

**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 781-5200 Jeff Hamm, Health Agency Director	
(4) SUBJECT Request to approve Amendment No. 1 to the lease with Woods Humane Society, Inc. to clarify and formalize ongoing services and extend the lease for property located at 875 Oklahoma Avenue, San Luis Obispo.			
(5) RECOMMENDED ACTION It is recommended that the Board approve Amendment No. 1 to the lease with Woods Humane Society, Inc. and authorize the Chairperson to sign the document.			
(6) FUNDING SOURCE(S) N/A	(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: N/A <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>12/11/2001</u>	
(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
Jeff Hamm, Health Agency Director

DATE: 6/4/2013

SUBJECT: Request to approve Amendment No. 1 to the lease with Woods Humane Society, Inc. to clarify and formalize ongoing services and extend the lease for property located at 875 Oklahoma Avenue, San Luis Obispo.

RECOMMENDATION

It is recommended that the Board approve Amendment No. 1 to the lease with Woods Humane Society, Inc. and authorize the Chairperson to sign the document.

DISCUSSION

On December 11, 2001, the Board approved a ground Lease between the County of San Luis Obispo (County) and Woods Humane Society, Inc. (Woods) for County owned real property consisting of approximately 4.31 acres in the unincorporated area of San Luis Obispo County, commonly known as the County Operations Center. The lease term was for a period of thirty years with two five year options to renew upon mutual consent by both parties. The Lease was the result of the County's advertised intention and desire to collaborate with a non-profit animal services and humane shelter operation to enhance the adoption programs available to County residents. The desired outcome was to establish a community partnership resulting in building an infrastructure, programs and services to reduce the animal euthanasia rate for our county. The 4.31 acre parcel was located adjacent to the County Animal Services Division, which was managed by the County Sheriff's Office at the time. Woods was the successful bidder and demonstrated the ability to comply with proposal specifications and offered to finance, construct, maintain and operate the facility for a period of at least 30 years. In lieu of cash rent Woods agreed to manage and finance the project, and to provide specific services in collaboration with the Animal Services Division that were consistent with specifications outlined in a County Sheriff's Office Memorandum of Understanding (MOU). The saving to the County for these collaborative services was estimated at \$76,000 per year. The original MOU was drafted and signed by a representative from the Sheriff's Office and a representative from Woods, attached to the Lease and referenced as Exhibit B.

Woods subsequently built a state-of-the-art animal shelter and has successfully collaborated with the County since August 2005 to save the lives of thousands of homeless animals.

The First Amendment to Lease, if approved by the Board, would include the addition of certain provisions of the original MOU in order to clarify and formalize the ongoing services and collaboration between the parties. Specifically, including language from the original MOU and using the Asilomar Accords as a reference document (attached to the First Amendment to Lease as Exhibit 1) will assure a standard for categorizing dogs and cats by defining the terms of healthy, treatable, and adult dogs and cats. Woods will continue to be responsible annually for accepting no less than 120 healthy or treatable adult dogs and 180 healthy or treatable adult cats from the County for adoptions. In addition, Woods will continue to assume responsibility for licensing of all dogs adopted from its facility and for collecting all applicable fees on behalf of the County.

The First Amendment to Lease will also clarify the terms and conditions that would ensue should Woods and the County

ever agree to terminate Woods services; this action would include commencement of rental lease payments the County. The County and Woods have successfully worked together over the past 8 years and Woods continues to evolve as a model facility. Woods is currently contemplating a substantial landscape improvement project that would further enhance the aesthetics of the facility. The proposed project improvements (attached to the First Amendment to Lease as Exhibit 2) have an estimated cost that exceeds \$200,000. In order to justify and accommodate Woods financing of this project, staff proposes amending the term of the original Lease from a period of 30 years to 40 years upon completion of the improvements. Once the project is satisfactorily completed, approval to extend the lease will be granted in writing by the General Services Agency Director. This action would amend the original expiration date from December 10, 2031 to December 10, 2041, with 2 additional 5-year options. This would allow an overall lease term of 50 years, which is consistent with other long term County ground leases.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has approved the First Amendment to Lease as to form and legal effect. The Health Agency has approved the terms, conditions and content of the amendment. The Board of Directors for the Woods Humane Society has requested that the letter submitted by their Board on May 7, 2013 be included in this staff report. (Exhibit A.)

FINANCIAL CONSIDERATIONS

The County currently saves approximately \$90,000 per year in staff and incidental costs as a result of providing the ground Lease and by Woods providing specific services to the public on behalf of the County

RESULTS

Approval of the attached First Amendment to Lease will amend and update certain language of the Lease and include provisions of the original MOU into the Lease document in order to clarify and formalize the ongoing services and collaboration between the County and Woods. This action will help meet the County goals of providing a safe, healthy and livable community

ATTACHMENTS

1. Location Map
2. First Amendment to Lease
3. Exhibit A