



San Bernardino County

Legislation Text

File #: 3646, Agenda Item #: 62

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

February 9, 2021

FROM

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

TERRY W. THOMPSON, Director, Real Estate Services Department

SUBJECT

Lease Amendment No. 7 with Sandra Nolan and David A. Nolan and Sandra V. Nolan Co-Trustees of the Nolan Family Trusts for Land for the Big Bear Valley Recreation and Park District in Big Bear Lake

RECOMMENDATION(S)

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

1. Approve the Real Estate Services Department's use of an alternative procedure in lieu of a Formal Request for Proposals as allowed per County Policy 12-02 - Leasing Privately Owned Real Property for County Use, to extend the term of Lease Agreement No. 10-110 with Sandra Nolan, a married woman as her sole and separate property, as to an undivided 26.00% 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; (d) 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 for one year from February 14, 2021 through February 13, 2022 to complete restoration obligations for 2.53 acres of land in the City of Big Bear for the Big Bear Valley Recreation and Park District's Big Bear Alpine Zoo in the City of Big Bear.
2. Approve Amendment No. 7 to Lease Agreement No. 10-110 with Sandra Nolan, a married woman as her sole and separate property, as to an undivided 26.00% 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; (d) 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 extend the lease one year for the period of February 14, 2021 through February 13, 2022 for 2.53 acres of land in the City of Big Bear for the Big Bear Valley Recreation and Park District's Big Bear Alpine Zoo in the amount of \$82,997.

(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 require additional Discretionary General Funding (Net County Cost). The total

cost of this one-year amendment is \$82,997. Lease payments will be made from the Big Bear Valley Recreation and Park District (BBVRPD) cost center (6200002582). Other costs associated with this lease include utilities and maintenance, which will be paid from the BBVRPD cost center (6200002582). Sufficient appropriation is included in the 2020-21 budgets and will be included in future recommended budgets. Annual lease costs are as follows:

<u>Year</u>	<u>Annual Lease Cost</u>	<u>Estimate of Other Costs Associated With This Lease</u>
February 14, 2021 - February 13, 2022	<u>\$82,997</u>	<u>\$71,997</u>
Total Cost	\$82,997	\$71,997

BACKGROUND INFORMATION

The recommended action will amend an existing lease agreement with Sandra Nolan, a married woman as her sole and separate property, as to an undivided 26.00% 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; (d) 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 (Nolans), to extend the term of the lease by use of an alternative procedure in lieu of a Formal Request for Proposals as allowed per County Policy 12-02 - Leasing Privately Owned Real Property for County Use for the period of February 14, 2021 through February 13, 2022 for the continued use of 2.53 acres of land for BBVRPD.

On February 23, 2010 (Item No. 60), the Board of Supervisors (Board) approved a three-year lease, Agreement No. 10-110, with three two-year options to extend with the Nolans for 2.53 acres of land located at 43285 Moonridge Road in Big Bear Lake for the operation and maintenance of the Zoo. The original term of the lease was from February 14, 2010 through February 13, 2013. In the eleven years since the lease was originally approved the Board has approved six amendments which extended the term for the period of February 14, 2013 through February 13, 2015, February 14, 2015 through February 13, 2017, February 14, 2017 through February 13, 2019, February 14, 2019 through February 13, 2020, February 14, 2020 through February 13, 2021, reflected a change in property ownership among the Nolan family members, and adjusted the rent.

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

On April 27, 2010 (Item No. 83), the Board 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 Zoo. 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 approved the award of a contract with M. S. Construction Management Group for the construction of the new facility which is now completed. The lease is being extended to give BBVRPD additional time to remove all existing cages and structures from the 2.53 acre site at 43285 Moonridge Road and return the property to bare land as part of its surrender obligations.

BBVRPD requested Real Estate Services Department (RESA) extend the term one-year for the period of

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February 14, 2021 through February 13, 2022. RESD negotiated a one-year extension of the lease term at the same monthly rental rent. RESD completed a market survey to establish the market range for rental rates of comparable properties in the Big Bear area. Amendment No. 7 to Lease Agreement No. 10-110 extends the term of the lease one year for the period of February 14, 2021 through February 13, 2022 without an increase in the monthly rental rate. BBVRPD will continue to have the right to terminate the lease during the extended term by providing 60 days' notice. All other terms of the lease remain unchanged.

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 Lease Terms

Lessor:	Sandra Nolan, individually, as to an undivided 26% interest, and the Nolan Family Trusts, collectively, as to the remaining 74% interest (Sandra Nolan and David A. Nolan and Sandra V. Nolan, Co-Trustees)
Location:	43285 Moonridge Road, Big Bear Lake
Size:	2.53 acres of land
Term:	One year commencing February 14, 2021
Options	None
Rent:	Monthly: \$6,916.45* (\$2,733.77/acre) Annual: \$82,997.72 (\$32,805.24/acre) *Mid-range for comparable facilities in the Big Bear Lake area per supporting lease comparables on file with RESD
Annual Increases:	None
Improvement Costs:	None
Maintenance:	Provided by BBVRPD
Utilities:	Provided by BBVRPD
Insurance:	The Certificate of Liability Insurance, as required by the lease, is on file with RESD
Right to Terminate:	BBVRPD has the right to terminate with 60-days' notice
Parking:	Sufficient for BBVRPD needs

PROCUREMENT

On February 23, 2017 (Item No. 83), the Board approved a three-year Lease Agreement No. 10-110 with three two-year option to extend the term of the lease, which was procured using an alternative procedure process as

provided in County Policy No. 12-02 - Leasing Privately Owned Real Property for County Use (Policy). The lease is currently scheduled to expire on February 13, 2021 and there are no remaining options to extend the term. The Policy provides that the Board may approve the use of an alternative procedure to the use of a Formal RFP whenever the Board determines that compliance with the Formal RFP requirements would unreasonably interfere with the financial or programmatic needs of the County, or when the use of an alternative procedure would otherwise be in the best interests of the County. RESD completed a competitive analysis of the market and found the rental rate for the extended term to be competitive and this extension provides BBVRPD with additional time to complete its surrender obligations.

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 January 11, 2021; Special Districts (Brendon Biggs, Director, Department of Public Works - Special Districts, 387-7906) on January 6, 2021; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on January 7, 2021; Finance (Tom Forster, Administrative Analyst, 387-4635, and Carl Lofton, Administrative Analyst, 387-5404) on January 25, 2021; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on January 25, 2021.

(LB: 453-5227)