



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: OCTOBER 19, 2022

TO: HONORABLE MAYOR AND COUNCILMEMBERS

**FROM: KINDON MEIK, CITY MANAGER
MATTHEW SUMMERS, CITY ATTORNEY
ERICA GREEN, COMMUNITY SERVICES DIRECTOR**

**SUBJECT: LEASE AGREEMENT BETWEEN THE CITY OF CALABASAS AND THE
CITY OF AGOURA HILLS REGARDING THE AGOURA HILLS/
CALABASAS COMMUNITY CENTER**

MEETING

DATE: OCTOBER 26, 2022

SUMMARY RECOMMENDATION:

Staff hereby requests that the City Council approve the lease agreement between the City of Calabasas and the City of Agoura Hills. Said agreement effects a lease whereby the City of Calabasas leases from the City of Agoura Hills its half-interest in the land and improvements known as the Agoura Hills Calabasas Community Center (AHCCC) with a designated street address of 27040 Malibu Hills Road, Calabasas, CA 91301.

BACKGROUND:

Originally opened in 1999, the AHCCC was unfortunately forced to close its doors to the public in 2020 in response to the COVID-19 pandemic. Since the closure, the City of Calabasas and the City of Agoura Hills have worked collaboratively on efforts to secure funding for needed repairs to the facility. Those efforts resulted in a \$1,000,000 federal earmark awarded to Agoura Hills for improvements to the center.

Proposed improvements include replacing the gymnasium floor, upgrading electrical and plumbing systems, enhancing the IT infrastructure of the building, and updating lighting, flooring, and other fixtures. In addition to the federal earmark, the AHCCC Joint Powers Authority received \$844,000 in Regional Park and Open Space District (RPOSD) funds from Supervisor Sheila Kuehl's office. The grant augments previous RPOSD funds in the amount of \$166,000 and thus allocates a total of \$1,010,000 to be used to replace the AHCCC roof.

More recently, the City of Calabasas and the City of Agoura Hills have explored options on how to best reopen the AHCCC and thereby reconnect the public to the amenities and programming to be offered at the center. As joint owners of the facility, the two cities decided to draft an agreement whereby the City of Calabasas would lease from Agoura Hills its half interest in the land and improvements thereon.

A summary of key terms of the proposed lease agreement is provided below:

Term: One-year lease with the option for the City of Calabasas to renew two additional one-year terms.

Rent: City of Calabasas will pay City of Agoura Hills \$1 per year.

Use: The AHCCC will be used for recreational purposes and as a community/public facility open to the residents of Calabasas, Agoura Hills, and residents of incorporated and unincorporated areas. The City of Calabasas will retain all programming fees and facility revenues.

AHCCC JPA: The AHCCC Joint Powers Authority will remain in effect. Calabasas and Agoura Hills will continue to voluntarily contribute (50% each) towards the California Public Employees Retirement System (CalPERS) for costs associated with former Authority employees. Calabasas and Agoura Hills will also voluntarily contribute (50% each) towards insurance costs covering the Authority's board members.

AHCCC Future: During the initial months of the lease, the City of Calabasas and the City of Agoura Hills will enter into good faith efforts to discuss the future of the facility with the goal of reaching an agreement on the long-term ownership and operation of the facility.

Property Taxes: The City of Calabasas will pay all taxes and assessments related to the AHCCC.

Insurance: Calabasas will maintain and cover the costs of Commercial General Liability Insurance, Workers' Compensation, Accident Insurance, Crime Insurance, Property Insurance, and Automobile Insurance.

REQUESTED ACTION:

Staff requests that the City Council approve the lease agreement as presented and authorize the Mayor and the City Attorney to sign said document.

FISCAL IMPACT/SOURCE OF FUNDING:

As set forth in the lease, the City of Calabasas will be responsible for the rental payment, property taxes, insurance costs, maintenance and upkeep, agreed upon improvements associated with the facility. These will be new expenses for the City and would come from the General Fund. Additionally, as noted, the City would continue to pay its share of previously incurred CalPERS costs and would also contribute towards insurance to cover JPA board members.

ATTACHMENTS:

Ground Lease between the City of Calabasas and the City of Agoura Hills