

# COUNTY OF SAN MATEO

## INTERDEPARTMENTAL CORRESPONDENCE

**To:** Honorable Board of Supervisors  
**From:** Mary Burns, Director, Parks and Recreation  
Via, Paul M. Koenig, Director, Environmental Services Agency  
**Subject:** Lease Agreement for El Granada Quarry Park  
**Date:** August 9, 1999

### RECOMMENDATION

Adopt a resolution authorizing and directing the President of the Board, acting on behalf of the Joint Powers Authority-El Granada Quarry Park, to execute a Lease Agreement with Midcoast Park Land, Inc., for the operation and maintenance of El Granada Quarry Park.

### BACKGROUND

In 1993, the County acquired 40 acres of unincorporated land in the El Granada area. This area became known as the El Granada Quarry Park. In October of 1995, the County and the Cabrillo Unified School District entered into a joint powers agreement whereby a separate authority, the Joint Powers Authority-El Granada Quarry Park ("JPA"), was formed for operation and maintenance of the Park. This Board of Supervisors was designated as the governing body of the JPA. The County conveyed the property to the JPA in November of 1995.

In November of 1995, the Board approved the concept of the formation of a new non-profit entity that would enter into an agreement with the JPA for a long-term contract, or lease, for operation and maintenance of the park. The Board established the schedule for repayment of the county's out-of-pocket expenses for the installation of the minimum improvements. The first installment of \$5,000 for reimbursement of the cost of the minimum improvements was received. The Board also took action to require an additional earnest money payment to the County for the estimated cost of maintenance and operation of the park in the first year and directed staff to establish a schedule for repayment of the cost of the acquisition of the property.

The start-up cost of the park included the purchase price of \$233,000, capital improvements in the amount of \$17,563, and the first year maintenance cost of \$8,900. The original payment schedule provided for a \$5,000 repayment due January 17, 1996 for capital improvements. The annual maintenance amount provided by the County in the first year was due to be reimbursed in July of 1996. Extension of those payment deadlines was agreed upon and the \$5,000 repayment

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of minimum improvements was postponed until April of 1996. Since that time the first payment has been received in the amount of \$5,000. No further payments have been received. Initial improvements were made which included picnic benches, picnic tables, walkways, a tot lot, play apparatus and a portable restroom. The park's Phase I was opened in November of 1995.

## DISCUSSION

Since November of 1995, the Friends of Quarry Park have been operating and maintaining the facility. The Park currently is in excellent condition and the Friends have been very responsive in making improvements and maintaining the facility to a high standard.

The Friends of Quarry Park have evolved into Midcoast Park Lands, Inc. ("MPL"). MPL was incorporated in February of 1997, and held its first organizational meeting in April of 1997. MPL has made an extensive outreach effort to the community in support of the park. They have actively involved the Half Moon Bay High School service learning program, received numerous contributions of materials and supplies through private vendors, and have scheduled a number of special events at the Park to solicit volunteers to help maintain and improve the park. County staff has been encouraged by the special efforts made by MPL's Board of Directors and its officers in continuing to guide the future of the facility.

A proposed Lease Agreement and Option to Purchase has been drafted by the County Counsel's Office and negotiated with counsel for MPL. Staff is recommending that the Board of Supervisors approve the lease agreement. The most significant provisions of the lease are as follows:


1. The lease would be for a thirty (30) year period, effective July 1, 1999, with an option to purchase the property during the term.
2. The total amount paid under the lease agreement would be \$252,000, representing the County's original purchase price and other County expenses, paid on a sliding scale as follows:
  - a. Years 1 - 5 - \$200 per month
  - b. Years 6 - 10 - \$400 per month
  - c. Years 11 - 15 - \$600 per month
  - d. Years 16 - 20 - \$800 per month
  - e. Years 21 - 25 - \$1,000 per month
  - f. Years 26 - 30 - \$1,200 per month
3. The following credits would be applied to the rent payments:

- a. Credit for the amount of any premiums for comprehensive general liability insurance that MPL may be required to maintain, for the first seven (7) years of the lease.
  - b. Credit or reimbursement to be given for any rent payments the County has received from other parties since the acquisition of the property, for the first seven (7) years of the lease. The County has received \$175.00 per month from a stable operation on the property since it was acquired in 1993.
4. The use of the park, and any improvements made to the park, would be limited to those uses consistent with a day use park as specified in the original 1993 purchase agreement.
  5. MPL will be required to prepare an annual operating and maintenance plan and budget, which will be submitted to the Board for approval.

**FISCAL IMPACT**

The original purchase price of the property was \$233,000 and no repayment toward that property has been provided to date to reimburse the Park and Recreation Department's park development and acquisition fund. The total cost of capital improvements was \$17,563 and the reimbursement of \$5,000 toward that effort has been received. The total County maintenance cost in 1996/97 fiscal year was \$1,487. The total of the rental payments over thirty (30) years approximates the total expended by the County on the park, without interest.

The projected annual maintenance cost for the facility is minimal as Midcoast Park Lands, Inc., has done an excellent job in maintaining the facility with minimal County support.

  
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Paul M. Koenig, Director  
Environmental Services Agency

RECOMMENDED

  
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COUNTY MANAGER