

CITY OF SAN MATEO
City Council Regular Meeting
June 17, 2024
7:00 PM



COUNCIL MEMBERS
Lisa Diaz Nash, Mayor
Rob Newsom Jr., Deputy Mayor
Rich Hedges
Amourence Lee
Adam Loraine

AGENDA ITEM

19. Central Recreation Center Self-Help for the Elderly – Lease Amendment

Adopt a Resolution to approve an alternative purchasing method; approve a lease amendment to extend the term of the lease with Self-Help for the Elderly for the use of Central Recreation Center; authorize the City Manager to execute the lease amendment in substantially the form presented.

CEQA: This lease amendment is categorically exempt from CEQA as an “existing facility,” because it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. (CEQA Guidelines Section 15301.)



CITY OF SAN MATEO

City Hall
330 W. 20th Avenue
San Mateo CA 94403
www.cityofsanmateo.org

Agenda Report

Agenda Number: 19

Section Name: CONSENT CALENDAR

Account Number: 82-468:

File ID: 24-8841

TO: City Council
FROM: Alex Khojikian, City Manager
PREPARED BY: Parks and Recreation Department
MEETING DATE: June 17, 2024
SUBJECT:
Central Recreation Center Self-Help for the Elderly – Lease Amendment

RECOMMENDATION:

Adopt a Resolution to approve an alternative purchasing method; approve a lease amendment to extend the term of the lease with Self-Help for the Elderly for the use of Central Recreation Center; authorize the City Manager to execute the lease amendment in substantially the form presented.

BACKGROUND:

Since 1991 the Central Recreation Center has been leased to Self-Help for the Elderly (Self Help), a non-profit specializing in the delivery of programs for older adults with special emphasis on meeting the needs of Asian seniors. The current lease, which was entered into on June 15, 2016 has an expiration date of June 30, 2025.

The department is currently executing Phase 1 of the Central Park Master Plan, which includes upgrades to the playground and new restrooms. The existing recreation center is not projected to be demolished until Phase 3 which the department does not expect to undertake in the near future. However, due to the implementation of the Central Park Master Plan, Self-Help expressed a desire to extend the term of the lease in order to address the longer-term interests of their desired service provision in San Mateo County.

Following several months of discussion, staff and Self-Help have agreed to extend the term by five (5) years from June 30, 2025, to June 30, 2030, and to provide for five (5) mutual one-year extension options until June 30, 2035, by mutual written consent to be executed prior to the expiration of the then-current term. All other terms of the lease will remain the same, including the annual rent of one dollar and zero cents (\$1.00). The lease amendment continues the practice of Self Help reimbursing the City for PG&E (utility) costs. This amount fluctuates yearly; however, in FY 2023-2024 the year-to-date amount is approximately \$17,118. In addition, Self-Help may choose to purchase custodial supplies at the City's cost, on a reimbursement basis.

The Municipal Code typically requires that lease agreements be put out for competitive bid; however, in accordance with Municipal Code sections 3.60.050(b) and 3.60.070(h)(3), the City can make findings that support not putting leases out to bid. In this case, calling for competitive bids would be impracticable, because the City wishes to accommodate the existing tenant for an extension of its lease.

BUDGET IMPACT:

The lease terms result in the loss of approximately \$24,000 in revenue per year due to limited availability for public rentals compared to other recreation facilities managed by internal staff. Given that the annual revenue from recreation programs and services is approximately \$4 million, the loss of this revenue represents less than 1% of the total revenue collected.

ENVIRONMENTAL DETERMINATION:

This lease amendment is categorically exempt from CEQA as an “existing facility,” because it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. (CEQA Guidelines Section 15301.)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Proposed Resolution

Att 2 – Amendment

STAFF CONTACT

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(650)522-7404

**CITY OF SAN MATEO
RESOLUTION NO. ____ (2024)**

APPROVING AN ALTERNATIVE PURCHASING METHOD FOR THE LEASE AMENDMENT WITH SELF-HELP FOR THE ELDERLY FOR THE USE OF CENTRAL RECREATION CENTER

WHEREAS, Self Help For the Elderly has an existing lease with City for the Central Recreation Center, which was executed on July 1, 2016, and terminates on June 30, 2025 (the "Existing Lease"); and

WHEREAS, the parties wish to amend the Existing Lease term to end on June 30, 2030 and to provide for five (5) mutual one-year optional extensions until June 30, 2035; and

WHEREAS, it is in the City's best interest to dispense with competitive bidding for the Central Recreation Center, because the City wishes to accommodate the existing tenant; and

WHEREAS, in accordance with Municipal Code section 3.60.050(b), calling for competitive bids would be impracticable because the City wishes to accommodate the existing tenant; and

WHEREAS, in accordance with Municipal Code section 3.60.070(h)(3), the City Council approves of staff's negotiations with the existing tenant in lieu of competitive bidding.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY FINDS AND RESOLVES that:

1. This lease amendment is categorically exempt from CEQA as an "existing facility," because it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use (CEQA Guidelines Section 15301).
2. In accordance with Municipal Code section 3.60.050(b), calling for competitive bids would be impracticable, because the City wishes to accommodate the existing tenant, Self Help for the Elderly which has leased the premises since 1991.
3. In accordance with Municipal Code section 3.60.070(h)(3), the City Council approves staff's negotiations with the existing tenant in lieu of competitive bidding for the reasons stated above.

ATTEST

Martin McTaggart
City Clerk