



CITY COUNCIL AGENDA REPORT

MEETING DATE: MARCH 20, 2012

ITEM NUMBER:

SUBJECT: RENEWAL OF THE MEMORANDUM OF UNDERSTANDING AND GROUND LEASE FOR THE USE OF FAIRVIEW DEVELOPMENTAL CENTER OPEN SPACE

DATE: MARCH 8, 2012

FROM: PUBLIC SERVICES DEPARTMENT

PRESENTATION BY: RAJA SETHURAMAN, ACTING DIRECTOR, PUBLIC SERVICES DEPARTMENT

FOR FURTHER INFORMATION CONTACT: ROBERT STAPLES, CONTRACT ADMINISTRATOR, 714-754-5303

RECOMMENDATION

1. Approve a five-year renewal of the Memorandum of Understanding (MOU) (Attachment 1) and Ground Lease (Attachment 2) for the use of open space at the Fairview Developmental Center (FDC) and authorize the Mayor and the City Clerk to execute;
2. Accept a donation from the American Youth Soccer Organization (AYSO) Region 97 in an amount not to exceed \$30,000 for the improvement to the parking lot at the FDC playing fields; and
3. Approve budgeting for City's share of parking lot improvements at FDC in Fiscal Year 2012-13.

BACKGROUND

FDC is one of five developmental centers operated by the State of California Department of Developmental Services. FDC is a multi-service residential facility licensed by the California Department of Public Health to provide acute, skilled, and intermediate care to individuals with developmental disabilities who need 24-hour health care supervision, a structured environment, and a habilitation program not currently available in their home community. Services include training in daily living, vocational, leisure, academic, communication, mobility, socialization, and community skills.

In March 2007, the City entered into an MOU and a five-year Ground Lease (Attachment 3) with the State of California for the improvement, maintenance and use of two soccer fields located on the FDC property. The lease identifies five acres of FDC area to be used by the City including playing fields, parking lot, and access (Attachment 4). The lease provides for use of the fields by AYSO Region 97 on weekdays from 4 p.m. to 8 p.m. for practice, and Saturdays from 9 a.m. to 5 p.m. for game play. The original MOU and Lease expire on March 31, 2012.

ANALYSIS

During the past five years of the current lease agreement, AYSO Region 97 has utilized the fields at FDC for practice and Saturday games. AYSO is the only user group utilizing the FDC fields. In exchange for the City maintaining and improving the fields, the State has waived the rent for the five-year lease period. The City spends approximately \$37,496 annually for maintenance of the turf, irrigation system, and pest control. In 2011, staff hired a consultant to perform an updated appraisal of the property and project site to determine an annual leasehold cost. The market value of the leasehold interest is \$6,543 per acre or \$32,715 annually for the five acre project site identified in the lease.

In the original ground lease, the City and State adopted a Facility Master Plan identifying certain improvements to be completed at the site as funding permits. One of the Master Plan items is the improvement of the parking lot at the playing field location. The State has expressed interest in completing the parking lot improvements during the extension of the Ground Lease and MOU. The estimated cost for the parking lot improvements is \$90,000. The State and AYSO have agreed to finance two thirds of the costs and have requested the City to partner in the cost of the improvements and finance the remaining one-third of the construction costs. Staff supports the cooperative approach and recommends that the cost for parking lot improvements be included in the Fiscal Year 2012-13 budget. City staff could manage the parking lot construction project and administer the funding. AYSO and the State would reimburse their share of the costs.

ALTERNATIVES CONSIDERED

City Council could choose not to approve the MOU and Ground Lease for use of the FDC athletic fields. This will result in loss of two practice fields for AYSO Region 97 and may cause scheduling issues due to limited supply of soccer fields in the community. The City Council may choose to modify the terms of the MOU and/or Ground Lease. However, this option will require negotiations with the State and may delay availability of fields for City use.

FISCAL REVIEW

Funding for the parking lot improvements will be included in the Capital Improvement Program budget for Fiscal Year 2012-13. The City will implement the improvements with one-third (1/3) reimbursement of the improvement costs from AYSO and one-third (1/3) from the State of California Department of Developmental Services. The City will be responsible for funding the remaining one-third of the improvement costs or \$30,000.

LEGAL REVIEW

The City Attorney's office has reviewed and approved the MOU and Ground Lease as to form.

CONCLUSION

The existing MOU and Ground Lease between the City and Fairview Developmental Center will expire in March 31, 2012. In order to extend the MOU and Ground Lease for another five years, the State has expressed interest in a cooperative project to rehabilitate the parking lot at the playing field location. The cost to repair the parking lot is proposed to be distributed equally between the City, State, and AYSO (one third each).

It is recommended that the City Council approve the renewal of the MOU and Ground Lease for the next five years between the City and Fairview Developmental Center; accept a donation from

AYSO Region 97 in an amount not to exceed \$30,000 for the improvement of the parking lot at the FDC playing fields; and approve budgeting for City's share of parking lot improvements at FDC in the Fiscal Year 2012-13 Capital Improvement Program budget.

RAJA SETHURAMAN
Acting Director of Public Services

FARIBA FAZELI
Interim City Engineer

BOBBY YOUNG
Finance/IT Director

- Attachments:
1. [Memorandum of Understanding](#)
 2. [Ground Lease Agreement](#)
 3. [Original MOU and Ground Lease](#)
 4. [Site photographs](#)

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