



Board Agenda Item 45

DATE: June 6, 2017

TO: Board of Supervisors

SUBMITTED BY: Kelley Worman-Landano, Interim County Librarian
Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Highway City Ground Lease Agreement

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a Ground Lease Agreement with Highway City Community Development, a 501(c)3 community benefit organization, for 15,075 square feet of raw land commonly known as Highway City Community Center (APN 510-030-23), for use by the Fresno County Public Library for a term of 99 years, effective upon execution through June 5, 2116, lease cost not to exceed \$150,000.**
- 2. Authorize and direct the County Administrative Officer or the Director of Internal Services/Chief Information Officer, or one of their designees, to execute, upon review and approval by County Counsel, Estoppel and/or Subordination and Non-Disturbance Agreements regarding the recommended lease agreement, if County is requested by Highway City Community Development (Lessor) to sign such documents.**

There is no Net County Cost associated with the recommended actions. Approval of the recommended actions will authorize the Fresno County Public Library to lease raw land commonly known as Highway City Community Center (APN 510-030-23) for 99 years and provide an opportunity to construct a library at the location to serve the Highway City population. The total cost for the lease is \$150,000. The lease provides for an additional 99-year extension after the initial period provided that the Fresno County Public Library operates a library at that location and it is used exclusively for such purposes.

ALTERNATIVE ACTION(S):

Your Board may choose not to accept the terms of this agreement. Doing so does not change the current services offered to the area courtesy of the Teague Branch Library. There are currently two vacant lots within a ½ mile vicinity of the proposed lease location. Should the Board not accept the terms of this agreement, the Fresno County Public Library may evaluate alternative locations if budget constraints allow.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. The cost for the lease (\$150,000) will be funded with Measure B funding. Apart from this one time cost of leasing the land, no additional fees or lease payments will be assessed for the duration of the 99 year lease. Payment of the lease is due within 90 days after the lease is signed. Sufficient appropriations for the lease amount of \$150,000 will be included in the FY 2017-18 Recommended Budget for Library Measure B Org 7511.

DISCUSSION:

The development of the Highway City Community Center is a joint collaboration among multiple partners to bring much needed resources to the area west of Highway 99, which has been identified as an area in need in the City of Fresno's Restore Fresno Plan.

The collaboration includes Highway City Community Development, Granville, BOB & FRHC Funds, and Central Community Church. Upon approval by your Board, the collaboration will also include the Fresno County Public Library, and a good faith land lease payment in the amount of \$150,000 will be made to the Highway City Community Development to lease a building site to construct a future library. The property description is included in Attachment A. This site is 15,075 square feet and adjacent to the proposed Highway City Community Center.

Currently, Highway City residents are served by the Teague Branch Library located inside Teague Elementary. The foot print for this building is small and the hours of use are limited as the site is a public school. The recommended lease agreement would ensure land is readily available for the Library to build a future facility to sustain this growing community. The Highway City Community Development will provide the Library with space in the Highway City Community Center to establish a temporary library until the new library building is built.

After the completion of the lease in 99 years, the Highway City Community Development will extend the lease another 99 years, at no additional cost to the County, as long as the building continues to be used as a public library. The Highway City Community Development will maintain the vacant land leased by the County and abate weeds per city code. They will build curbs, sidewalks and gutters and grade for storm drainage. Additionally, they are bringing water, sewer, and power to the site. Anything beyond that will be the sole responsibility of the Library.

The Highway City Community Development will complete construction of the community center by September 30, 2019. If construction is not completed by this date, the Highway City Community Development agrees to refund the County for the funds provided in the lease.

REFERENCE MATERIAL:

BAI # 6, February 28, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with the Clerk - Ground Lease Agreement
On file with the Clerk - Attachment A

CAO ANALYST:

Samantha Buck