

C O U N C I L C O M M U N I C A T I O N

TO: THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

COUNCIL MEETING DATE
March 2, 1988

SUBJECT: AFFROVE AGREEMENT WHEREBY THE CITY OF LODI GRANTS TO THE LODI BOYS' AND GIRLS' CLUB THE OPTION TO LEASE REAL PROPERTY AT BLAKELY PARK FOR THE CONSTRUCTION OF A CLUB FACILITY.

PREPARED BY: City Manager

RECOMMENDED ACTION That the City Council approve the agreement between the City of Lodi and the Lodi Boys' and Girls' Club for the lease of real property in Blakely Park for the construction of a club facility, and authorize the Mayor to execute same.

BACKGROUND INFORMATION: At its regular meeting of August 5, 1987 the City Council approved the concept of the construction of a permanent facility for the Lodi Boys' and Girls' Club in the southeast corner of Blakely Park. At that time the Council directed staff to prepare the appropriate agreement. This agreement (Exhibit A) has been reviewed in depth by staff and Lodi Boys' and Girls' Club representatives and all concur that the matter is now ready for Council action.

Respectfully submitted,



Thomas A. Peterson
City Manager

TAP:br

Attachment

OPTION TO LEASE REAL PROPERTY

THIS AGREEMENT, made this _____ day of _____, 1987, by and between the Lodi Boys' and Girls' Club, a non-profit corporation, and the City of Lodi, a Municipal corporation.

WHEREAS, the youth of the City of Lodi participating in Lodi Boys' and Girls' Club activities do not presently have available sufficient facilities wherein they can participate in social, recreational, educational, vocational, and guidance programs under adult supervision; and

WHEREAS, the physical, mental, and moral welfare of the youth of the City of Lodi would be furthered by a facility sufficient for the needs of the Lodi Boys' and Girls' Club; and

WHEREAS, the City of Lodi owns certain park land which is suitable for the construction of such a facility, the Lodi Boys' and Girls' Club proposes and desires to build on said park land a facility suitable to the needs of the Boys' and Girls' Club and that would further the Lodi Boys' and Girls' Club's social, recreational, physical, educational, vocational, and guidance programs for the youth of the City of Lodi,

NOW, THEREFORE, for \$10.00 and good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree upon the following terms and conditions:

I. Grant of Option.

The City of Lodi hereby grants to the Lodi Boys' and Girls' Club the exclusive right to lease, upon the terms as set forth in this Agreement, the following real property: A rectangular plot consisting of approximately 29,000 square feet, for a building or buildings and parking located in the southeast corner of Blakely Park within the City of Lodi.

2. Option.

This option shall commence as of the date of the fully execution of this Agreement and shall remain in effect until December 31, 1992.

3. Exercise of Option.

This option shall be exercised by the Lodi Boys' and Girls' Club notifying the City of Lodi, in writing, of their intent to exercise this option upon a specific day within the option period. The lease shall commence as of the date noticed by the Lodi Boys' and Girls' Club for commencement of the lease upon the terms and conditions set forth in this Agreement.

4. Terms of Lease.

The following terms and conditions shall apply as of the date noticed by the Lodi Boys' and Girls' Club as the commencement of the lease.

(a) Term of Lease.

The term of the lease shall be for a period of 55 years, pursuant to Civil Code Section 718, as calculated from the date of the commencement of the lease. The Lodi Boys' and Girls' Club is hereby granted an option to renew this lease, at the expiration of the initial 55 year term, for an additional 55 years, under the same terms and conditions contained herein, if, at the time, the Lodi Boys' and Girls' Club is not in breach of any other term or condition of this lease. Nothing in this paragraph shall preclude the Lodi Boys' and Girls' Club and City of Lodi from converting the term of this lease to a period of 99 years in compliance with the requirements of Civil Code Section 719.

(b) Payment of Rent.

The Lodi Boys' and Girls' Club shall pay the City of Lodi, as full rent for the aforementioned term, the sum of ONE DOLLAR (\$1.00) per year, payable annually, in advance, commencing with the initial year of the lease and continuing each year thereafter so long as the lease continues in effect. The Lodi Boys' and Girls' club shall have the option, at any time, to prepay any of the rent due for any portion of the remainder of the lease term.

(c) Right to Utilize Remainder of Blakely Park.

The Lodi Boys' and Girls' Club shall be permitted to use the remainder of Blakely Park for Lodi Boys' and Girls' Club activities at all reasonable times and upon reasonable conditions, subject to the scheduling restraints of the City of Lodi Parks and Recreation Department activities.

(d) Construction of Building.

The Lodi Boys' and Girls' Club shall be permitted to construct a building and/or buildings, parking lot, and accessory improvements to house the administrative offices and activity center of the Lodi Boys' and Girls' Club. The parties understand and agree that the leased site shall become the primary office and activity center of the Lodi Boys' and Girls' Club and the building and/or buildings that may be constructed at the Blakely Park site will be of a size, dimension, and capacity, to meet the activity and administrative needs of all the youth supervised by the Lodi Boys' and Girls' Club. The City of Lodi shall approve any site plan or building plan prior to processing said plans through the site plan and Architectural Review Committee (SPARC) and the Building Department of the city of Lodi.

(e) Maintenance, Utilities, and Repairs of Buildings.

The Lodi Boys' and Girls' Club shall maintain and repair, in good order, any and all building or buildings, parking spaces, and accessory improvements on the leased premises. Any and all electricity, gas, water, garbage, sewer, telephone, and other utilities utilized by the Boys' and Girls' Club on the leased site shall be the expense of the Lodi Boys' and Girls' Club.

(f) Compliance with Laws.

The Lodi Boys' and Girls' Club shall comply with all provisions of the Code of the City of Lodi, particularly concerning all applicable provisions of the Zoning Code relating to Use Permits and SPARC review, and all other governmental laws and regulations in the construction and maintenance of any and all improvements at the lease site.

(g) Use of Lodi Boys' and Girls' Club Facilities by City of Lodi Parks and Recreation Department.

The City of Lodi Parks and Recreation Department shall be permitted to utilize the facilities of the Lodi Boys' and Girls' Club, subject to scheduled activities of the Lodi Boys' and Girls' Club. In the event the City of Lodi uses the facilities in excess of 60 hours per calendar year, the city of Lodi shall pay and reimburse the Boys' and Girls' Club for all costs and expenses of electricity, power, and other utilities, as well as janitorial, maintenance, and proportionate overhead expenses for all time that exceeds said 60 hours. It is the purpose of this provision to provide reimbursement to the Lodi Boys' and Girls' Club for costs and expenses incurred by the Lodi Boys' and Girls' Club for the time said facilities are utilized by the City of Lodi that exceeds said 60 hours.

(h) Liability Insurance.

The Lodi Boys' and Girls' Club shall, at its own cost and expense, maintain during the entire term of the lease a broad form comprehensive coverage policy of public liability insurance issued by an insurance company acceptable to the City of Lodi and insuring the Lodi Boys' and Girls' Club and the City of Lodi against loss or liability, caused by the Lodi Boys' and Girls' Club occupation and use of the leased premises, in amounts not less than \$1,000,000.00 for injury to, or death of any person or persons, and \$50,000.00 for damage to or destruction of any property of others.

(i) Fire Insurance.

The Lodi Boys' and Girls' club shall, during the full terms of the lease, maintain, at its own cost and expense, an insurance policy issued by a reputable company acceptable to the City of Lodi insuring the full insurable value of the building and/or buildings, accessories, or improvements, and all fixtures and equipment, to the extent possible, against damage or destruction, by fire, theft, or the elements.

(j) Ownership of Improvements.

All buildings and improvements constructed on the leased premises shall remain the property of the Lodi Boys' and Girls' Club, provided,

however, that upon termination of the lease, or abandonment of the improvements by the Lodi Boys' and Girls' Club, for any reason, all improvements constructed thereon shall become the property of the City of Lodi. Any and all fixtures, personal property, and equipment not removed within sixty (60) days of the expiration or termination of this lease, regardless of the reason, shall be deemed abandoned by the Lodi Boys' and Girls' Club and shall become the property of the City of Lodi.

(k) Termination of Lease..

Upon the partial or total destruction of the Lodi Boys' and Girls' Club's buildings and/or improvements on the leased premises, or, at any time during the course of the lease, for whatever reason, the Lodi Boys' and Girls' Club shall be permitted to terminate this lease, and any and all obligations they may have under the terms of this lease, upon sixty (60) days written notice to the City of Lodi,

5. Notices.

Unless otherwise provided herein, any notice to be given by either party to the other may be effected by personal delivery in writing, or by first class mail, postage prepaid. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this paragraph,

To Lodi Boys' and Girls' Club
ATTN: David M. Crozco
Executive Director
P. O. Box 244
Lodi, CA 95241

To City of Lodi
ATTN: Ronald B. Stein
City Attorney
Call Box 3004
Lodi, CA 95241

6. Entire Agreement.

This instrument contains the entire agreement between the parties relating to the option herein granted. Any oral representations or modifications concerning this instrument shall be of no force and effect excepting a

subsequent modification in writing signed by the party to be charged.

7. Attorney's Fees.

In the event of any controversy, claim, or dispute between the parties hereto, arising out of or relating to this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

8. Binding Effect.

This Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto,

9. Warranty of Authority.

The Lodi Boys' and Girls' Club hereby warrants, by the execution of this Agreement by its representative, that it has enacted all Board of Directors Resolutions and taken all action in compliance with its Bylaws and the pertinent provisions of the Corporations Code to enter into this Agreement,

The City of Lodi, by its execution of this Agreement by its representative, hereby warrants that it has adopted any and all resolutions and ordinances, and taken all City Council and administrative action that may be required by its City Charter and all pertinent laws necessary to authorize the execution of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Option to Lease Real Property the day and year first above written.

LODI BOYS' AND GIRLS' CLUB. a
non-profit corporation

By _____
President

CITY OF LODI, a Municipal
corporation

By _____
Mayor

