



MEMORANDUM

TO: CITY COUNCIL

FROM: GEOFF ENGLISH, DIRECTOR OF PUBLIC WORKS

SUBJECT: CONSIDERATION OF APPROVAL OF LEASE AGREEMENT FOR PUBLIC PARKING AREA

DATE: SEPTEMBER 13, 2016

RECOMMENDATION:

It is recommended that the City Council approve and authorize the Mayor to execute a Lease Agreement between the City and Blair B. Mankins and Mark H. Mankins, as Co-Trustees of the Mankins Family Revocable Trust – Survivor's Trust for the lease of certain parking areas on the north side of East Branch Street for public off-street parking.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The lease requires the City to pay one dollar (\$1.00) per month. The City is also obligated to pay or reimburse the Mankins Trust for the property taxes, currently \$3,711 per year and to maintain the property. Maintenance costs vary annually. All costs associated with the lease are paid from the Downtown Parking Fund. Revenues for this fund are collected through an additional business license tax for businesses within the Parking Business Improvement Area (generally the Village area) and total approximately \$10,300 per year. These funds are designated for parking related costs.

BACKGROUND:

The City currently leases two private property parcels for off-street parking lots on the north side of East Branch Street. These two properties are described as follows:

- A portion of the Car Corral owned by David Family Trust
- The westerly portion of the Le Point Street parking lot which is owned by the Mankins Family Trust.

The current lease for the Le Point Street lot, owned by the Mankins Family Trust, will expire on November 30, 2016. The terms and condition of the proposed five (5) year lease is similar to the previous lease; however, the Mankins have asked that the City also take over maintenance of the walkway used to access this parking lot. The walkway is located between 121 and 123 East Branch Street.

ANALYSIS OF ISSUES:

A new five (5) year lease with the Mankins Family Trust is presented for approval. The lease contains similar terms and conditions as the current lease and has been reviewed by

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the City Attorney. City staff has designed and distributed bids for the repair and resurfacing of this parking lot. The proposed work will be completed within the next six months. Additionally, the City's contracted street sweeping firm will sweep the parking lot and the walkway monthly. City staff will conduct litter removal in the parking lot and the walkway weekly.

Representatives of the Mankins Family Trust have agreed to renewal of the lease. If the City Council authorizes the Mayor to sign the lease, it will become effective on December 1, 2016 and expire on November 30, 2021. The lease can be terminated by either party upon thirty (30) days prior written notice.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Approve and authorize the Mayor to execute the Lease Agreement;
- Direct staff to renegotiate changes in the conditions of the lease; or
- Provide direction to staff.

ADVANTAGES:

The agreement extends the term of the lease for an additional five years, providing the public with connected and additional parking at the Le Point Street parking lot at a very minimal cost.

DISADVANTAGES:

No disadvantages have been identified.

ENVIRONMENTAL REVIEW:

This agreement is exempt from environmental review per California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3).

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

LEASE

THIS LEASE, executed in duplicate, at Arroyo Grande, California, on the ____ day of _____, 2016, by and between Blair B. Mankins and DeAnne P. Mankins, Trustees of the Blair and DeAnne Mankins Revocable Trust under Declaration of Trust dated September 9, 2015 and Mark H. Mankins and Ginger Mankins, Trustees of the Mark and Ginger Mankins Revocable Trust under Declaration of Trust dated April 20, 2015, hereinafter collectively called Lessors, and the City of Arroyo Grande, hereinafter called Lessee.

IT IS AGREED that in consideration of the rents and covenants hereinafter reserved and contained on the part of the Lessee to be paid, performed and observed, said Lessor hereby leases to Lessee that certain property in the City of Arroyo Grande, County of San Luis Obispo, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein ("Premises") and all upon and subject to the terms and provisions herein contained.

TO HAVE AND TO HOLD the said premises, with the specified rights unto the Lessee for the term of five (5) years, commencing December 1, 2016, at the following rent, to wit: ONE DOLLAR (\$1.00) per month, which payment should be made to Lessor's property manager, B&M Investments, at 1005 El Camino Real, Arroyo Grande, CA 93420-2518.

It is mutually agreed that as additional consideration for the lease that Lessee shall pay to Lessor all City and County taxes assessed to the Premises during the term of the lease -or any extension period. It shall be the duty of the Lessor to secure a separate assessment and tax bill on the hereinafter described property and to provide Lessee with said tax bill no later than thirty (30) days before the San Luis Obispo County taxes become delinquent, and Lessee shall not be deemed to have breached the terms of this lease unless it is so provided. Furthermore, in the event the Lessee is not furnished with a separate tax bill for the leased Premises, Lessee will not be responsible for any penalties and interest charges because of the late payment of said taxes, although it will not be relieved of the obligation to pay said property taxes.

It is mutually agreed that this lease may be terminated by either party hereto at any time during the term of the lease, upon thirty (30) days written notice to the other party.

Lessee agrees to maintain the Premises, and the pedestrian walkway leading from the Premises to East Branch Street known as APN No. 007-192-051 ("Walkway") by removing trash and accumulated debris from the walkway weekly and by sweeping the walkway monthly. All landscaping is to be maintained by the Lessor. Lessee shall maintain and clean the Parking Lot on a regular basis, by performing weekly liter removal and a once a month sweeping. The Lessee shall also fill and repair potholes as necessary and shall resurface and seal the Parking Lot as well as paint all parking stalls within one year of the effective date of the Lease.

Lessee hereby agrees to keep said Premises and the Walkway insured under its Municipal Liability Insurance Policy and agrees to indemnify and hold Lessor harmless and exempt from any damage or injury to any person or property arising from the use of the Premises or Walkway, or from failure of Lessee to keep the Premises or Walkway in good condition and repair, as herein provided. It is specifically agreed that Lessor shall not, other than to the extent of Lessor's sole negligence, be liable for any claims for death or injury to persons, or damages to or destruction of property by Lessee or by any other person using the Premises or Walkway. The policies for insurance required by this Section shall name Lessor as an additional insured, and

shall not be cancelable without thirty (30) days' prior written notice by insurer to Lessor.

All notices required by law, or by this lease, to be given to the Lessee, City of Arroyo Grande, shall be deemed made by depositing the same in the United States mail, postage prepaid and addressed as follows:

City of Arroyo Grande, Attn: City Manager
300 E. Branch Street
Arroyo Grande, CA 93420

All notices required by law, or by this lease, to be given to the Lessors shall be deemed made by depositing the same in the United States mail, postage prepaid and addressed to:

B&M Investments
1005 El Camino Real
Arroyo Grande, CA 93420-2518

At any time either party may notify the other of the change of address, and notices will thereafter be sent to the said changed address.

Lessee shall, at its sole cost and expense, comply with all of the applicable requirements of municipal, State and Federal authorities now in force or which hereinafter be enforced pertaining to the Premises and the use of the Premises as provided in this Lease.

Lessee agrees not to assign or transfer in whole or in part or rent or sublet any portion of leased Premises without first having obtained written consent of the Lessor.

It is mutually agreed that Lessee will not use, or permit said Premises or any part thereof to be used, for any purpose or purposes other than the purpose or purposes for which the said premises are leased, demised and let unto the Lessee, that is for City off-street parking purposes.

Lessee shall not permit the use, storage, transportation or disposal of any hazardous substances (as that term is defined in either Federal or State law) on the Premises or Walkway.

It is mutually agreed the Lessee will not commit, or suffer to be committed, any waste upon the said Premises or any public or private nuisance; that the Lessee will not make or suffer to be made any additions or alterations of the said Premises or any part thereof, except paving, general maintenance, signs or meters, without the written consent of the Lessor first had and obtained and that any additions of the said Premises, except City signs and parking meters, if any, shall become, at once, a part of the realty and belong to the Lessors.

If an act is commenced to enforce any provisions of this Lease, the prevailing party shall, in addition to its other remedies, be entitled to recover its reasonable attorneys' fees.

IN WITNESS WHEREOF, the Lessor and Lessee have hereunto set their respective hands and seals, this ____ day of _____ 20____.

LESSORS: THE BLAIR AND DEANNE MANKINS
REVOCABLE TRUST UNDER DECLARATION
OF TRUST DATED SEPTEMBER 9, 2015

By: _____
Blair B. Mankins, Trustee

By: _____
DeAnne P. Mankins, Trustee

THE MARK AND GINGER MANKINS
REVOCABLE TRUST UNDER
DECLARATION OF TRUST DATED
APRIL 20, 2015

By: _____
Mark H. Mankins, Trustee

By: _____
Ginger Mankins, Trustee

LESSEE: CITY OF ARROYO GRANDE

Jim Hill, Mayor

ATTEST:

Kelly Wetmore, City Clerk

APPROVED AS TO FORM:

Heather Whitham, City Attorney

EXHIBIT "A"

All that portion of Lot 75 of parts of the Ranchos Corral de Piedra, Pismo, and Bolsa de Chamisal as subdivided by Jas. T. Stratton according to map filed in Book A, Page 65 of Maps, in the office of the County Recorder of San Luis Obispo County described as follows:

Beginning at point S 296 at the most easterly corner of Lot 85 of said map, said point being on the northwesterly line of Branch Street, and running North 32 degrees 42' 05" West a distance of 132.00 feet to the most easterly corner of Lot 14 of Buena Vista Tract, according to map filed in Book A, Page 58 of Maps, records of said County for a true point of beginning;

Thence continuing North 32 degrees 42' 05" West along the northeasterly line of said Lot 14 a distance of 154.25 feet to the most northerly corner of said lot;

Thence along the southeasterly line of that portion of Lot 75 described in a deed to the City of Arroyo Grande, recorded in Book 1093 at Page 563, records of said County, North 61 degrees 08' 00" East a distance of 10.00 feet, and North 31 degrees 35' 52" East a distance of 88.74 feet;

Thence North 60 degrees 26' 59" East a distance of 1.93 feet to the southwesterly line of land described in deed to George B. Cleaver et ux recorded in Vol. 107 of Deeds at Page 140, records of said County;

Thence South 32 degrees 42' 05" East along said Southwesterly line a distance of 164.01 feet;

Thence North 60 degrees 26' 59" East a distance of 30.00 feet to the northeasterly line of land described in said deed;

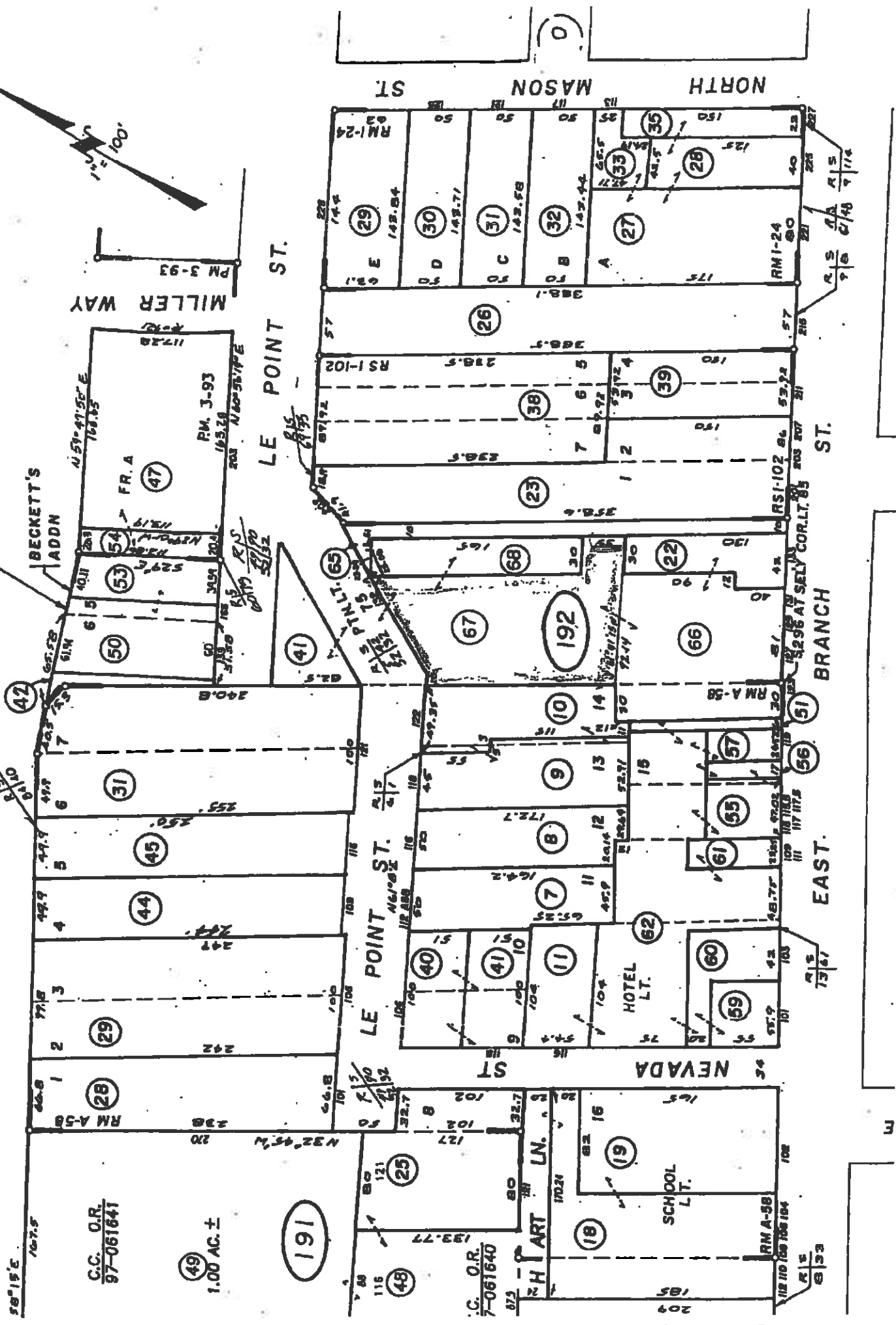
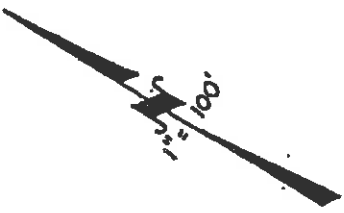
Thence South 32 degrees 42' 05" East along said northeasterly line a distance of 35.00 feet to the most northerly corner of the property described in deed to Russell Langwell recorded in Book 1607 of Official Records at Page 111, records of said County;

Thence along the northwesterly line of property described in said deed to Russell Langwell South 60 degrees 26' 59" West a distance of 30.00 feet to the most westerly corner thereof;

Thence South 61 degrees 41' 15" West a distance of 92.14 feet to the true point of beginning.

(812)

(01)



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C.C. O.R.
97-061641

(49)
1.00 AC. ±

(191)

C.C. O.R.
7-061640

LEGAL DESCRIPTION

The northeasterly 6.00 feet of Lot 15 of the Buena Vista Tract in the City of Arroyo Grande, County of San Luis Obispo, State of California according to the map thereof recorded October 2, 1885 in Book A at Page 58 of Maps of said County and containing 720 square feet, more or less, and as shown on Exhibit 'B' attached hereto and by reference made a part hereof.

END DESCRIPTION

Prepared by:

William R. Dyer
William R. Dyer, LS 5661, Lic. Exp. 9/30/17

Date: 8/16/16



EXHIBIT 'A'

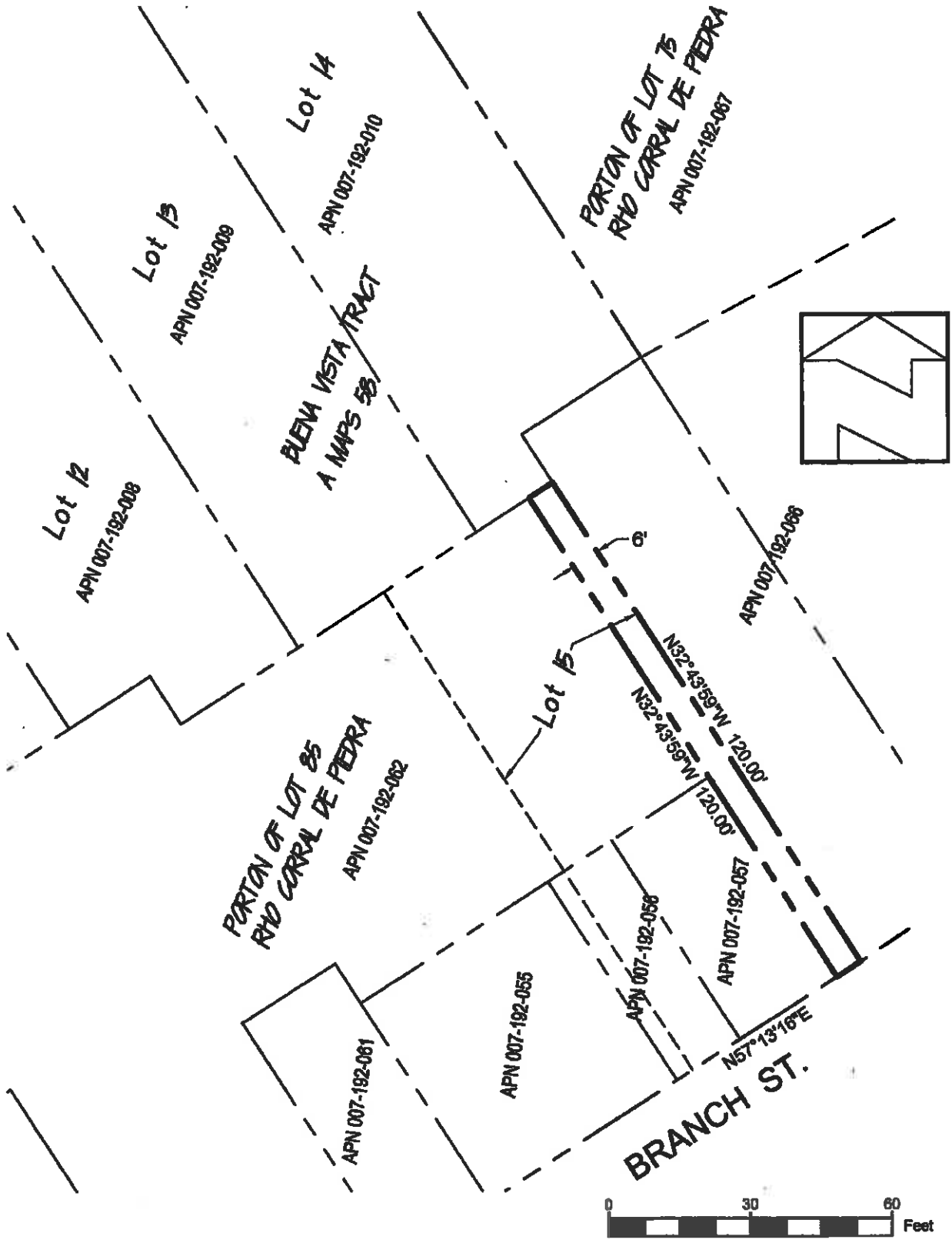


EXHIBIT 'B'

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