

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE BOARD GOVERNED COUNTY SERVICE AREAS
AND RECORD OF ACTION**

August 25, 2020

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
LUTHER SNOKE, Interim Director, Department of Public Works - Special Districts**

SUBJECT

Amendment No. 1 to Revenue License Agreement with Arrowhead Lake Association for County Service Area 70 Land in Lake Arrowhead

RECOMMENDATION(S)

Acting as the governing body of the Board Governed County Service Area 70, approve **Amendment No. 1** to revenue License Agreement, **Contract No. 15-833** with Arrowhead Lake Association to extend the term of the license agreement five-years, for the period of September 3, 2020 through September 2, 2025, following a permitted twenty-two month holdover for the period of November 3, 2018 through September 2, 2020, add one five-year option to extend the term of the license, adjust the fee schedule, correct the premises description, and update standard license agreement language for storage of dredging materials and K-rail barricades on Lot F, comprising approximately 1.59 acres of County Service Area 70-owned land (a portion of APN 0330-011-46) in Lake Arrowhead, for total revenue in the amount of \$277,742. (Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of any Discretionary General Funding (Net County Cost). The total revenue to be received by Special Districts on behalf of County Service Area 70 (District) for this five-year license amendment, including the permitted holdover, is \$277,742. Revenue from this license agreement will be deposited into the District budget (1301351408). There is no cost to the District associated with this license agreement. The holdover amount and annual revenue is as follows:

<u>Period</u>	<u>Annual Revenue</u>
November 3, 2018 - September 2, 2020	\$ 51,258
September 3, 2020 - September 2, 2021	\$ 33,240
September 3, 2021 - September 2, 2022	\$ 34,236
September 3, 2022 - September 2, 2023	\$ 35,268
September 3, 2023 - September 2, 2024	\$ 36,324
September 3, 2024 - September 2, 2025	<u>\$ 37,416</u>
Total Cost	<u>\$277,742</u>

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Revenue pertaining to this agreement is included in the District's 2020-21 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The recommended action will amend an existing revenue License Agreement with Arrowhead Lake Association (ALA), to extend the term of the license agreement five years, for the period of September 3, 2020 through September 2, 2025, following a permitted holdover for the period of November 3, 2018 through September 2, 2020, add one five-year option to extend the term of the license, adjust the fee schedule, correct the premises description, and update standard license agreement language for the continued use of approximately 1.59 acres of District-owned land near Papoose Lake in Lake Arrowhead. The Real Estate Services Department (RESA) negotiated a revenue license fee in the amount of \$2,770 per month for the use of District owned land (\$33,240 annually), which represents a 19% increase in revenue from the previous license fee, with 3% ongoing annual fee escalations.

On November 3, 2015 (Item No. 35), the Board of Supervisors (Board) approved a three-year revenue license, Agreement No. 15-833 for storage of dredging materials and K-rail barricades on Lot F, comprising approximately 1.59 acres of County Service Area 70-owned land. The original term of the license was for the period of November 3, 2015 through November 3, 2018.

The District has requested that RESA negotiate an extension of the license to permit ALA to continue to store dredging materials on District owned land. RESA negotiated a five-year extension of the term of the license, with an option to further extend the term of the license for one five-year period. Due to protracted negotiations regarding license terms, the license went into a permitted holdover on November 3, 2018. During this time, RESA determined that the Premises was inadvertently identified as a portion of Assessor's Parcel Number (APN) 0330-011-43, but should have been stated as a portion of APN 0330-011-46. Amendment No. 1 to license agreement, No. 15-833 extends the term of the license five years for the period of September 3, 2020 through September 2, 2025, following a permitted holdover from November 3, 2018 through September 2, 2020, adds one five-year option to extend the term of the license, adjusts the fee schedule, corrects the premises description and updates standard license agreement language. All other provisions and terms of the license shall remain the same.

Staff has reviewed the recommended action pursuant to the California Environmental Quality Act (CEQA) and has determined that it does not constitute a project. Accordingly, no further action is required under CEQA

Summary of Revenue License Terms:

Lessee:	Arrowhead Lake Association (Bill Mattison, General Manager)
Location:	Adjacent to Papoose Lake area (a portion of APN 0330-011-46) in Lake Arrowhead
Size:	Approximately 1.59 acres of land
Term:	Five years commencing September 3, 2020
Options	One Five (5) Year

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Revenue: Cost per acre per month: \$1,742.14
Monthly: \$2,770
Annual: \$33,240

Annual Increases: 3%

Improvement Costs: None

Maintenance: Provided by Licensee

Utilities: None

Insurance: The Certificate of Liability Insurance, as required by the License, is on file with RESD

Right to Terminate: Either party has the right to terminate with 90-days' notice

Parking: None

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel, and Dawn Martin, Deputy County Counsel, 387-5455) on June 26, 2020; Purchasing (Bruce Cole, Supervising Buyer, 387-2464) on June 25, 2020; Finance (Tom Forster, Administrative Analyst, 387-4635, and Wen Mai, Principal Administrative Analyst, 387-4020) on August 3, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on August 7, 2020.

(JAG: 677-8210)

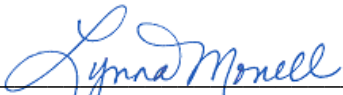
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Record of Action of the Board of Supervisors
Board Governed County Service Areas

APPROVED (CONSENT CALENDAR)

Moved: Josie Gonzales Seconded: Robert A. Lovingood
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 25, 2020



cc: SDD/BGCSA- Thompson w/agree
Contractor- C/O SDD/BGCSA w/agree
File- w/agree
la 09/9/2020