

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 6/4/2013	(3) CONTACT/PHONE Janette Pell, General Services Agency Director 805-781-5200	
(4) SUBJECT Request to approve Amendment No. 4 to the lease with the South Bay Community Center to allow an addition to the community center located at 2180 Palisades Avenue in Los Osos on County-owned land and to authorize a sublease of the additional area to People Helping People. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Approve Amendment No. 4 to the lease with the South Bay Community Center and authorize the Chairperson to sign it, and</li> <li>2. Direct the General Services Agency Director to send County's written approval to sublease a portion of the community center to People Helping People.</li> </ol>			
(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>7/24/1984, 9/18/1984, 4/1/1986,</u> and 6/12/1990, _____	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 2 -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency  
Janette Pell, General Services Agency Director  
805-781-5200

DATE: 6/4/2013

SUBJECT: Request to approve a Fourth Amendment to Lease with the South Bay Community Center to allow an addition to the community center located at 2180 Palisades Avenue in Los Osos on County-owned land and to authorize a Sublease of the additional area to People Helping People. District 2.

## **RECOMMENDATION**

It is recommended that the Board:

1. Approve Amendment No. 4 to the lease with the South Bay Community Center Lease and authorize the Chairperson to sign it, and
2. Direct the General Services Agency Director to send County's written approval to sublease a portion of the community center to People Helping People.

## **DISCUSSION**

In 1984, the County of San Luis Obispo entered into a ground lease with the South Bay Community Center ("SBCC"), a nonprofit corporation, to construct a community building on County-owned land at 2180 Palisades Avenue in Los Osos. The 6,000 square foot building was constructed through SBCC's fundraising efforts along with other local groups and individuals, including the nonprofit corporation People Helping People ("PHP"). The community center is located on a parcel of land where Los Osos Community Park is also located (Assessor's Parcel Number 074-229-027), shown on the Location Map (Attachment #1). The current lease termination date is December 31, 2021.

PHP's mission is "dedicated to helping the citizens of the Los Osos-Baywood Park Community. While our mission is to help all citizens, we focus most of our energies toward the senior citizens that are in need." PHP operates a food distribution program to needy residents as well as a medical equipment lending program. In 2010, PHP was asked to relocate their storage facility from private property where it is currently located, and PHP proposed to SBCC to expand the community center at PHP's expense to accommodate PHP's storage needs. The 600 square foot expansion would create 456 square feet for PHP plus 144 square feet for SBCC that would serve as a storage/dressing room for the community center's stage area. The sublease agreement between SBCC and PHP (Attachment #2) was approved by the two parties on May 9, 2013 and requires authorization by the County Board of Supervisors.

The Fourth Amendment to Lease (Attachment #3), if approved by your Board, would expand the size of the ground lease premises by 600 square feet. In addition, the amendment brings current the County's standard lease language with respect to insurance, indemnification, stormwater pollution prevention, and smoking laws.

The amendment also addresses the share of cost for the Los Osos sewer project. Since the community center and the park are both located on one parcel, the sewer charges will all appear on one property tax bill. The 2012-13 property tax bills include the first installment for repayment of the assessment, and future property tax bills will include usage charges once the sewer facility is operational. Sewer usage charges will be based on December water meter readings.

Fortunately, the community center and the park facilities are separately metered for water, and the landscaping uses well water. The sewer assessment and the usage fee that appear on the property tax bill will be prorated based on the December water meter readings for the park and the community center. County Parks will pay the property tax bill, and the community center may reimburse the County in full the following July or may reimburse the County in equal monthly payments starting the following July. For example, 52.7% of the 2012-13 property tax bill of \$2,047.48 will be SBCC's responsibility, and SBCC may repay their portion of \$1,079.02 in July 2013 or may reimburse the County \$89.92 per month from July 2013 through June 2014. County Parks will notify SBCC of the amount of reimbursement each year upon receipt of the property tax bill.

The lease amendment also extends the termination date of the SBCC ground lease from December 31, 2021 to December 31, 2031. The ten year extension helps to justify PHP's financial investment in constructing the addition to the community center. The SBCC has done an excellent job of managing the community center, and staff supports the ten year extension.

It is recommended that your Board approve the Fourth Amendment to Lease with the South Bay Community Center and authorize the General Services Agency Director to send a letter approving the sublease with People Helping People.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Parks Commission supported the 600 square foot addition to the ground lease premises at their meeting held on January 24, 2013. PHP has submitted their construction plans to the County Planning and Building Department and if Amendment 4 is approved, will be obtaining a building permit soon. The County Planning and Building Department has determined that this minor addition falls within the Determination of General Plan Conformity and CEQA Class 1 Categorical Exemption with the original 1984 project approval. County Counsel has approved the amendment as to form and legal effect.

#### **FINANCIAL CONSIDERATIONS**

The costs related to the construction of the addition to the community center and repair/replacement of the irrigation system and landscapes impacted by the addition will be paid entirely by PHP. PHP has provided evidence that they have sufficient capital reserves to complete construction. The expansion of the building will not create additional costs to the County because all maintenance and utility costs are paid by SBCC. The lease amendment also clarifies responsibility between the County and SBCC for sewer assessment and usage charges on the County's property tax bill.

#### **RESULTS**

Approval of this Fourth Amendment to Lease and authorization of the sublease to PHP will allow a 600 square foot addition to be built at the South Bay Community Center, which will be used for PHP's food distribution program for local residents in need and for a medical equipment lending program. The addition will also create a storage/dressing room that will serve the community center's stage area. This work helps meet the County goals of providing a healthy and livable community.

#### **ATTACHMENTS**

1. Location Map
2. PHP Sublease
3. Fourth Amendment to Lease