

TO: James L. App, City Manager
FROM: Joseph M. Deakin, Public Works Director
SUBJECT: Hayward Lumber Lease Agreement and Landscape Easement
DATE: December 17, 2002

NEEDS: For the City Council to consider approving a Lease Agreement with Hayward Lumber and accepting a Grant of Easement for landscape purposes.

FACTS:

1. The City applied for and was successful in receiving a \$250,000 grant to install pedestrian improvements and enhancements to the Pine Street Corridor between the Transportation Center and the Downtown District.
2. The City Council approved a design requiring small landscape pockets on the properties along Pine Street from 7th Street to 10th Street. Properties along Pine Street that are affected by the project are owned by Hayward Lumber or the City. Some of the property owned by the City is leased to Hayward Lumber.
3. Staff met with representatives of Hayward Lumber and they agreed to the final design.

**ANALYSIS
AND**

CONCLUSION: Some of the land leased or owned by Hayward Lumber will be occupied by proposed improvements. Renewing the Lease Agreement between the City and Hayward Lumber is important to provide the City the opportunity to continue the downtown revitalization process. The City Attorney consulted with City Council and City staff, and developed a revised agreement. The Final Agreement was executed by Hayward Lumber officers. Highlights of the modified Lease Agreement are as follows:

- The initial term of the Agreement is five years but gives Hayward Lumber the option to extend it for two additional 5-year terms.
- Excludes a total of 192 square feet from the leased property so that the City can use these areas for landscape pockets along Pine Street.
- Hayward Lumber will pave the remaining lease area (up to \$18,000) and costs will be reimbursed by the City. If Hayward Lumber elects to extend the term of the Agreement beyond the initial term, then 50% of the amount reimbursed by the City will be returned, amortized over the first extended 5-year term and added to the lease payment.
- Hayward Lumber will relocate its "H" racks currently located within the proposed Landscape Pockets. The City will reimburse Hayward Lumber (up to \$15,000) to relocate these racks.

The City Council could now authorize the Mayor to execute the Memorandum of Lease and the Lease Agreement thereby completing the lease renewal.

In addition to the enhanced City proposals, Landscape pockets are also planned along the property owned by Hayward Lumber. Hayward Lumber has agreed to grant landscape easements, to provide for the planned landscaping, the City Council could accept this Grant of Easements for recordation.

POLICY

REFERENCE: None

FISCAL

IMPACT: Budget for the pedestrian improvements have been appropriated in the Adopted Capital Improvement Program

- OPTIONS:**
- a(1). Adopt Resolution No. 02-xx authorizing the Mayor to sign a Memorandum of Lease and Lease Agreement with Hayward Lumber; and
 - a(2). Adopt Resolution No. 02-xx accepting the Grant of Easement for landscape pockets in the property owned by Hayward Lumber.
 - b. Amend, modify or reject the above option.

Attachments (5)

- 1) Resolution No. 02-xx
- 2) Resolution No. 02-xx
- 3) Memorandum of Lease
- 4) Lease Agreement
- 5) Grant of Easements

RESOLUTION NO. 02-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF LEASE
AND LEASE AGREEMENT WITH HAYWARD LUMBER

WHEREAS, the City has received a \$250,000 grant to install pedestrian improvements along Pine Street between the Transportation Center and the Downtown District; and

WHEREAS, the City needs to exclude certain portions of City-owned property currently leased to Hayward Lumber; and

WHEREAS, a new Memorandum of Lease and Lease Agreement has been written between the City and Hayward Lumber.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does hereby direct the Mayor to sign the Memorandum of Lease and the Lease Agreement on behalf of the City.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of December 2002 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION NO. 02-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ACCEPTING A GRANT OF EASEMENT (HAYWARD LUMBER)

WHEREAS, the City has received a \$250,000 grant to install pedestrian improvements along Pine Street between the Transportation Center and the Downtown District; and

WHEREAS, the City needs an easement for landscape purposes from Hayward Lumber.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does hereby accept the grant of easement for landscape purposes.

SECTION 2. The City Council of the City of Paso Robles does hereby direct the recordation of the Grant of Easement at the County Recorder's Office.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of December 2002 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk