

**REPORT/RECOMMENDATION TO THE BOARD OF DIRECTORS
OF BIG BEAR VALLEY RECREATION AND PARK DISTRICT
AND RECORD OF ACTION**

June 28, 2022

FROM

LEONARD X. HERNANDEZ, Chief Executive Office, County Administrative Office

BRENDON BIGGS, Director, Department of Public Works – Special Districts

TERRY W. THOMPSON, Director, Real Estate Services Department

SUBJECT

Amendment to Lease Agreement with Sandra Nolan and David A. Nolan and Sandra V. Nolan, Co-Trustees of the Nolan Family Trusts, for Land in the City of Big Bear

RECOMMENDATION(S)

Acting as the governing body of Big Bear Valley Recreation and Park District:

1. Approve **Amendment No. 8** to Lease **Agreement No. 10-110** with Sandra Nolan, a married woman as her sole and separate property, as to an undivided 26% interest and David A. Nolan as Co-Trustee and Sandra V. Nolan as Co-Trustee of the: (a) Jerry David Nolan Irrevocable Trust dated December 24, 2003, as to an undivided 18.5% interest; (b) Patrick Marc Nolan Irrevocable Trust dated December 24, 2003, as to an undivided 18.5% interest; (c) Sean Michael Nolan Irrevocable Trust dated December 24, 2003, as to an undivided 18.5% interest; and (d) Devin Kyle Nolan Irrevocable Trust dated December 24, 2003, as to an undivided 18.5% interest, all as Tenants-in-Common to terminate the lease effective upon the completion of an agreed scope of work provided for Big Bear Valley Recreation and Park District's surrender obligations pursuant to the lease for 2.53 acres of land for the original Big Bear Alpine Zoo located at 43285 Moonridge Road in the City of Big Bear, which shall be performed by landlord after the termination date at a total cost of \$510,000.
2. Approve Capital Improvement Program Project of \$510,000 for the completion of agreed surrender obligations pursuant to Lease Agreement No. 10-110 for the Original Big Bear Alpine Zoo.
3. Approve contract with San Bernardino County to receive a \$350,000 allocation from the Board of Supervisors Discretionary Fund - District Specific Priorities Program to help fund the costs associated with Amendment No. 8 to Lease Agreement No. 10-110 as identified in Recommendation No. 1. (**Note:** Please see related BAI #44 on June 28, 2022 for executed contract no. 22-470)
4. Authorize the Auditor-Controller/Treasurer/Tax Collector to post budget adjustments to the Big Bear Valley Recreation and Park District's 2022-23 budget, as detailed in the Financial Impact section, for the completion of agreed surrender obligations pursuant to Lease Agreement No. 10-110 for the Original Big Bear Alpine Zoo (Four votes required).

(Presenter: Brendon Biggs, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

**Amendment to Lease Agreement with Sandra Nolan and David A. Nolan and Sandra V. Nolan, Co-Trustees of the Nolan Family Trusts, for Land in the City of Big Bear
June 28, 2022**

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). On September 21, 2021 (Item No. 18) and November 16, 2021 (Item No. 33), the Board of Supervisors (Board) approved an allocation of \$4,000,000 and \$7,000,000, respectively, to the Board Discretionary Fund – District Specific Priorities Program (Priorities Program), for each of the five supervisorial districts for projects that meet a public purpose, and provide services to citizens that promote health, safety, economic well-being, and other public services that enhance the quality of life and meet the needs of the San Bernardino County (County) residents. On an annual basis, unspent appropriations for discretionary funding have been carried over into the subsequent year’s budget.

A total of \$350,000 of the surrender cost for the recommended amendment (\$510,000) will be funded by the Third and Fourth District’s Priorities Program budget. The \$350,000 allocation will consist of \$175,000 from each district. The remainder of the surrender cost of \$160,000 will be funded by \$100,000 from the balance of the Big Bear Alpine Zoo Relocation Capital Improvement Program (CIP) Project and \$60,000 from use of available reserves from the Big Bear Valley Recreation and Park District (BBVRPD) – Alpine Zoo Fund.

The following 2022-23 budget adjustments are needed for the completion of agreed surrender obligations pursuant to Lease Agreement No. 10-110 for the Original Big Bear Alpine Zoo (Original BBAZ):

<u>Fund Center</u>	<u>Commitment Item</u>	<u>Description</u>	<u>Increase/ (Decrease)</u>
Big Bear Valley Recreation and Park District – Alpine Zoo Fund:			
6200002582	52002445	Professional & Specialized Services	\$510,000
6200002582	40909975	Operating Transfer In	\$450,000
6200002582	37008880	Fund Balance – Available Reserves	(\$60,000)
Big Bear Valley Recreation and Park District CIP Fund:			
6200003164	55305030	Operating Transfers Out	\$100,000
6200003164	54104010	Improvements to Land	(\$100,000)

BACKGROUND INFORMATION

BBVRPD provides recreation and park services to the Big Bear Valley community, including operation of the Big Bear Alpine Zoo (BBAZ). The BBAZ has relocated to a new/larger facility at the southeast corner of Moonridge Road and Club View Drive (New BBAZ), which enhanced the size and quality of the inhabitant enclosures, advancing the health and welfare of the animals and improving the overall visitor experience. As a result of opening the New BBAZ, BBVRPD needs to terminate the Lease for the Original BBAZ effective upon the completion of surrender obligations through an agreed scope of work, which includes the removal of existing cages and structures to return the original site to bare land.

The recommended action will approve Amendment No. 8 to Lease Agreement No. 10-110 (Lease) with Sandra Nolan, a married woman as her sole and separate property, as to an undivided 26% interest and David A. Nolan as Co-Trustee and Sandra V. Nolan as Co-Trustee of the: (a) Jerry David Nolan Irrevocable Trust dated December 24, 2003, as to an undivided 18.5% interest; (b) Patrick Marc Nolan Irrevocable Trust dated December 24, 2003, as to an undivided 18.5% interest; (c) Sean Michael Nolan Irrevocable Trust dated December 24, 2003,

**Amendment to Lease Agreement with Sandra Nolan and David A. Nolan and Sandra V. Nolan, Co-Trustees of the Nolan Family Trusts, for Land in the City of Big Bear
June 28, 2022**

as to an undivided 18.5% interest; and (d) Devin Kyle Nolan Irrevocable Trust dated December 24, 2003, as to an undivided 18.5% interest, all as Tenants-in-Common (Nolans) to terminate the Lease effective upon the completion of an agreed scope of work for BBVRPD’s surrender obligations for the Original BBAZ, which shall be performed by the Nolans on behalf of BBVRPD after the termination date to remove existing cages and structures and return the original site to bare land at a total cost of \$510,000, and provide funding for the surrender costs.

Recommendation No. 1 will approve Amendment No. 8 to the Lease to terminate the Lease effective upon the completion of an agreed scope of work for BBVRPD’s surrender obligations. Recommendation No. 2 will approve a CIP project, due to the amount and identified funding as required per County Policy 12-11SP where exceptions to the standards will be determined by the County Administration Office in specific, unique situations, for the surrender obligations with a portion of the surrender costs to be funded by the Third and Fourth District Supervisors given the public purpose of providing for the health, safety, and social service needs of County residents by providing funding for improvements for facilities previously used by the community and finalizing the relocation of the BBAZ. Board discretionary funding allocations under the Priorities Program are non-competitive and must be for projects or services of \$50,000 or more. Recommendation No. 3 will approve a contract with San Bernardino County for \$350,000 from the Priorities Program to help fund the costs of Amendment No. 8 to Lease Agreement No. 10-110. There is a separate item on this same agenda for the Board, acting as the governing body of San Bernardino County, to approve this contract with BBVRPD.

On February 23, 2010 (Item No. 60), the Board of Directors approved the three-year Lease with three two-year options to extend with the Nolans’ predecessor-in-interest for 2.53 acres of land located at 43285 Moonridge Road in Big Bear Lake for the operation and maintenance of the Original BBAZ. The original term of the Lease was from February 14, 2010 through February 13, 2013. In the 12 years since the Lease was originally approved, the Board of Directors has approved seven amendments which extended the term of the Lease through February 13, 2022, reflected a change in property ownership among the Nolan family members, adjusted the rental rate schedule, and updated standard lease agreement language.

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	January 29, 2013	71
2	February 10, 2015	52
3	February 14, 2017	76
4	May 1, 2018	57
5	February 12, 2019	50
6	January 28, 2020	54
7	February 9, 2021	62

On April 27, 2010 (Item No. 83), the Board of Directors approved a Purchase and Sale Agreement and Escrow Instructions between BBVRPD and the Robert Gumbiner Foundation (RGF) for 10.46 acres of land located on the southeast corner of Moonridge Road and Club View Drive at a purchase price of \$2,062,500 for the relocation and expansion of the BBAZ. The purchase of the property was completed on June 25, 2010. Environmental studies and design were completed. On May 24, 2016 (Item No. 197), the Board of Directors approved the award of a contract with M. S. Construction Management Group for the construction of the New BBAZ, which is now completed. The Lease for the Original BBAZ was last extended to February 13, 2022, to give BBVRPD time to schedule the removal all existing cages and

**Amendment to Lease Agreement with Sandra Nolan and David A. Nolan and Sandra V. Nolan, Co-Trustees of the Nolan Family Trusts, for Land in the City of Big Bear
June 28, 2022**

structures from the original site and return the property to bare land as part of its surrender obligations. The Lease for the Original BBAZ is currently on a permitted month-to-month holdover and the recommended amendment will terminate the Lease effective upon the completion of surrender work through an agreed scope of work.

Approval of this item will amend the Lease to reflect a termination date effective upon the completion of an agreed scope of work for BBVRPD's surrender obligations pursuant to the Lease, which shall be performed by landlord after the termination date at a total cost of \$510,000 and provide funding for the surrender costs.

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.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel, and Aaron Gest, Deputy County Counsel, 387-5455) on June 2, 2022; Special Districts (Trevor Leja, **Assistant Director, Department of Public Works – Special Districts, 387-7906**) on May 6, 2022; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on May 10, 2022; Finance (Tom Forster, Administrative Analyst, 387-4635; Erika Rodarte, Administrative Analyst, 387-4919; and Carl Lofton, Administrative Analyst, 387-5404) on June 13, 2022; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-4376) on June 14, 2022.

(LB: 453-5227)

**Amendment to Lease Agreement with Sandra Nolan and David A. Nolan and Sandra V. Nolan, Co-Trustees of the Nolan Family Trusts, for Land in the City of Big Bear
June 28, 2022**

Record of Action of the Board of Directors
Big Bear Valley Recreation and Park District

APPROVED (CONSENT CALENDAR)

Moved: Janice Rutherford Seconded: Col. Paul Cook (Ret.)
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Joe Baca, Jr.
Absent: Curt Hagman

Lynna Monell, SECRETARY

BY 
DATED: June 28, 2022



cc: SDD/BBVR&PD- Thompson w/agree
 Contractor- C/O BBVR&PD w/agree
 File- w/agree w/attach
LA 06/30/2022