

*Before the Board of Supervisors in and for the
County of Monterey, State of California*

Agreement No. A-07396

Approve a Lease of a Parking)
Lot Parcel Owned by the City of)
Salinas to the County For)
County Governmental Purposes,)
Including Parking Uses (99)
Year Lease at \$1.00 per Year))

Upon motion of Supervisor Potter, seconded by Supervisor Perkins and unanimously carried, (Johnsen absent) the Board approves a Lease of a Parking Lot Parcel Owned by the City of Salinas to the County For County Governmental Purposes, Including Parking Uses (99 Year Lease at \$1.00 per Year).

I, ERNEST K. MORISHITA, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof at page -- of Minute Book 69 , on June 17, 1997
Dated: June 17, 1997

ERNEST K. MORISHITA, Clerk of the Board
of Supervisors, County of Monterey,
State of California.

Rv

Carne Wilson

RESOLUTION NO. 16143 (N.C.S.)

RESOLUTION AUTHORIZING THE MAYOR TO SIGN A LEASE
WITH THE COUNTY OF MONTEREY


BE IT RESOLVED BY THE CITY COUNCIL OF SALINAS that the Mayor is hereby authorized and directed, for an on behalf of the City of Salinas and as its act and deed, to execute an agreement between the City of Salinas, a municipal corporation, and the County of Monterey for the use of City owned downtown Salinas parking facilities.

PASSED AND ADOPTED this 25th day of March, 1997 by the following vote:

AYES: Councilmembers: Armenta, Caballero, Collins, Ish, Oliverrez, and
Mayor Alan Styles

NOES: None

ABSENT: Councilmember Ocampo



ALAN D. STYLES, MAYOR

ATTEST:



ANN CAMEL, CITY CLERK

LEASE OF CITY PROPERTY

This Lease of city property ("Lease") is entered into and effective as of June 1, 1997, by and between the City of Salinas ("City"), a charter city organized under the laws of the State of California, and the County of Monterey ("County"), a general law county organized under the laws of the State of California.

RECITALS:

A. The City is the owner of property generally located on the south side of West Alisal Street between Lincoln Avenue and Church Street, in the City of Salinas, and commonly known as City Parking Lots Nos. 6 and 17 ("Premises"). The property description of the Premises is attached to this Lease as Exhibit A and a general map of the Premises is attached to this Lease as Exhibit B.

B. The County requires additional property to accommodate future anticipated, planned, or potential development for County governmental purposes, including, but not limited to, governmental offices and/or parking facilities.

C. The City is willing to allow the County to use, and the County desires to use, the Premises for County governmental purposes on the terms and conditions hereinafter set forth.

D. The City and the County have determined that this Lease is in the best interest of the public.

AGREEMENT:

Now, therefore, the parties hereby mutually agree as follows:

1. Recitals. The recitals are true and correct and the parties, and each of them, so find and declare.

2. Lease of the Premises. The City hereby leases the Premises and the County accepts the lease of the Premises pursuant to the terms contained in this Lease.

3. Term. The term of this Lease is for ninety-nine (99) years commencing on June 1, 1997, and ending on May 31, 2096, unless sooner terminated by the parties.

4. Lease Payments. The County shall pay the City the sum of \$1 per year as an annual lease payment for the lease of the Premises. The County, at the County's option, may prepay the Lease in its entirety by paying a lump sum amount of \$99 to the City within 10 days of the execution of this Lease.

5. Use Limitations.

A. The County may use the Premises for any County governmental purpose and such incidental and accessory uses as may be reasonably appropriate to facilitate or supplement such County governmental uses. Such County governmental uses may include, but are not limited to, County governmental offices, parking structure or structure, or parking lot or lots.

B. The County may issue debt or otherwise finance the construction of any improvements on the Premises so long as such debt or financing arrangement encumbers County's lease hold interest in Premises. County shall not encumber or impair the fee interest of City beyond the County's lease hold interest in the Premises.

C. Prior to the commencement of construction of any improvement on the Premises, the County will provide thirty-eight (38) parking spaces on the Premises available for use by the City. In the event the County undertakes to develop a parking structure or parking facilities on the Premises, the City shall be provided thirty-eight (38) parking spaces in whatever parking facility that is developed on the Premises. In the event the City desires to increase it's number of parking spaces beyond thirty-eight (38) spaces, the City may do so subject to approval by the County and subject to the City paying it's fair and proportionate share of all costs associated with the development of such parking facilities for any parking spaces in excess of thirty-eight (38).

D. The City and the County further agree that all of their respective parking facilities on the Premises or in any future parking facility that may be developed on the Premises shall be available to the public on evenings and weekends. For the purpose of this Lease, the term "evenings and weekends" means that time period beginning one-half hour after the close of business hours in county facilities and one-half hour before county facilities are open for business on the next following business day, excluding the hours of 1:00 am to 7:00 am.

E. The County shall, at its own costs and expense, keep and maintain the Premises and all improvements now or as may be constructed on the Premises in good order and repair and in a safe and clean condition.

F. The County shall pay or cause to be paid and hold the City and the Premises free and harmless from all charges for the furnishing of gas, water, electricity, telephone service, telecommunications service, and any and all other utilities or services provided to the Premises, during the lease term, including the removal of garbage and trash.

6. County Responsibilities for Parking Uses. At its own cost and expense, the County shall perform each of the following responsibilities with respect to the Premises so long as the Premises is being used for parking purposes:

A. Restrictive Signs. The County shall erect and maintain appropriate signs at each entrance to the Premises or any parking facilities developed by the County to notify all users that use of the parking facility is restricted to use by County parking permit holders. Any and all City use of the Premises, as provided in Section 5C of this Lease, shall be required to obtain and maintain appropriate County parking permits.

B. Parking Enforcement. The County shall include the Premises in the County's parking ordinance, shall establish the class of parking permit required for its use, and shall provide enforcement of the County's parking ordinance on the same basis as for other County parking facilities set forth in the County's parking ordinance.

C. Maintenance. The County shall be responsible for maintenance of the Premises or any subsequent parking facility which shall include pavement stripings, signs, markers, wheel stops, and sweeping. In the event the property is not improved in any manner, the County shall return the property to the City in the same or similar condition as that in which it was delivered to the County upon termination of this Lease.

D. Indemnification and Self Insurance. The County shall indemnify, defend, and hold harmless the City, its officers, agents, and employees from and against any and all claims, demands, liability, costs, and expenses of whatever nature, including, but not limited to, court costs, damages, attorneys' fees, and claims administration fees arising out of injury to or death of any person or persons or loss of or damage to any property resulting in any manner from the willful acts or negligence of the County, its officers, agents, or employees in the use or maintenance of the Premises or in the construction or installation of any improvements on the Premises.

During the entire term of this Lease, the County shall maintain self insurance, or obtain at its cost insurance coverage as the County deems appropriate, for purposes of general liability against loss or liability caused by or connected with its possession and use of the Premises in an amount not less than one million dollars (\$1,000,000). Within thirty (30) days following a request of the City, the County shall deliver to the City a certificate of self insurance or insurance, as the case may be, with respect to the matters set forth in this paragraph.

E. Indemnification and Self Insurance of the City. The City shall indemnify, defend, and hold harmless the County, its officers, agents, and employees from and against any and all claims, demands, liability, costs, and expenses of whatever nature, including, but not limited to, court costs, damages, attorneys' fees, and claims administration fees arising out of injury to or death of any person or persons or loss of or damage to any property resulting in any manner from the willful acts or negligence of the City, its officers, agents, or employees in the use of any portion of the Premises as provided for in this Lease.

During the entire term of this Lease, the City shall maintain self insurance, or obtain at its cost insurance coverage as the City deems appropriate, for purposes of general liability against loss or liability caused by or connected with its use of the Premises as provided

in this Lease in an amount not less than one million dollars (\$1,000,000). Within thirty (30) days following a request of the County, the City shall deliver to the County a certificate of self insurance with respect to the matters set forth in this paragraph.

7. Negation of Partnership. Nothing in this Lease shall be construed to render either party in any way or for any purpose a partner, joint venturer, or associate in any relationship with the other party, nor shall this Lease be construed to authorize either to act as agent for the other.

8. Assignment. The County shall not voluntarily assign or encumber it's interest in this Lease or in the Premises, or sub-lease all or any portion of the Premises, or allow any other person or entity, except the County's authorized officers, employees, business invitees and visitors, and jurors, to occupy or use all or any part of the Premises without the express written consent of the City. A consent by the City to one assignment shall not be deemed to be a consent to any subsequent assignment by the County. No assignment shall release the County from any obligations under this Lease, without the City's consent, which shall not be unreasonably withheld. Further, the consent of the City to any sub-lease or assignment of the County's interest in this Lease for the improvements will not be unreasonably withheld.

9. Cooperation. Each party will reasonably cooperate with the other in ensuring that this Lease allows each party to maximize the benefits and privileges that are granted pursuant to the terms of this Lease. Such cooperation shall include, but is not limited to, execution of such documents as may be necessary or desirable to ensure the financing of improvements on the Premises, so long as such documents are consistent with the rights, privileges, and responsibilities set forth in this Lease.

10. Default. If after thirty (30) days written notice from the City to the County, the County fails to pay the annual rent in the manner and amount set forth above, or fails to keep, perform, and observe any and all promises, covenants, conditions, and agreements set forth in this Lease on it's part to be kept, performed, or observed, the City shall have the right to terminate this Lease and recover from the County the balance of the unpaid rent at the time of the breach together with any damages to the improvements located on the Premises.

11. Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent by first class mail, postage prepaid, and addressed to the other party as follows:

City: City Manager
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

County: County Administrative Officer
County of Monterey
Post Office Box 180
Salinas, California 93902

12. Miscellaneous Provisions.

A. Exhibits. All exhibits referred to are attached to this Lease and are incorporated herein by reference.

B. Integrated Agreement. This Lease contains all of the agreements of the parties with respect to the subject matter hereof and cannot be amended or modified except by a written agreement executed by the parties.

C. Captions. The captions of this Lease shall have no effect on its interpretation.

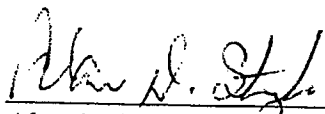
D. Mutual Negotiations. It is understood and agreed by the parties hereto that this Lease has been arrived at through negotiation and that neither party is to be deemed the party which prepared this Lease within the meaning of California Civil Code section 1654.

E. Severability. If any provisions of this Lease or the application of any provision to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

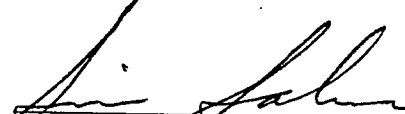
F. Applicable Law. This Lease shall be governed by and construed in accordance with the laws with the State of California.

In witness whereof, the parties have executed this Lease on the day and year first above written.

CITY OF SALINAS


Alan Styles, Mayor

COUNTY OF MONTEREY


Simon Salinas, Chair, Monterey County
Board of Supervisors

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EXHIBIT A
PARKING LOT PROPERTY

PROPERTY GENERALLY KNOWN AS CITY PARKING LOTS 6 AND 17, LOCATED IN THE CITY OF SALINAS, CALIFORNIA. THIS PROPERTY IS BOUNDED BY WEST ALISAL STREET ON THE NORTH, LINCOLN STREET ON THE EAST AND CHURCH STREET ON THE WEST AND INCLUDES APPROXIMATELY 53,151 SQUARE FEET.

CITY PARKING LOT NO. 17

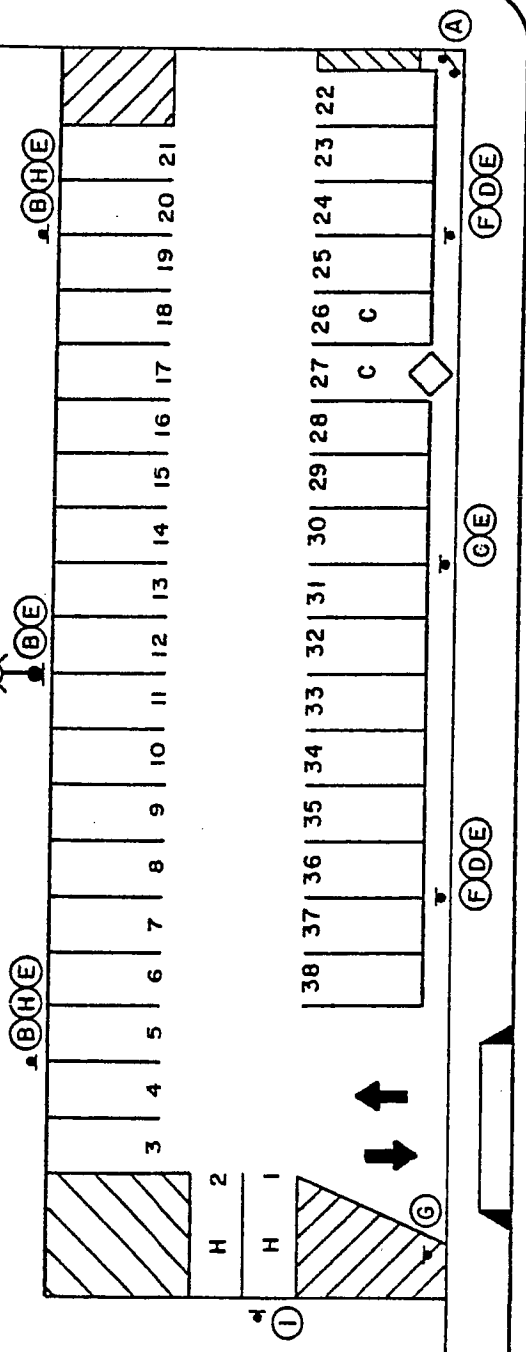
(101 W. ALISAL ST.)

EXHIBIT "B"

WEST ALISAL ST.



PARKING LOT NO. 6 (MONTEREY COUNTY)

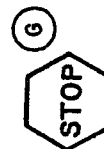
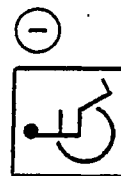
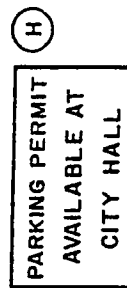
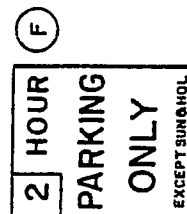
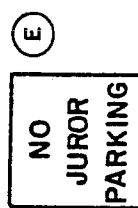
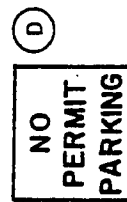
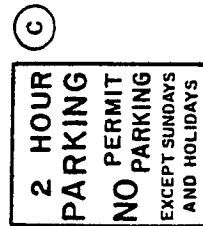
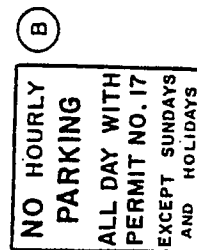
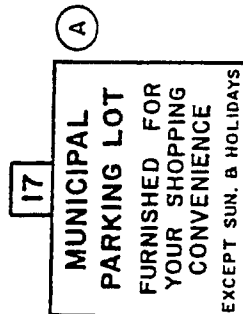


RECREATION CENTER

LINCOLN AVE.

CAPACITY

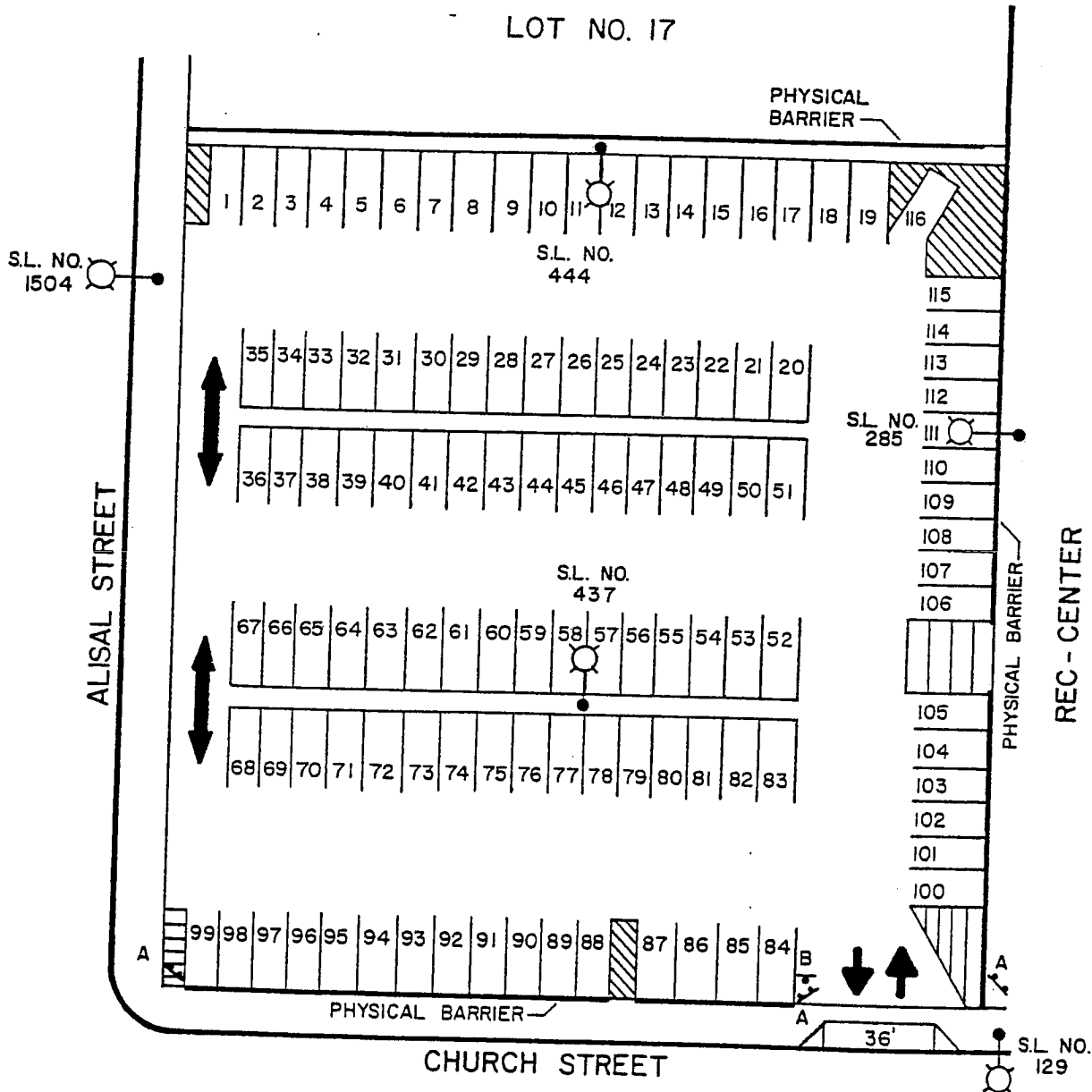
STANDARD	34
COMPACT (C)	2
HANDICAPED (H)	2
TOTAL	38



MONTEREY COUNTY PARKING LOT
FORMERLY CITY PARKING LOT NO. 6
101 WEST ALISAL STREET

EXHIBIT "B"

1"=40'



A:

RESERVED
COUNTY OF MONTEREY
PERMIT PARKING
ONLY
JURORS AND EMPLOYEES
VIOLATORS WILL BE CITED/TOWED

B:



CAPACITY
STANDARD 116

EXHIBIT B-2

**REPORT TO THE
CITY COUNCIL**
City of Salinas, California

DATE: March 25, 1997

FROM: Dave Mora, City Manager

SUBJECT: Downtown Salinas Parking Facilities

CR 17

Agenda Item Number

Finance Director Approval

Department Director Approval

Attorney Review

City Manager Approval *[Signature]*

BACKGROUND

In 1989, the City of Salinas and the County of Monterey entered into a yearly lease for City owned parking lots #6 and #17 (100 block of West Alisal) to provide guaranteed parking for County employees, jurors, and residents using County services. The County has requested modifications in the yearly lease agreement in order to assure a long term parking solution for County parking in the downtown area and to provide for the possible use of the parking facilities for development for public, governmental purposes.

Informal negotiations have taken place during the last few weeks with representatives of Monterey County regarding the County request. Negotiations have reached a stage where conceptual approval of the major points is now appropriate so that the details can be reduced to writing. The major items to be included in a lease agreement between the City of Salinas and the County of Monterey include:

1. County lease of City owned parking lots #6 and #17 for ninety-nine (99) years.
2. Lease payment of \$1.00/year.
3. A condition that any development of the parking lots by the County will be limited to County and/or other government occupancy purposes.
4. A guarantee that the City will retain its proportional use of the parking facilities on lots #6 and #17 if: (a) there was any additional parking provided by the County in its development plans, and (b) the City agrees to pay its fair share for any increase in the number of parking spaces for City use.
5. Any parking at these two (2) lots or any future development would be available to the public free of charge on evenings and weekends.

The form of the lease would be similar to the existing lease between the City of Salinas and the County of Monterey for the parking lots. The purpose of this report is to obtain conceptual approval of the terms of the lease and to obtain City Council authorization for the Mayor to execute the formal lease document that will be prepared.

ISSUE

Shall the City Council approve the concept of the lease of City parking lots by the County of Monterey as described herein and adopt a resolution authorizing the Mayor to sign a lease

agreement consistent with this report.

ALTERNATIVES AVAILABLE TO COUNCIL

1. Approve the concept and authorize the Mayor to sign a lease on behalf of the City.
2. Not approve the concept and provide direction to staff for further negotiations.

TIME CONSIDERATION

The existing yearly lease is in reality a long term commitment by the City to allow the use of the subject parking lots by the County. The County has requested formalization of that long term commitment and the opportunity to consider development for public use of the parking lots. This item should be considered at this time in order to allow the County to review all potentials for development in the downtown area in order to meet its commitment to maintain the current existing significant County government presence in downtown Salinas.

FISCAL IMPACT

None. The financial terms of the existing lease will not change.

CONCLUSION AND RECOMMENDATION

Based on the request of the County to secure a long term commitment for parking and to provide an alternative site for the County to consider as it meets its commitment to maintain its current, significant presence in downtown Salinas, it is recommended that City Council conceptually approve a lease agreement as described in this report and adopt a resolution authorizing the Mayor to sign a lease consistent with the details expressed in this report.

Distribution:

City Clerk
City Attorney
Department Directors

Back-up Pages:

Resolution

RESOLUTION NO. _____(N.C.S.)

**RESOLUTION AUTHORIZING THE MAYOR TO SIGN A LEASE
WITH THE COUNTY OF MONTEREY**

BE IT RESOLVED BY THE CITY COUNCIL OF SALINAS that the Mayor is hereby authorized and directed, for an on behalf of the City of Salinas and as its act and deed, to execute an agreement between the City of Salinas, a municipal corporation, and the County of Monterey for the use of City owned downtown Salinas parking facilities.

PASSED AND ADOPTED this 25th day of March, 1997 by the following vote:

AYES:

NOES:

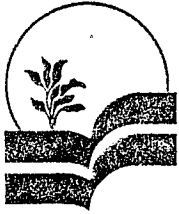
ABSENT:

ALAN D. STYLES, MAYOR

ATTEST:

ANN CAMEL, CITY CLERK

C:\DATA\WPDOCS\CCRPTS97\RES0078



City of Salinas

OFFICE OF THE MAYOR • 200 Lincoln Avenue • Salinas, California 93901 • (408) 758-7201

March 5, 1997

Simon Salinas, Chairperson
Monterey County Board of Supervisors
240 Church Street, Room 211
Salinas, CA 93902

RECEIVED

MAR 07 1997

ADMINISTRATIVE OFFICE

Dear Chairperson Salinas:

At its closed session of March 4, 1997, the Salinas City Council reviewed the City's proposed lease and/or acquisition of County owned property behind the County Corporation Yard north of Laurel and east of Constitution. The City is proposing to acquire this land in order to build a golf course, driving range and related facilities to replace the facilities that will be removed from the Sherwood Park area in order to provide a community sports complex at Sherwood Park.

The purpose of this letter is to make a direct proposal to the Board of Supervisors which will hopefully be acceptable in its entirety to the Board. The proposal includes two separate transactions that would be approved by the City of Salinas and Monterey County and would involve a long term lease by the City of County owned land for recreational purposes and a long term lease by the County of City owned land in the downtown area for County and/or other government use.

The specifics of the proposal are as follows: The City would lease seventy (+/-) acres from the County. These acres are located east of Constitution and north of Laurel and the County Public Works Corporation Yard. County and City staff have already agreed on an overall alignment for this seventy (+/-) acres. The specific terms of the lease would be:

1. A term of ninety-nine (99) years
2. Lease payment of \$1.00 per year to be paid in advance
3. Use of the property limited to a golf course, driving range and related facilities
4. A rate structure for these golf recreation facilities that would be equal for all residents in Monterey County.

The second transaction would involve the County lease of City owned parking lot #6 and #17 in the downtown area. These are the lots immediately across from the main downtown post office on West Alisal. The elements of this transaction would include:

1. A term of ninety-nine years
2. A lease rate of \$1.00 per year payable in advance

Simon Salinas, Chairperson
Monterey County Board of Supervisors
March 5, 1997, Page #2

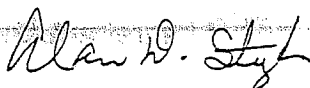
3. A condition that any development of the property by the County would be limited to County and/or other government occupancy/use purposes.
4. A guarantee that the City would retain its proportional use of the parking facilities currently on lot #6 and #17 if there was any additional parking provided by the County in its development plans.
5. Any parking at these two lots or in any future development would be available to the public free of charge on evenings and weekends.

It is the desire of the City Council to expedite a resolution of these lease items as soon as possible. The proposal contained in this letter is a "like for like" trade that will be of benefit to all residents of Monterey County in terms of recreational facilities and guaranteed public use facilities in the downtown Salinas area.

I look forward to your timely positive response to this proposal. As you know, the City is working with the local golfing community to assure that development of a replacement golf course for the Sherwood facilities can be undertaken as soon as possible. In fact, the Council, at its meeting of March 18, 1997, will be considering the retention of a professional golf course consultant to design facilities. With that in mind, the Council is asking that the Board consider this proposal and provide a response to the City as soon as possible.

If you have any questions concerning this, please contact me.

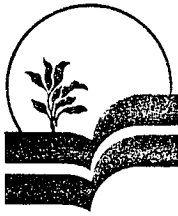
Sincerely,



ALAN D. STYLES
Mayor

ADS:LLM

cc: City Council
Monterey County Board of Supervisors
Dave Mora, City Manager
Ernest Morishita, County Chief Administrative Officer



City of Salinas

OFFICE OF THE CITY MANAGER • 200 Lincoln Avenue • Salinas, California 93901 • (408) 758-7201

3/6/97
Joe Hart
e

March 5, 1997

Ernest Morishita
Administrative Officer
County of Monterey
P.O. Box 180
Salinas, CA 93902

Dear Mr. Morishita:

In reading your letter of March 3, 1997, regarding the potential lease and/or swap of property involving County owned land to be used as a golf course and the City owned downtown parking lot, I was quite surprised to see a reference to the proposed transaction being conditioned by a rezoning. I was further surprised in discussing this issue with members of the City Council who indicated that they had been told by both Supervisors Pennycook and Salinas that the rezoning issue had been either discussed or accepted by me as a condition of the transaction.

I do not recall discussing any issue relative to rezoning of property with you in any of our discussions. I certainly never agreed that a rezoning would be an appropriate part of any transaction nor did I indicate that a rezoning would be recommended by me relative to any properties.

In terms of prior discussions, we did discuss potential future development of County owned land on Constitution. The specific use which you and I discussed for that property was a miniature golf course use that would be consistent with the overall recreational use of the surrounding area. At no time was there any discussion of rezoning. At no time was there any discussion of providing rezoning as part of the transaction that we are currently negotiating.

Given the fact that this new element was included in your March 3, 1997 letter, I felt it was appropriate to clarify in writing my discussion with you on this matter.

Sincerely,

DAVID MORA
City Manager

DRM:LLM

cc: Mayor and City Council
Supervisor Pennycook
Supervisor Salinas

C:\DATA\WPDOCS\LTRS97\LTR0035

RECEIVED

MAR 05 1997

ADMINISTRATIVE OFFICE

Joe 27

MONTEREY COUNTY

COUNTY ADMINISTRATIVE OFFICE

ERNEST K. MORISHITA
COUNTY ADMINISTRATIVE OFFICER

P.O. BOX 180
SALINAS, CA 93902
(408) 755-5115



March 3, 1997

Mr. Dave Mora
City Manager
City of Salinas
200 Lincoln Avenue
Salinas, CA 93901

Dear Mr. Mora: *Dan*

The County continues its commitment to reach an agreement on the land transfer between the City and County that will be beneficial to both parties. To that end, the County proposes two alternatives:

ALTERNATIVE 1:

- A. City will lease the proposed golf course parcel, with boundaries agreed by City and County staff, from the County for 99 years at \$1.00 per year. County will lease City parking parcel designated as lot 6 and 17 from the City for 99 years at \$1.00 per year.
- B. Both parcels will be encumbered with the following restrictive covenants and/or lease conditions:
 - 1. The leased premises can only be used for "public purposes".
 - 2. In the event the lessee desires to use the parcel for a public purpose other than the initial use, the lessee will provide written notice of such intent to the lessor. The notice must contain a description of the proposed use and a general description of any proposed improvements to be constructed on the property. The lessor will be provided 90 days to negotiate a "participation" agreement with the lessee that would provide the lessee to participate in the proposed development. Such agreement would provide for the terms of such participation, including ownership, use, and costs. It will be the intent of the parties to provide for maximum public benefit and/or public use of the property.

3. In the case of the "parking lot parcel" the County agrees to keep a minimum number of parking spaces available to the City for employee parking during the term of the lease.
 4. In the case of the "golf course parcel" the City agrees that County residents will be afforded the opportunity to use the golf course, driving range, and other public facilities on the property on the same terms and conditions as a city resident.
- C. The leases will become effective upon the rezoning of parcels 1 and 2 as indicated on Exhibit A along Constitution Boulevard that is owned by the County, to a professional office and/or commercial use designation acceptable to the County.

ALTERNATIVE 2:

- A. City and County will "swap" or exchange parcels at no additional costs to the parties. The City will take the golf course parcel in fee title and the County will take the parking lot parcel in fee title.
- B. The exchange of parcels will become effective upon the rezoning of parcels 1 and 2 as indicated on Exhibit A along Constitution Boulevard that is owned by the County, to a professional office and/or commercial use designation acceptable to the County.

We believe both alternatives would be beneficial, not only to both the City and County, but to the golfing community, Salinas downtown businesses and all residents of our community.

Sincerely,

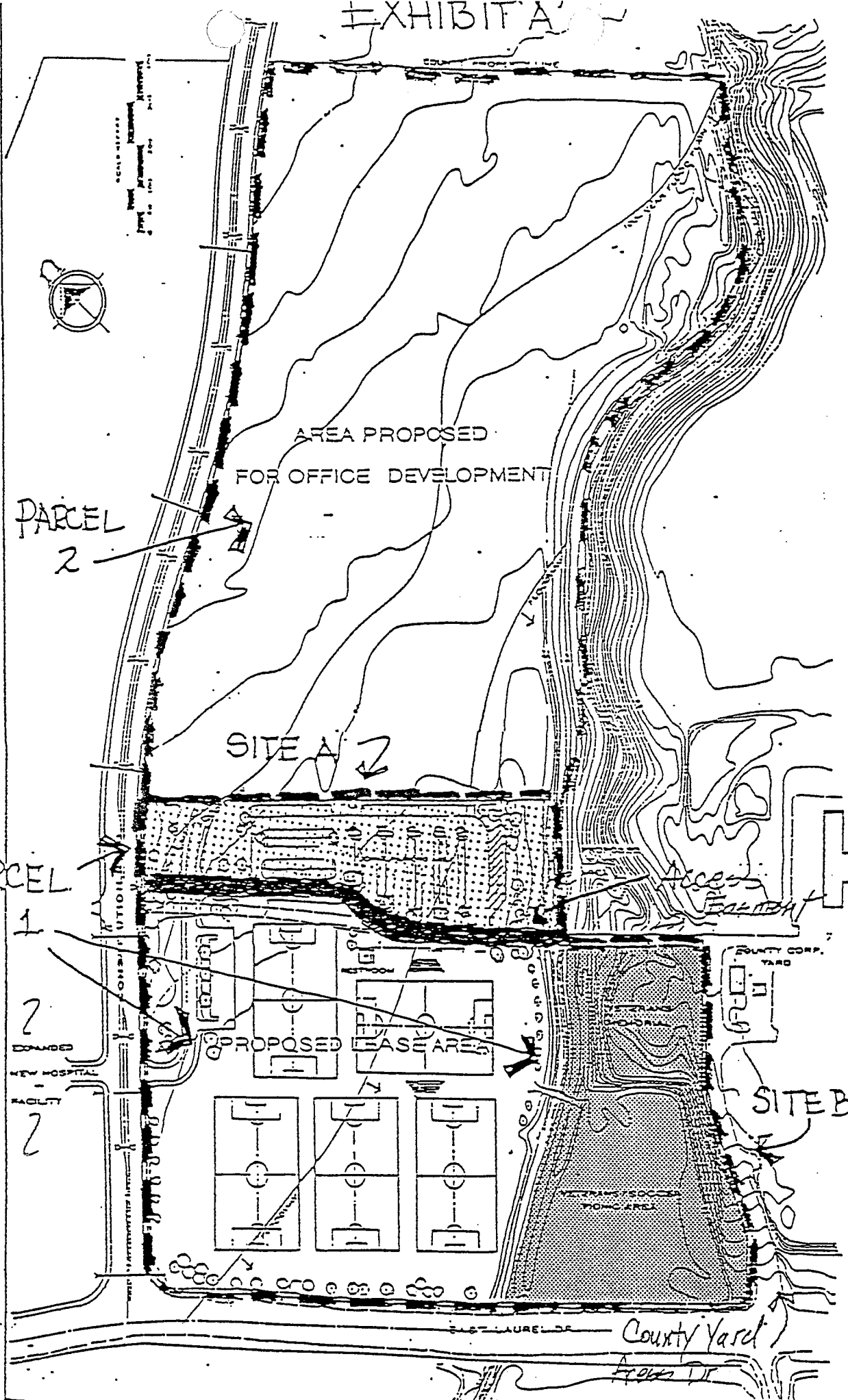


ERNEST K. MORISHITA
County Administrative Officer

EKM:dlb
attachment

c: Each Member, Board of Supervisors
Mayor Alan Styles, City of Salinas
Douglas Holland, County Counsel

EXHIBIT A



CONCEPTUAL PLAN FOR COUNTY PROPERTY
CONSTITUTION AND EAST LAUREL AREA

DATE: 10/1/78
BY: [illegible]
FOR: [illegible]

SCALE: 1" = 100' (approx.)
NORTH ARROW: [illegible]

PROJECT: [illegible]
SHEET: [illegible]

CITY OF BALINAB
[illegible]

MEMORANDUM **COUNTY ADMINISTRATIVE OFFICE**

COUNTY OF MONTEREY

CONFIDENTIAL COMMUNICATION - NOT A PUBLIC RECORD

Date: February 25, 1997

To: Each Member, Board of Supervisors

From: Ernest K. Morishita, County Administrative Officer

Subject: TERMS AND CONDITIONS OF PURCHASE, EXCHANGE, OR LEASE OF REAL PROPERTY WITH THE CITY OF SALINAS FOR THE REAL PROPERTY LOCATED ON THE SOUTH SIDE OF WEST ALISAL STREET BETWEEN LINCOLN STREET AND CHURCH STREET

BACKGROUND

In 1994, the County was contacted by Golftrust West to discuss a lease of County property along Constitution Avenue for a lighted driving range with a small pro shop. The proposal was presented to the Finance and Capital Improvements Sub-Committee, and direction was given to staff to review the proposal with a lease of 10 years.

The review, by staff of the proposal, indicated a positive cash flow for the County. Requests for Proposal were sent to 14 proposers, with the proposal submitted by Golftrust West selected for recommendation to the Finance and Capital Improvements Sub-Committee, and the Board of Supervisors.

At this time, the City of Salinas expressed concern that the proposal would conflict with the City's proposed new driving range and 9-hole golf course. Staff review agreed that the Salinas community could not financially support two lighted golf driving ranges. The Finance and Capital Improvements Sub-Committee agreed not to pursue the County's proposal with Golftrust West.

NEGOTIATIONS

The City was involved in negotiations for a property trade for development of a 9-hole golf course and driving range. When these negotiations broke down the City explored other properties, including the County's 70 acre property north of the Laurel Drive corporate yard.

Initial discussions, between the County and City, included joint ownership and operation of the 9-hole golf course/driving range. This alternative was dropped by both parties after fiscal review of the project.

The Finance and Capital Improvements Sub-Committee's parameters for support and direction for the golf course project included:

1. County support of the golf course project,
2. Project be beneficial to both City and County,
3. Meet the City's requirement that any proposal be cash free,
4. Need to move forward expeditiously,
5. Any property swap be for property that the County is interested in, and
6. Equal golfing fees for both County and City golfers.

The City's initial proposal to the County was for a 99-year lease at \$1.00 a year for the County property, for development of the driving range and 9-hole golf course. The County's proposal was a trade of properties with a lease component. We proposed that the County's property be traded for the City's parking lot located on West Alisal Street, across from the Post Office building, and a lease for the City building space that would provide beneficial to both the County and City. Advantages of this proposal were:

- Cash free transaction,
- Golf course/driving range development on a site tied to future City park development,
- Golfing opportunities at the same cost for City and County residents,
- Sufficient room for future County corporate yard expansion,
- Parking lot provides the County current and future options for capital projects,
- Lease for City building space will assist both City and County from financial and space requirements standpoint,
- Solidifies the County's commitment to stay in the downtown area as requested by the City, Salinas Area Chamber of Commerce and the Oldtown Salinas Association.

CURRENT NEGOTIATIONS

The City's latest proposal to the County is for a 99-year lease at \$1.00 a year, for both the County property and City parking lot property. The City has indicated that the County's usage of the parking lot would be limited to parking purposes. However, during the term of the lease any County development on the property would have to be approved by the City, and would need to be developed as a joint City/County project.

Our recommendation is to continue negotiations for the trade of properties. We believe that this option will provide certainty to

all parties that the County intends to remain in the downtown area and will provide expansion for the County's future facility plans. This option meets the parameters set by the Finance and Capital Improvements Sub-Committee. This proposal would require equal golfing opportunities for all County residents. In addition, if either party decided to sell their property the other party would have the right of first refusal.

A second option, obviously, would be for a 99-year lease on both properties. If this option is considered, we would recommend that a restriction on County development on the parking lot property be removed. Any facilities would have to be for public purposes and use.

Under both options, we would recommend that the City agree to rezone the County property along Constitution Boulevard to professional office/commercial designation.

EKM:dlb

COUNTY ADMINISTRATIVE DEPT.

ROUTE SLIP

DATE 2/21/97

TO: ERWL

FROM: Jo

☐ FOR YOUR APPROVAL ☐ FOR RECOMMENDATION
☐ FOR SIGNATURE ☐ FOR NECESSARY ACTION
☒ FOR YOUR INFORMATION ☐ TO FILE
☐ PHONE FOR QUOTATIONS ☐ NOTE AND RETURN
☐ AS REQUESTED ☐ PER TELEPHONE CONVERSATION
☐ INVESTIGATE ☐ PREPARE REPLY
☐ PLEASE DISCUSS WITH ME ☐ FOR REPORT

REMARKS: I took the liberty of putting
together a structure for Tuesday's
meeting. Some of the numbers need to be
verified. I have another meeting at the
time of closed session - I can rearrange it
if you want me to be available. Let me know.

DW-04-3/80

DRAFT

MEMORANDUM COUNTY ADMINISTRATIVE OFFICE
COUNTY OF MONTEREY

Date: February 20, 1997
To: Ernie
From: Joe
Subject: Draft Issue Paper for Tuesday's Discussion

The Issue

The County of Monterey owns approximately ⁸⁴85 acres of vacant land behind and northeast of the county's corporation yard on East Laurel. This property is generally flat on top and slopes off into a flood plain to the east.

74 The City of Salinas has asked the county to lease approximately 72 acres of this property to the city for 99 years for the purpose of establishing a municipal golf course, a driving range and related uses. The City has offered in exchange:

- to lease the property at the rate of \$1.00 per year and allow county residents to use the facilities at the same fee basis as they will charge City users; or
- grant the County an extended lease on the parking lot across from the post office in downtown Salinas. The City however wishes to maintain control over this property and their only guarantee is to provide the County with 116 parking spaces; or
- purchase the property on East Laurel from the County at "fair market value". This alternative does not provide an even rate structure for county golfers.

Property values

East Laurel property

The property under consideration is shown in the County Facility Master Plan as a contributing asset for master plan development. At the time the master plan was developed it was envisioned this property would be sold or leased to a private developer and the revenue utilized as a source of funding for master plan implementation.

An appraiser was retained in early January of this year for the purpose of giving the County a preliminary indication of the value of the East Laurel property . The appraiser visited the site, met with city planning and public works officials, reviewed recent property sales in Salinas and using his best judgement came up with a conservative estimate of value of \$1.0 to \$2.0 million. This preliminary estimate assumes low density residential housing on the developable portion of the property. Since the City is the intended purchaser and also has some discretion over private use of the parcel in question, in order to prevent bias, the appraiser assigned this task must establish highest and best use of the property on several criteria including surrounding uses and the property's capacity to support the proposed development.

Parking lot property

At the request of the Salinas Area Chamber of Commerce and the Oldtown Salinas Association and the City of Salinas, the Board of Supervisors has adopted a policy of maintaining and expanding the courthouse operation in downtown Salinas. In order to accomplish this project in a most cost effective manner the County needs to not only construct additional offices and courts but provide sufficient parking. Surface parking can be provided at a fraction of the cost of a parking garage. Securing the parking lot, that is the entire parking lot (lots 6 and 17), between Lincoln and Church street would contribute a key element to the County's master plan development.

The value of the entire parking lot is estimated, by staff, @\$12 to \$18 per square foot or \$546,000 to \$819,000 for the entire parking area including lots 6 and 17. These land values per square foot were taken from the recent 1995 appraisal of the City Civic Center facilities.

Recommendation

The County's continued and expanded presence in downtown Salinas is an important element in the City's plan for the downtown. The City needs to find a location for their municipal golf course. In order to meet the Boards commitment to expand in downtown Salinas, the County will need to provide additional office space as well as sufficient parking for employees, jurors, and other county citizens. In the spirit of partnership, an exchange of properties plus any other consideration, as appropriate, would provide substantial benefit to both city and county residents.

Since both the golf course proposal and the development of county facilities in downtown Salinas are long term developments an exchange of properties is recommended. The exchange provides the assurances and control necessary to insure long range planning and development and the full amortization of capital investment.

RECOMMENDED POSITION:

COUNTY AGREE TO EXCHANGE OF PROPERTY WITH THE FOLLOWING UNDERSTANDINGS:

- A. COUNTY WILL EXCHANGE APPROXIMATELY ⁷⁴~~70~~ ACRES OF EAST LAUREL PROPERTY FOR CITY PARKING LOTS 6 AND 17. PROPERTIES EXCHANGED WILL CONTINUE IN PUBLIC USE, SHOULD EITHER PARTY DESIRE TO SELL ALL OR ANY PART OF EXCHANGED PROPERTY, THE OTHER PARTY WILL BE GIVEN FIRST RIGHT OF REFUSAL ON SAID SALE.
- B. AT SUCH TIME AS THE CITY IMPLEMENTS ITS GOLF COURSE PROJECT, CITY AGREES TO PROVIDE, AT NO COST TO THE COUNTY, ADEQUATE FENCING OR OTHER BUFFER TO PROTECT COUNTY PROPERTY AT THE EAST LAUREL YARD FROM TRESPASS OR DAMAGE.
- C. IN ORDER TO ALLOW THE COUNTY MAXIMUM FLEXIBILITY TO MEET FUTURE AND AS YET UNSPECIFIED LAND NEEDS FOR EXPANSION AT THE EAST LAUREL YARD THE CITY WILL ENDEAVOR TO MINIMIZE THEIR CONSUMPTION OF THE PROPERTY BEING MADE AVAILABLE TO THE CITY FOR THIS PROJECT PARTICULARLY THOSE LANDS ADJACENT AND/OR CONTIGUOUS TO THE REMAINING COUNTY PROPERTY.
- D. CITY AGREES TO ALLOW AND CHARGE COUNTY RESIDENTS THE SAME RATES FOR PROGRAMS OR FACILITY USE AS IS CHARGED TO CITY RESIDENTS.
- E. CITY COUNCIL CONTINUES TO RECOGNIZE THE COUNTY'S NEED AND INTENT TO MAXIMIZE THE COMMERCIAL AND FINANCIAL POTENTIAL FOR COUNTY OWNED PROPERTY ALONG CONSTITUTION BLVD. AND WILL ACCOUNT FOR THIS INTENDED USE IN THE CITY'S GENERAL PLAN REVIEW AND INFRASTRUCTURE CAPACITY ALLOCATIONS.
- F. CITY ACKNOWLEDGES THAT THE EAST LAUREL PROPERTY BEING RETAINED BY THE COUNTY REPRESENTS A MINIMUM ACREAGE NEEDED FOR COUNTY FACILITY EXPANSION AND THAT SHOULD THE CITY AT SOME FUTURE TIME WISH TO IMPLEMENT A GARNER AVENUE EXTENSION SUCH EXTENSION SHALL BE ALIGNED IN SUCH A MANNER AS TO NOT ADVERSELY IMPACT OR CAUSE A DIMINATION IN USE OR POTENTIAL USE OF THE COUNTY'S REMAINING HOLDINGS.



City of Salinas

OFFICE OF THE CITY MANAGER • 200 Lincoln Avenue • Salinas, California 93901 • (408) 758-7201

February 12, 1997

Mr. Ernie Morishita
Chief Administrative Officer
County of Monterey
PO Box 180
Salinas CA 93902

Dear Ernie:

The Salinas City Council has reviewed the County staff report to the County Finance and Capital Improvement Subcommittee dated January 29, 1997. Additionally, the City Council has received a briefing from me regarding our discussions on the subject of the relocation of the Sherwood Golf Facilities to County owned land.

Based on the Council review, the City is asking that the County consider two (2) alternatives for the use of current County owned land for the replacement golf course facilities. The preferred alternative is that contained in my letter to you dated January 14, 1997. There are some obvious modifications that can and should be made to the January 14 proposal. There is a need for the County to retain some portion of the property for possible future public use, specifically an expansion of the current County services located on the site and/or the relocation of some County services currently housed in rental space outside the Salinas downtown area. You specifically mentioned the elections office as a possibility.

The ninety-nine (99) year term of the January 14 proposal can also be modified as can the provision for management of the facilities. The County may wish to jointly administer the golf facilities with the City on a partnership basis. This might fit quite well with the City's intent in its original proposal to establish a uniform rate for all residents of Monterey County for use of the facilities.

If the proposed lease arrangement is not acceptable, the City is willing to enter into negotiations to acquire the land for the golf course and driving range. The value would be determined through a fair market appraisal process based on the realistic potential use of the property. The configuration being suggested for the golf course and driving range includes a substantial amount of property in the flood plane. All the property being considered is zoned for public use, primarily open space.

In either case, it is the City's preference to develop an agreement relative to the golf course and driving range relocation separate from any other item. At the same time, I have indicated in a letter dated February 11 that the City is prepared to discuss the joint City-County use of the City owned parking lot across from downtown post office and the potential lease of City owned facilities (former Wells Fargo Bank Building) for complimentary City-County services. I am confident that these and other partnerships can be developed for the benefit of local residents in the future.

Sincerely,

Dave Mora
City Manager

cc: Mayor and City Council
Monterey County Board of Supervisors.



City of Salinas

OFFICE OF THE CITY MANAGER • 200 Lincoln Avenue • Salinas, California 93901 • (408) 758-7201

February 11, 1997

Mr. Ernie Morishita
Chief Administrative Officer
County of Monterey
PO Box 180
Salinas, CA 93902

Dear Ernie:

As we continue our discussions regarding the proposed relocation of the Sherwood Greens Golf Course and Driving Range to the County owned property north of Laurel Road and East of Constitution, I want to touch on a couple of unrelated issues that have come up during our meetings.

As both of us have noted, our respective policy boards are advocating a new era of partnerships and cooperative initiatives on behalf of the residents of Monterey County, including those that reside in cities. Among those recent partnerships are the Proposition 172/911 Emergency Communications agreement, the Salinas Valley Solid Waste Authority, the Salinas initiated MDT COPS MORE grant to upgrade the 911 communications systems and provide MDTs in both County and City law enforcement vehicles, and our current golf course discussions.

There are a number of other potential partnerships that could be developed to enhance the delivery of public services to our residents. As you know, the City is in the final negotiations stage for the acquisition of the former Wells Fargo Bank building on West Alisal. The City intends to relocate portions of its development permit and processing services to the former bank building. The possible co-location of the County's permit processing center to the former bank building would be an obvious benefit to the entire community. The City is willing to explore that possibility with the County once the City services are centralized in that building.

Another potential partnership consistent with both the County's long-term commitment to downtown Salinas and the City's support of that commitment is the future use of City owned land in downtown Salinas. The County currently leases for \$1.00 per year the City parking lot across from the downtown post office. There may well be a need to provide a long-term commitment to our residents that the current parking lot will be permanently maintained in public ownership and for public use for parking and eventual development. A no-cost memorandum of understanding to that effect involving the City and County would be a significant step in that direction.

Please be advised that the City of Salinas is prepared to discuss these and other potential cooperative initiatives with the County and other public sector agencies in order to provide the best possible services to our residents and businesses. Each of these initiatives is individually important and should be addressed as such. With that in mind, I look forward to our continued dialogue on these items as soon as we complete our discussions regarding the golf course / driving range relocation project.

Sincerely,

Dave Mora
City Manager

DRM:bp

cc: Mayor and City Council
Monterey County Board of Supervisors

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