



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 6, 2006

ITEM NUMBER:

SUBJECT: AGREEMENTS WITH STATE OF CALIFORNIA FOR USE OF FAIRVIEW DEVELOPMENTAL CENTER OPEN SPACE

DATE: May 25, 2006

FROM: ADMINISTRATIVE SERVICES DEPARTMENT/RECREATION DIVISION

PRESENTATION BY: JANA M. RANSOM, RECREATION MANAGER

FOR FURTHER INFORMATION CONTACT: JANA RANSOM, RECREATION MANAGER, 754-5654

RECOMMENDATION

That the City Council approve and authorize Mayor to sign, subject to City Attorney review and approval:

- 1) The Lease Agreement with the State of California for use of Open Space at Fairview Developmental Center consistent with the previously approved MOU,
- 2) A Right of Entry permit for improvements to the Fairview Developmental Center site,
- 3) Other permit/agreements as may be necessary for access, construction, maintenance and/or use of the Fairview Developmental Center site

located at 2500 Merrimac Way, Costa Mesa, California.

BACKGROUND

A Memorandum of Understanding between the Fairview Developmental Center and the City of Costa Mesa was approved by Council on March 21, 2006 (Attachment A). This document provides the basis for a Lease Agreement with the State of California that sets forth all terms and conditions for use of the open space by City user groups. The State's General Services Administration has the Lease Agreement nearly completed pending an appraisal to be done by an independent commercial appraiser of the City's choosing. Once completed, a final negotiation will take place to set out the annual value of maintenance services the City will be providing as compared to the annual lease value of the land, based upon a percentage of use by both the City user groups and the consumers at the Fairview Developmental Center.

The City had contracted with a commercial appraiser who was to have delivered the analysis to the City in mid-April. Due to this appraiser being non-responsive to City's demand for the documents after the due date had elapsed, City has had to re-bid for this service. A personal services agreement with a new company to appraise the property has been approved and City staff expects results no later than the end of June.

Once the appraisal is completed, City staff will provide this documentation to the State for valuation assessment and inclusion into the lease document. The State will then forward final documents to City Attorney for review.

ANALYSIS

Generally, once the City Attorney has received, reviewed and approved a lease, it is presented to Council for discussion and approval. However, at this time, staff is taking this rather unusual step in requesting approval of the lease agreement with the Fairview Developmental Center, and any other agreements that may become necessary without the actual documents in hand in the interests of expediting the approvals once the documents are delivered to the City.

Staff is concerned that the delay in processing the appraisal and lease will delay the start of improvements past the growing season and therefore the fields will not be playable by the Fall youth sports season. Even with the requested "pre-approval" there is no guarantee the fields will be available by Fall, however, staff is making every effort to do so.

In the absence of the lease document staff requests that, since the Memorandum of Understanding (MOU) terms and conditions have been agreed upon by both parties, reviewed by the City Attorney, and approved by the City Council, once the Lease document (which is built from the MOU) is delivered to the City, the City Attorney will review it for consistency with the already approved MOU, and if the document is acceptable to the City Attorney, that the Mayor sign it at his earliest convenience, rather than the next appropriate Council meeting.

In addition, staff is beginning discussions with the State to allow City access to the site during these final negotiations in an effort to start turf and irrigation improvements. The State has indicated that a Right of Entry permit/agreement will be needed, but has not yet been drafted. Again, in order to expedite the approval of this, or other permits/agreements, staff is requesting Council approval, subject to City Attorney review of agreements for access, construction, maintenance or use of the site, consistent with the previously approved MOU.

ALTERNATIVES CONSIDERED

Council could require that the Lease Agreement, and all related agreements, with the State of California for access, construction and use of Open Space at Fairview Developmental Center be agendaized for consideration by the full Council after they have been received, reviewed and approved by the City Attorney. Staff calculates that this alternative could take as long as three additional months.

FISCAL REVIEW

The costs for this agreement are anticipated to be as reported for the previously approved Memorandum of Understanding with Fairview Developmental Center. Additional site improvements are part of the Capital Improvement projects requested by Public Services/Engineering in the FY06-07 budget.

\$85,000 has been budgeted to undertake the initial improvements necessary to bring this facility to an acceptable level for playability. The Capital Improvement Project for FY06-07 requests an additional \$180,000 for site improvements. Annual maintenance (mowing, verticutting/aerating, fertilizing, rodent control, and irrigation) is expected to be \$26,300 and will be requested annually during the budget process.

Staff do not anticipate collecting any revenue from the use of this facility as the priority of use will be given to Group 1 organizations, whose fees are waived.

LEGAL REVIEW

The City Attorney will review the Lease Agreement, Right of Entry Permit/Agreement or other necessary agreements and approve them as to form.

CONCLUSION

That the City Council approve and authorize Mayor to sign, subject to City Attorney review and approval:

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JANA M. RANSOM
Recreation Manager

STEPHEN N. MANDOKI
Administrative Services Director

KIMBERLY HALL BARLOW
City Attorney

MARK PUCKETT
Director of Finance

Attachment A: [Memorandum of Understanding \(MOU\) between the City of Costa Mesa and the State of California Fairview Developmental Center.](#)