



## Legislation Text

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File #: #19-358, Version: 1

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**PREPARED BY:** REINA SCHWARTZ

**DATE OF MEETING:** 09/03/19

**SUBJECT:**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY OF SAN PABLO AND THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION

**CITY MANAGER RECOMMENDATION**

Adopt Resolution

**COMPLIANCE STATEMENTS**

**FY2018-21 City Council Priority Workplan**

This lease agreement with the San Pablo Economic Development Corporation (SP EDC) supports policy item #401 - *Support the San Pablo EDC* in the FY2019-21 City Council Priority Workplan.

**CEQA Compliance Statement**

This lease agreement does not constitute a project under CEQA.

**BACKGROUND**

Beginning in FY 2014/15, the City began considering options related to the current City Hall buildings due to their age and relatively poor condition. In September 2016, the City Council authorized staff to begin planning in earnest for a new City Hall building, given that the cost for rehabilitating the existing buildings exceeded the benefit of that investment.

In 2017, the City Council authorized an Ad-Hoc Subcommittee (Paul Morris/Cecilia Valdez) to oversee policy development on site development plans for existing Civic Center and new City Hall development, and in April 2017, the Ad-Hoc Subcommittee met to review final site plan, floor plan, and building elevations for New City Hall Project. The project was then presented to City Council and approved in January 2018. The final plans recommended by the Ad-Hoc Subcommittee included the designation of space for the San Pablo EDC on the first floor of the new City Hall.

In addition to the need for new City Hall space, the City has had a need for storage space as space is cleared out at the old El Portal School site (2600 Moraga Road) in preparation for sale of that property. In the summer of 2018, adequate storage space was identified for the Community Services Department in a suite at the Mission Plaza site, formerly owned by the San Pablo Redevelopment Successor Agency and now owned by the San Pablo EDC.

In planning for the new City Hall and in light of the City's use of space at Mission Plaza, there is the recognition that both the City and the San Pablo EDC benefit from agreements to occupy space owned by the other entity. The revocable lease proposed here is intended to memorialize the mutual benefit of having San Pablo EDC located on the first floor of the new City Hall with the capacity to

help with wayfinding for residents and visitors who may need assistance as they enter City Hall. It also memorializes the City benefit from having adequate storage space for Community Services until such time as the City can fund the development of a replacement Corporation Yard site which would provide that storage in the future.

The primary business points for the City-San Pablo EDC lease include:

- Formalize SPEDC use of public property (New City Hall)
- San Pablo EDC staff will be present five days per week and provide greater presence for the City as well as providing way-finding services
- Formalize City use of SPEDC space at Mission Plaza
- Currently there is a mutual benefit; if that benefit goes away, the City and the San Pablo EDC would negotiate an appropriate level of rent or give notice to end the lease
- Either the City or the SPEDC could leave or be asked to leave with a one-year notice.

### **Budget, Fiscal & Legislative Standing Committee (Pabon-Alvarado/Pineda)**

On July 24, 2019, the Budget, Fiscal & Legislative Standing Committee (Standing Committee) reviewed the initial lease terms and proposed mutual benefits for the proposed revocable lease agreement for use of space between the City and SPEDC. The Standing Committee, following their deliberation on the matter, recommended the lease agreement be prepared in the most appropriate and legal format between the two agencies, and forwarded to the City Council for formal consideration and approval.

Following City Council approval of said lease agreement by majority vote via Resolution, the lease agreement will be formally considered by the SPEDC Board of Directors for adoption.

### **FISCAL IMPACT**

At this point there is no direct fiscal impact from authorization of this lease as the City and San Pablo EDC are receiving mutual benefit in terms of use of space and no separate rent or lease payments are required at this time.