of a rate increase with the purpose of meeting operating expenses, including employee wage rates and fringe benefits.

Section 21080(b)(8) of the California Public Resources Code states that the California Environmental Quality Act (CEQA) does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of (A) meeting operating expenses, including employee wage rates and fringe benefits, (B) purchasing or leasing supplies, equipment, or materials, (C) meeting financial reserve needs and requirements, (D) obtaining funds for capital projects necessary to maintain service within existing service areas, or (E) obtaining funds necessary to maintain those intracity transfers as are authorized by city charter. It also mandates that a public agency claiming this exemption incorporate written findings. California CEQA Guidelines specify these exemptions in Chapter 18, Sections 15273(a)(1) and 15273(a)(2).

Staff finds that the 20% rate increase is motivated by increase in operating expenses due to the 10.6% increase of City of Los Angeles minimum wage and the price increases of equipment, material and supplies between 20% to 300%.

Based on these considerations, staff recommends that the Board determines that the proposed rate increase is statutorily exempt from the provisions of CEQA pursuant to Article 18, Section Sections 15273(a)(1) and 15273(a)(2) of California CEQA Guidelines as well as Article II, Sections 2(o)(1) and 2(o)(2) of City CEQA Guidelines. Staff will file a Notice of Exemption with the Los Angeles County Clerk and with the Governor’s Office of Land Use and Climate Innovation upon Board’s approval.

FISCAL IMPACT:

Approval of this request positively impacts RAP’s General Fund. RAP staff anticipates revenue growth with the price increase and an increase in deposits to RAP’s General Fund and Concession Improvement Account of approximately \$20,700.00 per year or \$186,300.00 over the remainder of the term, depending on patronage.

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This Report was prepared by Rahulan Kathir, Management Analyst, Special Operations Branch, Concessions Unit.

LIST OF ATTACHMENTS/EXHIBITS

1. Approval of Recommended price increase by USACE



DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, LOS ANGELES DISTRICT
915 WILSHIRE BOULEVARD, SUITE 1109
LOS ANGELES, CALIFORNIA 90017-3409

January 27, 2026

Office of the Chief
Real Estate Division

VIA ELECTRONIC MAIL

SUBJECT: CY26 Batting Cage Price Increase at Sherman Oaks Castle Park

Mr. Jimmy Kim
General Manager
City of Los Angeles Department of Recreation and Parks
Attn: Rahulan Kathir
221 N. Figueroa Street, Suite 400
Los Angeles, CA 90012-4273
jimmy.kim@lacity.org

Dear Mr. Kim:

This responds to your request of January 20, 2026, for a Calendar Year 2026 price increase at the Sherman Oaks Castle Park batting cages. The Sherman Oaks Castle Park is a concessionaire under Lease No. DACW09-1-67-11 between the U.S. Army Corps of Engineers Los Angeles District (Corps) and the Department of Recreation and Parks (RAP).

The price is reported to increase by \$0.04 per pitch, from \$0.20 to \$0.24, and a survey of three Los Angeles area batting cages indicated that the new rate would be comparable. Accordingly, the Corps has no objections to the requested price increase.

Should you have questions, your Real Estate point of contact is Mr. Ronnie Eo at yong.s.eo@usace.army.mil, (213) 655-2582.

Sincerely,

A handwritten signature in blue ink that reads "Cheryl L. Connett".

Cheryl L. Connett
Chief, Real Estate Division
Real Estate Contracting Officer

cc:
Assistant General Manager, RAP (brenda.aguirre@lacity.org)
Management Assistant, Concessions (rahulan.kathir@lacity.org)