



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 23, 2016

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Ordinance Extending Lease Agreements With Santa Barbara Unified School District For Fire Station No. Five And Eastside Library

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the City Administrator to Execute Amendments Extending the Term of Lease Agreement No. 4,840, for Use and Maintenance of Fire Station No. 5 with the Santa Barbara Unified School District, and Lease Agreement No. 24,336 with the Santa Barbara Unified School District for its use of a portion of the Eastside Library and Franklin Center real property, both through April 30, 2018.

DISCUSSION:

The City's 50-year lease of the property underlying City Fire Station No. 5 at La Cumbre Middle School, with the Santa Barbara Unified School District (District), is set to expire on April 30, 2016. The lease, Agreement No. 4,840, was entered into on March 29, 1966, and called for a rent of \$600 per year.

For several years between 2006 and 2011, at the direction of the City Council and School Board, staff was actively engaged in the "Santa Barbara Schools Excess City Lands Project" to identify outstanding title issues at school campuses. This led to negotiations between the City and the District and a draft of a comprehensive cooperative property exchange agreement. The agreement would have given the City title to the District-owned land underlying Fire Station 5, in exchange for the transfer of a number or the City's real property interests at various schools to the District, and for the City's agreement to waive fees and staff costs associated with perfecting the title transfers. That comprehensive property exchange project was temporarily abandoned in 2011 at the request of the District, and most of the identified title issues still exist.

One of the issues identified during that property exchange project was on the City's Eastside Library and Franklin Center real property, located at 1102 and 1136 East Montecito Street (the "Eastside Library Property"), which is adjacent to Franklin Elementary School. The District has held a landscaping easement on the Eastside Library Property, for many years. At some point, portable classrooms for Franklin Elementary School were located onto this property, inadvertently exceeding the scope of the easement.

In January 2013, Council approved a lease agreement to formalize the existing use by District of the Eastside Library Property for the placement of the portable classrooms. The lease agreement provides for de minimis rent of \$1 per year. The lease term is set to expire on April 30, 2016, the same time as the Fire Station 5 lease. The lease term for the District's use of the Eastside Library Property was set with the intent that a possible permanent resolution of title related to both properties could be discussed again prior to the concurrent termination of the leases.

With a possible upcoming bond measure in 2016, that may affect the District's long-term need for the Eastside Library Property, the District has asked to extend both lease agreements for an additional two years in order to determine if the passage of the measure is successful. Staff feels that it is in the best interest of both the City and the District to negotiate a permanent solution to the above discussed title issues. The extension of these leases will give the parties more time to continue negotiating the potential transfer of property rights. Staff, therefore, recommends that Council adopt an ordinance to allow the City Administrator to extend the term of the leases through April 30, 2018.

BUDGET/FINANCIAL INFORMATION:

Both leases will continue on the existing lease terms, so there will be no budget impact.

SUBMITTED BY: Kristine Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office