



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: July 1, 2014
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services Matthew P. Pontes, Director (805) 560-1011
Contact Info: Greg Chanis, Assistant Director (805) 568-3096

SUBJECT: Montecito Hall Second Lease Amendment, Montecito; First District

County Counsel Concurrence

As to form Yes

Auditor-Controller Concurrence

As to form Yes

Other Concurrence: Risk Manager

As to form Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute the attached original and two duplicate originals of the Second Amendment to Lease Agreement (Second Amendment) between the County of Santa Barbara (County), the City of Santa Barbara (City), and the Montecito Association (Association); extending the term of the January 26, 1999 Montecito Hall Lease Agreement for an additional ten years through December 31, 2023, providing for the continued use by City and Association of the property and improvements located at 1469 East Valley Road, in Montecito, (Assessor Parcel Number 009-060-038), (First District); and
- b) Determine that the proposed action above is exempt from the California Environmental Quality Act (CEQA), pursuant to 14 CCR 15301, Existing Facilities, and approve and direct staff to file and post the attached Notice of Exemption on that basis.

Summary Text:

The Board's action to approve the Lease will allow the City to continue to operate the Montecito branch of its public library system from one portion of the Montecito Community Hall building ("Montecito Hall"), located at 1469 East Valley Road, in Montecito, and the Association to continue to use another portion of the Montecito Hall property for office space and a public meeting hall, for an additional ten (10) years.

Background:

The City and the Association have been occupying the Montecito Hall under successive three-way lease agreements with the County, as lessor, and the City and the Association, as lessees, since 1981; the most recent of which was executed January 26, 1999. The Montecito Hall property consists of an approximately 3,849 square foot building, adjacent parking lot and grounds. The City has exclusive use of approximately 2000 square feet of the building that is used as a public library. The Association occupies approximately 445 square feet of the building that is used as office space. The remainder of the building consists of common areas and a public meeting room that is rented out by the Association for public use.

This Second Amendment will extend the term of the January 26, 1999 Lease Agreement (Lease) for an additional ten years, through December 31, 2023. The City will continue to occupy their portion of the building for operation of the Montecito Branch of the City of Santa Barbara Public Library system, rent-free, pursuant to California Government Code Section 26227. Section 26227 allows the County to make available to a public agency, any real property which is not and, during the time of possession, will not be needed for County purposes, to be used to carry out programs deemed by the Board of Supervisors to be necessary to meet the social needs of the population of the County.

The Association will continue to use a portion of the Montecito Hall for office space, and will continue to coordinate the leasing of the public meeting room to private and public groups and organizations. Rent for the portion of the Hall occupied by the Association is valued at \$700.00 per month, however, the Lease provides for certain credits and offsets against the monthly rent in exchange for hours spent by the Association staff in managing the public meeting hall, and for landscaping work performed on the property and paid for by the Association. This Second Amendment clarifies that process by which the Association calculates its monthly rent due by multiplying the total number of hours spent in managing the public meeting hall by \$30.00, and adding \$60.00 if landscaping was performed and paid for by Association during the preceding month.

The current arrangement between the Association and the County is also set forth in this Second Amendment in regard to the funds received by the Association for rental of the Hall. The money is segregated in a separate account that is designated exclusively for maintenance and operation of the property. Those funds are used to satisfy the Association's responsibilities for maintenance, repair, utilities, and other expenses directly related to operation of the Hall and the property. All funds in the Association's separate account that exceed \$7,500 at the end of the calendar month shall be transferred to an account held exclusively by the County. The Association will provide a monthly report to the County detailing its rental income and expenditures, the monthly rental calculations, and a list of then-current Directors and Officers. The Association and the City will continue to maintain the interior of the building, and perform landscaping duties. The County will continue to maintain the main utility lines, as well as the exterior and structural components of the building.

Execution of the Second Amendment will provide for the continued operation, repair, maintenance, and leasing of an existing public structure, which involves no expansion of use beyond that which presently exists, and is not likely to have a significant environmental impact. Therefore, this project is exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines, Section 15301 – Class 1, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Fiscal and Facilities Impacts:

Execution of this Second Amendment will not cause any new fiscal impacts or direct facilities impacts on the County. Facilities Services will continue to provide maintenance and repair to the building, according to the maintenance and repair exhibit attached to the Lease, which requires the County to maintain the exterior of the building, the roof, flooring, and other structural components of the building. Those costs will continue to be paid by Fund 0001, Dept 063, Program 1207, Project A02001.

Special Instructions:

After Board action, please distribute as follows:

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|---------------------------------------------------------|-----------------------------------------------------------------------------|
| 1. Original Second Amendment | Clerk of the Board Files |
| 2. Two Duplicate Original Second Amendments | Office of Real Estate Services |
| 3. Copy of Second Amendment
and copy of Minute Order | Auditor-Controller
Financial Reporting Division,
Attn: Betsy Schaffer |

Attachments:

1. Original and two Duplicate Originals of the Second Amendment to Lease Agreement
2. Notice of Exemption