



## MEMORANDUM

**TO:** City Council

**FROM:** Brian Pedrotti, Community Development Director

**BY:** Andrew Perez, Planning Manager

**SUBJECT:** Consideration of Lease Renewal for Portion of Car Corral Public Parking Lot Located Between 103 and 109 E. Branch Street for an Additional Five-Year Term from August 1, 2023 to July 31, 2028

**DATE:** July 25, 2023

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### **SUMMARY OF ACTION:**

Approval of the Lease Agreement ("Lease") will allow for access and use of the Car Corral parking lot for public parking.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

The lease provides that the City pay rent for the full lease term of \$60 (\$1 per month for 60 months) upon acceptance, pay all applicable property taxes, and hold the owners harmless from any claims during the 5-year term. The City will be responsible for parking lot repairs and maintenance during this time. Eventual asphalt repairs and restriping will cost an estimated \$65,000 to \$75,000 and the in-house staff annual cleanup of parking area, tree trimming, and storm water drain cleaning is approximately 8 to 16 hours annually.

### **RECOMMENDATION:**

Approve and authorize the Mayor to execute the Agreement of Lease ("lease") with Kevin Delaney on behalf of the City; and authorize the City Manager to make any such minor changes necessary to further the intent of the parties, subject to the approval of the City Attorney.

### **BACKGROUND:**

The City owns most of the public parking lot to the northeast of the East Branch Street and Nevada Street intersection, known as the Car Corral. However, a portion of the parking lot containing nine (9) parking spaces adjoining 101 and 103 East Branch Street, the Village Grill and the adjacent commercial suite, is privately owned and is leased to the City for \$1 per month for use as public parking. The previous owners of the property,

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**July 25, 2023**

**Page 2**

the Pfarr Family Trust, sold the property to Kevin Delaney in 2022. The current five-year term expires on July 31, 2023. The City Council approved a lease renewal for another five-year term at its June 12, 2018 City Council meeting.

#### **ANALYSIS OF ISSUES:**

The Village Downtown core and a portion of the Village Mixed Use Districts between Traffic Way, Le Point Street, Crown Hill and Arroyo Grande Creek are served by a combination of on-street parking and public off-street parking lots, both owned and leased by the City. The City owns most of Olohan Alley, the Car Corral and the Le Point Street lot behind the Council Chambers and leases the private properties that make up the remainder of the Car Corral.

The current and proposed lease have five-year terms with no cancellation unless agreed to by both parties. Under the terms of the lease, the City is responsible for maintenance and operation of the lots and payment of property taxes, liability insurance, and holds harmless the owners from all claims during that five-year period.

#### **ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Approve the lease and authorize the Mayor to execute it on behalf of the City and authorizing the City Manager to make any such minor changes necessary to further the intent of the parties, subject to the approval of the City Attorney;
2. Direct staff to modify the lease;
3. Reject the lease, which would result in the nine (9) parking spaces located on private property being unavailable for public parking; or
4. Provide other direction to staff.

#### **ADVANTAGES:**

The lease enables the City to continue to provide these parking spaces for public use.

#### **DISADVANTAGES:**

The City is responsible for maintenance costs incurred over the next five years.

#### **ENVIRONMENTAL REVIEW:**

Approval of the lease is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

#### **PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

**Item 9.I.**

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**Page 3**

**Attachments:**

1. Proposed 5-Year Lease