

MEMORANDUM

TO: CITY COUNCIL

FROM: MICHAEL T. MARTINEZ, CHIEF OF POLICE

BY: ZAK AYALA, POLICE SERGEANT

SUBJECT: CONSIDERATION OF AN AMENDMENT TO LICENSE AGREEMENT WITH HIOJT RANCHES TO PROVIDE FOR THE USE OF REAL PROPERTY FOR A POLICE DEPARTMENT FIREARMS RANGE

DATE: JULY 28, 2020

SUMMARY OF ACTION:

Approval of the Amendment to License Agreement between HIOJT Ranches and the City of Arroyo Grande.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The amendment to license Agreement will provide for the continued use of real property for a Police Department firearms range beginning July 28, 2020, through June 30, 2025, at a cost of \$4,000.00 annually with an increase of 3% each year. Funding for the proposed use is included in the FY 2020-2021 Budget.

RECOMMENDATION:

It is recommended the City Council approve the Amendment to License Agreement with HIOJT Ranches for the use of real property for a Police Department firearms range and authorize the Mayor to execute the Agreement.

BACKGROUND:

In July of 1998, a License Agreement with the Arroyo Ranch Company (the "Agreement") was entered into providing for the use of real property for a Police Department firearms range. The Agreement has been renewed every five years since 1998. On May 7, 2014, the Arroyo Ranch Company sold the property to HIOJT Ranches, which has continued to honor the Agreement; however, the last term expired on June 30, 2020.

ANALYSIS OF ISSUES:

The availability of a firearms range within close proximity of the City limits has been of significant value to the Police Department. It allows for an efficient and effective training and qualification program for the use of firearms and other less lethal means and the

CITY COUNCIL

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JULY 28, 2020

PAGE 2

close proximity reduces the exposure to excessive overtime. Other available facilities necessitate a long commute (the Sheriff's Office on Kansas Avenue north of Cal Poly San Luis Obispo, or the Diablo Canyon facility located deep within the Diablo Canyon Power Plant grounds), which can result in unnecessary overtime. The location of the firearms range allows some activities to be completed on-duty without generating overtime.

The proposed Amendment revives the Agreement and provides for an initial annual rent increase of approximately \$350. Subsequent rent increases will remain at the historical rate of 3% annually. All other terms of the Agreement will remain the same.

ALTERNATIVES:

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

1. Approve the Amendment to License Agreement with HIOJT Ranches;
2. Do not approve the Amendment to License Agreement with HIOJT Ranches;
or
3. Provide direction to staff.

ADVANTAGES:

Approval of the Amendment to License Agreement will enable the City to provide continuity in the Police Department's Firearms Training Program at a reduced overtime cost.

DISADVANTAGES:

No disadvantages have been identified.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

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

ATTACHMENT:

1. License Agreement dated July 1, 2015

AMENDMENT TO LICENSE AGREEMENT

This Amendment to License Agreement is made and entered into this 28th day of July, 2020, by and between the City of Arroyo Grande, a municipal corporation of the State of California ("City"), and HIOJT Ranches, ("Owner"). City and Owner are sometimes referred to herein as a "party," or collectively as the "parties."

RECITALS

WHEREAS, the parties entered into a License Agreement ("Agreement") for the use of a portion of real property (APN: 048-191-01) belonging to Owner as a Police Department firearms range on July 1, 2015; and

WHEREAS, the Agreement expired on June 30, 2020; and

WHEREAS the parties wish to revive the Agreement and amend certain terms thereof as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the parties hereby agree as follows:

1. The Agreement is hereby revived and shall remain in effect until June 30, 2025.
2. In consideration of the use of said real property above described, City agrees to pay Owner annually as follows:
 - a. \$4,000 due August 1, 2020;
 - b. \$4,120 due July 1, 2021;
 - c. \$4,243.60 due July 1, 2022;
 - d. \$4,370.91 due July 1, 2023;
 - e. \$4,502.04 due July 1, 2024.
3. Except as modified herein, all terms and conditions of the Agreement shall remain unchanged.

[Signatures on following page.]

WITNESS THE EXECUTION HEREOF on the day and year first hereinabove written.

CITY OF ARROYO GRANDE:

HIOJT Ranches:

By: _____
Caren Ray Russom, Mayor

By: _____
Todd Talley, General Partner

ATTEST:

Kelly Wetmore, City Clerk

APPROVED AS TO FORM:

Timothy J. Carmel, City Attorney

LICENSE AGREEMENT

THIS LICENSE AGREEMENT entered into this 1st day of July 2015 between the City of Arroyo Grande, California, a municipal corporation, hereinafter termed "CITY" and HIOJT Ranches, P.O. Box 360, Arroyo Grande, California hereinafter sometimes termed "OWNER."

WHEREAS, City desires to obtain the use of certain hereinafter described real property belonging to Owner for the use of a firearms range for its authorized Police Officers and other authorized personnel, and;

WHEREAS, Owner is willing to permit use of said real property for such purpose subject to certain conditions.

NOW, THEREFORE, it is agreed by and between City and Owner as follows:

1. Owners does herewith give to City a license to use the hereinafter described real property for the purpose of building, maintaining and operating thereon a firearms range which shall be used only when and by personnel duly authorized by City. The parties agree that the license granted herein is irrevocable in nature subject only to termination as set forth in this agreement.

1. The property upon which said firearms range is to be located is described as follows:

An area of approximately 140 feet by 400 feet in size for pistol range purposes which is located in that certain 700 acre portion of Rancho Santa Manuela as shown in the map being Parcel 1 of Assessor's Parcel #048-191-01 in the County Recorder's Office of the County of San Luis Obispo. Said area is located along the south side of the public road now called 'Huasna Road' approximately 4 miles East of the City of Arroyo Grande as shown on the attached map. The actual location of said area has been mutually agreed upon by the parties hereto, and located upon the ground by the placing of stakes.

2. In consideration of the use of said land above described, City agrees to pay Owner annually as follows:

- a. \$3,250.00 due July 1, 2015
- b. \$3,347.50 due July 1, 2016
- c. \$3,447.93 due July 1, 2017
- d. \$3,551.36 due July 1, 2018
- e. \$3,657.90 due July 1, 2019

3. Term

The term of this agreement shall be from July 1, 2015 through June 30, 2020.

4. This agreement may be terminated by either of the parties hereto by the giving to the other party of one hundred eighty (180) days prior written notice.

Upon termination of this Agreement, City shall remove any improvements which it has placed upon the property. Any such improvements shall be removed within the 90 day period. To the fullest extent practicable, City shall further restore the premises to the condition which existed as of the date prior to July 1, 1998. Additionally, the City shall remove any contaminants from the firing range site as required by State or Federal law to the extent such contaminants are the result of City's use of Owner's property as a firing range.

5. City represents that it has examined the property and is familiar with the condition thereof. This Agreement is made upon the express condition that Owner is to be free from all liability and claim for damages by reason of any injury to any person or persons, including City, or property of any kind whatsoever while in, upon or in any way connected with the said premises, or the access thereto during the term of this agreement or any extension hereof, or any occupancy hereunder, City hereby covenants and agrees to indemnify and save harmless Owner from all liability, cost, loss and obligations on account of or arising out of any such injuries or losses however occurring. The foregoing shall not apply to any liability, loss, claim, demand, damage or injury either intentionally or negligently caused by Owner or Owner's guests or invitees. City further agrees to have its policy of public liability and property damage insurance endorsed to name Owner as an additionally named insured to protect Owner against any liability to the City or public incident to the use of or result in from any accident occurring in or about said premises. This policy shall insure the contingent liability of Owner.

6. No improvements shall be placed upon said premises without prior written consent of Owner.

7. Access to the said premises is to be by an existing road extending from the "HUASNA Road" approximately 2,640 feet in length. The parties recognize that City may wish to make some improvements to the roadway for the purpose of better access. Any substantial improvements shall be made only with the prior written consent of Owner.

8. In order to ensure safety and limit potential misuse and/or damage to the property, the parties agree that the City shall have exclusive use of the described real property for public safety training purposes, as set forth in Section 1 of this Agreement. The

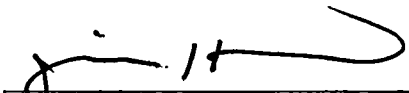
parties further agree that the Chief of Police of the City of Arroyo Grande shall have the authority to approve any use of the police pistol range facility by guests, invitees or any other persons. Any such permission to use the facility must be approved in advance, and may only be authorized by the Chief of Police or his designee. "

There is presently a gate at the entrance to the canyon. The gate is to be kept closed and locked, excepting only for actual passage through the gate. It is the intent of the parties that the gate will be kept locked whether or not the range is or is not in actual physical use at any particular time.

IN WITNESS THEREOF, the parties hereto have signed this Agreement the day and year first above written.

CITY OF ARROYO GRANDE

HIOJT Ranches


BY: 
Jim Hill, Mayor

By: 
Todd Talley
Its: General Partner Member 2012

Date: 6-23-2015

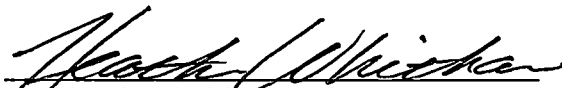
Date: 7/08/15

Attest:


Kelly Wetmore, City Clerk

Date: 6-23-2015

As Approved to form:

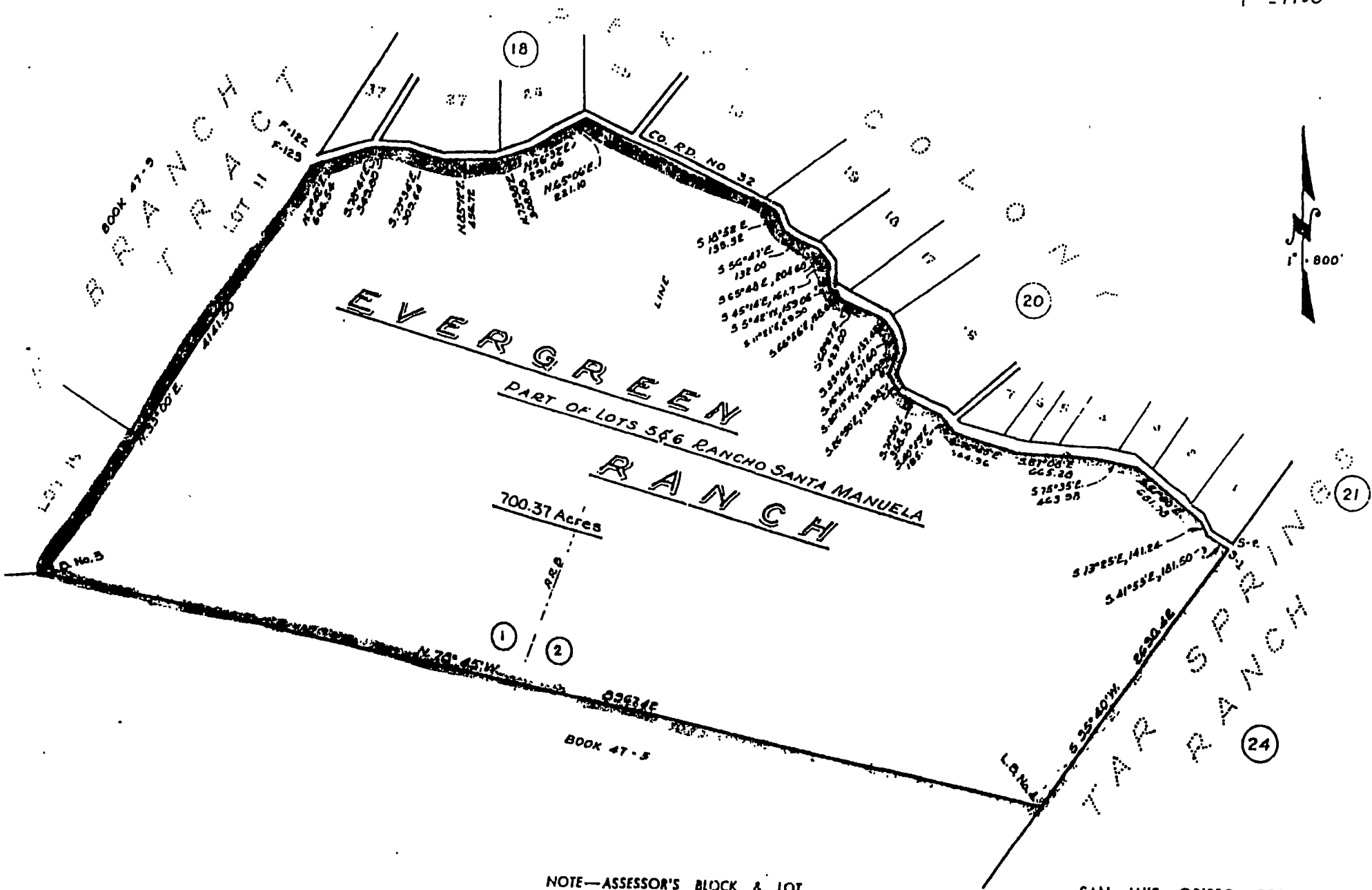

Heather Whitham, City Attorney

Date: 6-23-2015

SUBJECT PROPERTY MAP

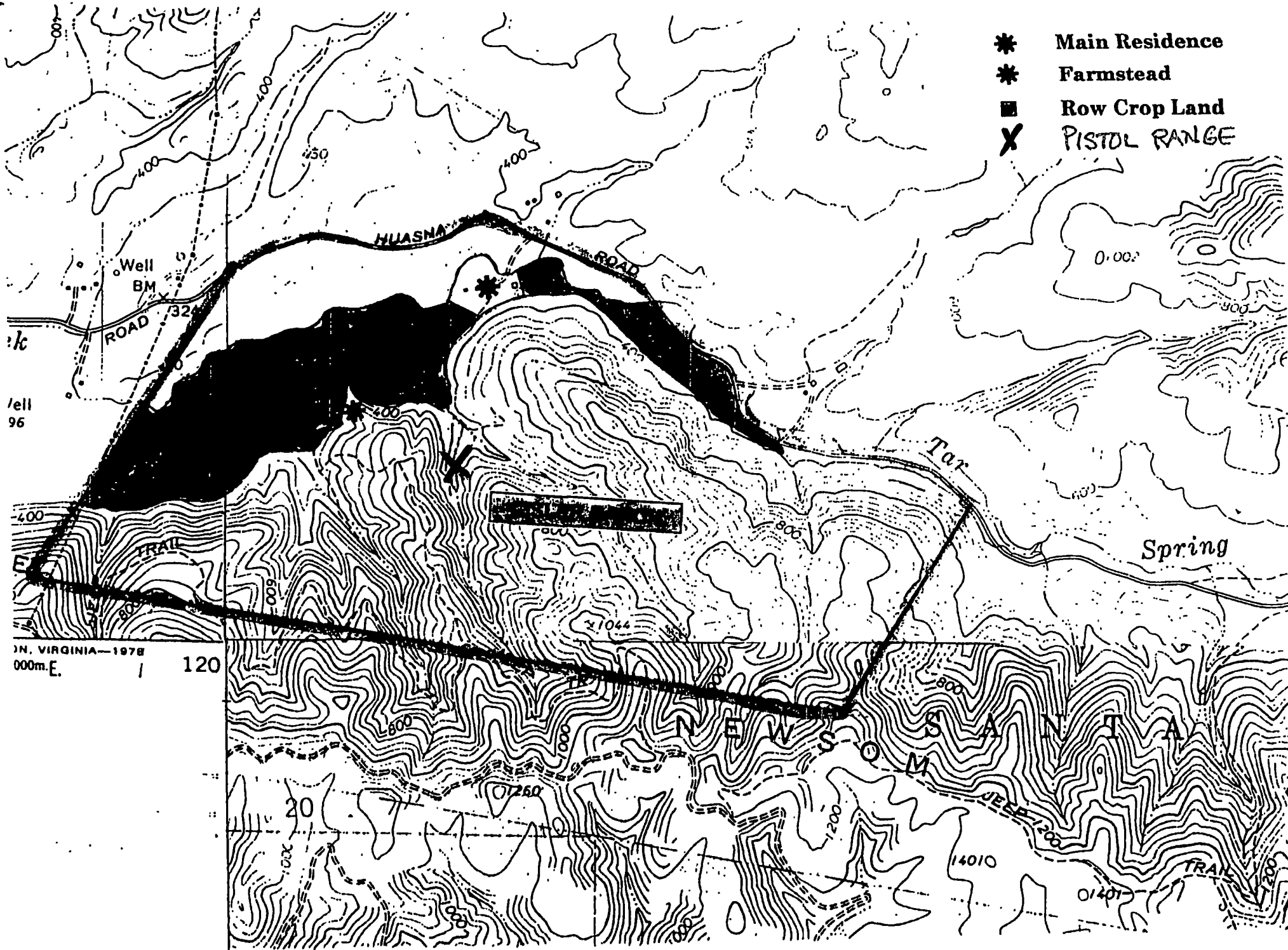
TAX AREA CODE NO. 48-19

1" = 1100'



NOTE—ASSESSOR'S BLOCK & LOT NUMBERS SHOW IN CIRCLES

- * Main Residence
- * Farmstead
- Row Crop Land
- X PISTOL RANGE



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