

**MONTEREY PENINSULA REGIONAL PARK DISTRICT
BOARD OF DIRECTORS MEETING**

DATE: March 4, 2020
TO: Board of Directors
FROM: Rafael Payan, General Manager
SUBJECT: Discussion/Action Item: Review and Approval of Lease Agreement with Carmel Unified School District

RECOMMENDED ACTION:

Staff recommends the Board receive this report and consider authorizing Staff to enter an agreement between the Carmel Unified School District (CUSD) and the Monterey Peninsula Regional Park District (MPRPD) for (a) the Ground Lease of a portion of Cachagua Community Park (Premises); and, (b) making improvements to the Park’s potable water system, substantially in the presented form (**ATTACHMENT 1**).

FISCAL IMPACT:

Not to exceed \$398,718.06

FUNDING SOURCE:

Account Code #6740	\$22,000
Account Code #6975	\$358,416
Account Code #6966	<u>\$18,302.06*</u>
	\$398,718.06

*The additional \$18,302.06 required for completion of the water system contract will be reallocated within the same Assessment District budget class, from 6966-Palo Corona Improvements to 6975-Cachagua Community Center/Park.

FUNDING BALANCE:

Account Code #6740	\$22,000
Account Code #6975	\$358,416
Account Code #6966	\$2,320,729.80*

*This funding balance reflects moneys available for this Account Code number, as of the writing of this report, and does not consider any mid-year budget adjustments that may subsequently be approved by the Board. Enough funds will remain in this Account Code to underwrite the requested \$18,302.06.

DISCUSSION:

On or about February 5, 2001, CUSD and MPRPD entered a 10-year Ground Lease Agreement, authorizing CUSD to:

- (a) Place a portable classroom building (“Community Center Building”) on the Premises to operate a Community Center;

- (b) Install a water filtration and chlorination system for the water distribution system (“Water System”) that supplies water to the Community Center and to the rest of the Premises;
- (c) Construct a shed and pump house to house components of the Water System; and,
- (d) Make other improvements to the Premises for its permitted uses including a parking lot for approximately fifteen (15) vehicles for Community Center staff and visitors.

These improvements have facilitated much needed public access, and recreation and are consistent with the January 1990 Cachagua Community Center Development Plan. The Community Center provides a multi-purpose child-development center in a part of Monterey County that offers few if any other options. Some of the services that are offered include preschool, childcare programs, after-school childcare programs, and other activities and services for youth up to age 18.

CUSD and MPRPD agreed that the Community Center is owned and operated by CUSD and that no use of the Community Center or other CUSD-owned facilities or equipment located on the Premises is permitted without CUSD’s prior written consent. An important fact must be conveyed is that the partnership between CUSD and MPRPD has been very positive and supportive.

Although the original Ground Lease expired on February 5, 2011, CUSD has continued to occupy the Premises on a “hold-over” month-to-month basis, subject to the terms and conditions of the expired original lease. CUSD is requesting that MPRPD’s Board consider entering a new Ground Lease between CUSD and MPRPD.

As previously noted, the terms and conditions of the original lease allowed CUSD to install a water filtration and chlorination system, and related components. On or about September 17, 2012, the Monterey County Health Department issued a Compliance Order finding the Water System out of compliance with applicable state and local water system requirements. CUSD is in the process of modifying this potable water system to ensure compliance with all required regulations.

Because the Water System is on MPRPD’s property but serves MPRPD’s and CUSD’s patrons, CUSD and MPRPD previously agreed that responsibilities related to the Water System’s improvements would be shared. Thus, CUSD paid for the Water System’s engineering, permitting, and construction administration. MPRPD will pay for the Water System’s construction. Don Chapin Company, the project’s successful bidder, anticipates project completion within 120 days of the notice to proceed.

CUSD is eager to enter a Ground Lease Agreement with MPRPD that includes MPRPD’s commitment to pay for construction of the much needed and mandated potable Water System.

ATTACHMENT:

1. [Lease Agreement between MPRPD and CUSD](#)