

COMMITTEE MEMBERS
Carlyn S. Obringer, Chair
Timothy A. McGallian, Committee Member

Civic Center
1950 Parkside Drive
Concord, CA 94519
www.cityofconcord.org



**Special Meeting of the
Recreation, Cultural
Affairs & Community
Services Committee**

Tuesday, July 25, 2017

9:00 a.m.

City Manager
Conference Room,
Wing A 1950
Parkside Drive

AGENDIZED ITEMS – The public is entitled to address the Committee on items appearing on the agenda before or during the Committee’s consideration of that item. Each speaker will be limited to approximately three minutes.

1. ROLL CALL

2. PUBLIC COMMENT PERIOD

3. REPORTS

- a. **Considering** – a term extension with the Contra Costa Horsemen’s Association for the lease of two parcels of real property located on Grant Street, where the Don Fernando Pacheco Adobe is situated. **Report by Justin Ezell, Director of Public Works.**

4. ADJOURNMENT

ADA NOTICE AND HEARING IMPAIRED PROVISIONS

In accordance with the Americans with Disabilities Act and California Law, it is the policy of the City of Concord to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require a copy of a public hearing notice, or an agenda and/or agenda packet in an appropriate alternative format; or if you require other accommodation, please contact the ADA Coordinator at (925) 671-3031, at least five days in advance of the hearing. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.

Distribution: City Council
Valerie Barone, City Manager
Susanne Brown, City Attorney
Kathleen Salguero Trepa, Assistant City Manager
Joelle Fockler, City Clerk



3.a

Staff Report

Date: July 25, 2017

To: Council Committee on Recreation, Cultural Affairs & Community Services

From: Valerie J. Barone, City Manager

Reviewed by: Kathleen Trepa, Assistant City Manager

Prepared by: Justin Ezell, Director of Public Works
Justin.ezell@cityofconcord.org
(925) 671-3231

Subject: **Considering a term extension with the Contra Costa Horsemen's Association for the lease of two parcels of real property located on Grant Street, where the Don Fernando Pacheco Adobe is situated.**

Report in Brief

The Contra Costa Horsemen's Association (Association) leases the Don Fernando Pacheco Adobe from the City for one dollar per year for its exclusive use. In exchange, the Association is required to open the historic adobe to the public one day per week. The property is situated at 3119 Grant Street on two parcels. Given the age of the property and deferred maintenance through the years, staff has identified upwards of \$230,000 in capital repairs that will be necessary during the next ten years.

The lease with the Horseman's Association expires on September 30, 2017. The Association wishes to enter into a long-term lease of no less than five years. Because a significant investment is necessary to repair and maintain the facility, and with the lease expiring, it is an opportune time to discuss use of the facility and potential lease terms.

Recommended Action

Staff recommends that the Committee hear the report, consider the materials provided, and provide direction to staff.

Background

The Don Fernando Pacheco Adobe is situated next to the 26-acre Hillcrest Park at Grant Street and Olivera Road. The Adobe is listed by the National Register of Historic Places and the California State Parks Office of Historic Preservation. The City acquired the Don Fernando Pacheco Adobe from Contra Costa County in 1979. The conveyance was subject to a lease between the County and the Contra Costa Horsemen's Association, which was executed on December 11, 1940.

The Contra Costa County Horseman's Association was established in 1938 to promote activities and education associated with horse riding and equestrian care, and through the years has become a link to the area's rural past. More information is available on their website, <http://www.contracostacountyhorsemansassociation.com/>.

Following conveyance, the lease between Contra Costa County and the Horsemen's Association was terminated, and the City entered into a twenty-five (25) year lease for the two parcels with the Horsemen's Association on March 26, 1979. The two parcels contain the Don Fernando Pacheco Adobe, a caretaker home, and a horse arena. The 1979 lease was amended in 1997 and a new expiration date of March 26, 2014 was set. For the last two years the City and the Contra Costa Horsemen's Association have entered into one-year extensions of the lease, with the second of the two lease extensions expiring on September 30, 2017. Since 1979 the rent amount has been one dollar per year. As part of the lease, the Association is required to open the historic adobe to the public every Friday from 9 a.m. to 5 p.m. Otherwise, use of the property is controlled by the Association, including renting the adobe for private events.

On October 11, 2016, the City Council extended the Horsemen's Association Lease Agreement for a period of one year. At the same time Council directed the Recreation, Cultural Affairs and Community Services Committee to evaluate the lease, consider the need for investment in the maintenance/upkeep of the facility, and consider future uses of the facility. Given the age of the structure and its deteriorating condition over time, more substantial renovations and reinvestment in the property will be necessary. The Horsemen's Association is requesting that the City provide a long-term lease of a period of no less than five years.

On February 15, 2017, the Council Committee on Recreation, Cultural Affairs and Community Services met to consider a lease extension. In attendance were members of the Horsemen's Association and members of E Clampus Vitus, which has volunteered to complete maintenance projects at the Adobe. Following a period of questions and answers, the Committee requested that the Horsemen's Association return to a future committee meeting with the following information:

1. Long-term vision for the Don Fernando Pacheco Adobe;

2. Long-term vision for the Horsemen's Association;
3. Current membership list;
4. Business plan; and
5. Operating budget.

On June 26, 2017 the Council Committee on Recreation, Cultural Affairs and Community Services met once again to consider a lease extension. In attendance were the President and Treasurer of the Horsemen's Association.

Analysis

According to the current lease (Attachment 1), the terms related to maintenance indicate that the City is responsible for the majority of buildings' capital repair and maintenance, with the tenant responsible for upkeep such as landscaping, custodial and fence repair as well as the arena, which is part of the Association's operation and tenancy. However, the Association has invested its funds and the personal funds of its members to perform some maintenance and upkeep, particularly at the caretaker's residence. Most recently, in collaboration with the E Clampus Vitus (the "Clampers"), the Association replaced the flooring in the Adobe.

To address concerns related to the deteriorating condition of the buildings, the City engaged the services of a professional consulting firm to perform a condition assessment of the property, including the caretaker's home and the adobe. The report noted various improvements that were needed from both a short and long term perspective. The information was forwarded to the Association President on March 16, 2017, and the costs of the recommended repairs are noted below.

- Immediate need: \$53,704
- 10-year capital need: \$181,495

Key needs:

- Structural repair
- Roofing repair/replacement
- Wall finishes
- Flooring

Substantial funding is needed to address the immediate and long term needs of the adobe and caretaker's home. A number of projects must be completed to ensure preservation of the adobe and caretaker's home, and how best to accomplish that work will need to be determined.

At the June 26, 2017 Committee meeting, staff provided a report which was followed by comments from representatives of the Association, including the sitting President Paula Estrada. The Council Committee on Recreation, Cultural Affairs and Community Services then requested that the Horsemen's Association return to a July meeting with more detailed information on the following:

1. Operating Budget
2. Business Plan

Staff met with the Association's Board of Directors to better understand the Association's operation and the role of the Adobe site as one of the last remaining competitive horse arenas in the County. In years past, the Association sponsored approximately six, State sanctioned competitions at the Adobe with up to 50 – 60 riders. As a result of the recession and other financial issues, competition attendance has dwindled and the arena conditions have continued to slip. While the arena still meets minimum standards, it is no longer considered best in class, and the most recent event had low attendance.

The Association's goal is to improve arena conditions so the Board can submit a proposed schedule to the State association for sanctioned events for the 2018 season by the October deadline. Staff has reached out to the Association to better understand the scope of work for renovating the arena to ascertain whether a collaborative project is feasible. In the meantime, the Board indicates that if the arena can be upgraded, the goal is to host six events for the 2018 season that attracts approximately 50 riders per event. The Board acknowledges that it will take some time to generate renewed interest in this location for competitions, which is the basis for its request for a five year lease. Board members did share that arenas in Walnut Creek and Martinez may close in the near future, which they indicate would leave the Adobe arena as the last remaining arena in the area for competitions.

The Association will present its business plan and operating budget during the Committee meeting.

If the Association were to vacate the premises upon the termination of the lease, as staff noted during the June Committee meeting, the buildings would need to be shuttered until such time as another tenant is identified and investment into the property is confirmed. Given previous vandalism at this location, without the presence of a caretaker and other activities at the property, it is highly likely that the buildings will be subjected to recurring vandalism.

Financial Impact

As previously mentioned the Contra Costa Horsemen's Association pays one dollar per year to lease the two parcels of property. The City receives no revenue from the

facilities. The City periodically makes minor electrical, plumbing and carpentry repairs to the facility; the costs of which total less than \$5,000 over the last few years. The recent condition assessments determined that the property has \$53,704 of immediate needs and \$181,495 in 10-year capital needs.

Public Contact

The Agenda was posted.

Attachments

1. Lease agreement between the Contra Costa Horsemen's Association and the City of Concord

IN WITNESS WHEREOF, City and Lessee have respectively entered into this Agreement as of the Effective Date.

LICENSEE:

CITY:

Contra Costa Horsemen's Association,
a non-profit corporation,

CITY OF CONCORD,
a California municipal corporation

By:

By:

Name:

Valerie J. Barone, City Manager

Its:

ATTEST:

By:

Joelle Fockler, MMC, City Clerk

APPROVED AS TO FORM:

By:

City Attorney

1 subject to the conditions and covenants set forth herein.

2 3. Terms. This lease will run from the date first written above for
3 a period of 25 years from said date, or until either party terminates this
4 lease, at any time, with or without cause, by giving the other party a 60-day
5 written notice of an intent to terminate.

6 4. Rent. The rent for both parcels shall be one dollar per year,
7 payable in advance on or before January 1 of each year. Rent may be paid in
8 advance for any number of years chosen by HORSEMEN. In the event of cancella-
9 tion, rent for years in advance shall be returned to HORSEMEN within 30 days
10 of termination of this lease. Yearly rent will not be prorated for periods of
11 time within the year.

12 5. Utilities. HORSEMEN shall provide all utilities to said parcels
13 at its own expense. Utilities include water, gas, electricity, and garbage
14 service.

15 6. Maintenance. Maintenance of both parcels shall be provided for as
16 follows:

17 a. Gardening. HORSEMEN shall be responsible for keeping the
18 landscaped areas in a healthy, weed-free and thriving condition, that
19 includes, but is not limited to, mowing the lawn, trimming hedges and
20 regular irrigation and fertilization. CITY shall provide tree trimming
21 and removal, weed spraying and discing of unlandscaped areas at those
22 times to be determined by the City Director of Public Works.

23 b. Cleaning. HORSEMEN shall be responsible for cleaning all
24 structures located on both parcels, including all restrooms and facili-
25 ties open to the public or HORSEMEN. Facilities must be cleaned within
26 24 hours after use. HORSEMEN shall be responsible for the dusting and
27 care of exhibits on display in the Adobe located on Parcel A, as needed.

28 c. Refuse, Animals and Flies. HORSEMEN shall prevent the

1 accumulation of refuse and animal excretion in accordance with the
2 provisions of the Concord Municipal Code and prevent the spreading of
3 excess dust and flies according to the procedures recommended by the
4 Contra Costa County Mosquito Abatement District.

5 d. Fences, Fixtures, & Structures. CITY will be responsible for
6 interior and exterior painting and plaster repair, the repair and
7 maintenance of driveways and the well and pump. HORSEMEN will maintain and
8 repair all fences existing on the premises as of the date first written
9 above. Any new fences erected by the CITY shall be maintained by the
10 CITY. CITY will be responsible for structural, electrical, mechanical,
11 plumbing and heating repairs to all structures. In accordance with
12 Section 12 of this agreement, HORSEMEN shall be prohibited from making
13 alterations to the Adobe that would diminish its historic value.

14 e. Renovation. Major renovation as referenced to in Section 11
15 of this agreement is to be undertaken strictly at the discretion of the
16 City. All repairs required by this lease are to maintain the structures
17 only in the condition in which they are received.

18 7. Caretaker. HORSEMEN will provide a resident caretaker on the
19 premises. Said caretaker will live in the cottage located on Parcel A and
20 shall function as a watchman for both parcels. The caretaker or a substitute
21 must sleep on the premises every night.

22 8. Noise. HORSEMEN shall reasonably control noise and disturbances
23 emanating from the premises and refrain from disturbing the peace and quiet of
24 the surrounding neighborhood.

25 9. Sewer Installation. If HORSEMEN desire to connect a sewer to
26 Parcel B, it shall do so solely at its own expense.

27 10. Public Use and Access. The Adobe shall be available for public
28 use and access at those times when it is not being used by HORSEMEN.

1 a. Museum Day. At least one day of the week, which will be
2 designated by the CITY, the Adobe shall be reserved between 9:00 a.m.
3 and 5:00 p.m. for viewing by the public. HORSEMEN's caretaker shall
4 be present on the property to unlock and lock the Adobe.

5 b. Public Tours. When the Adobe is not being used by HORSEMEN,
6 public tours may be scheduled in advance with HORSEMEN's caretaker for
7 days in addition to Museum Day. HORSEMEN's caretaker shall be present
8 to unlock and lock the Adobe.

9 c. Other Public Use. When the Adobe is not being used by
10 HORSEMEN, other occasional use by CITY or other public, commercial or
11 private organizations may be permitted. Such use shall be authorized
12 and arranged by HORSEMEN. HORSEMEN shall be permitted to charge other
13 organizations an amount adequate to meet custodial and maintenance
14 costs related to such use. A list of occasions when the Adobe is used
15 by other organizations shall be submitted to the CITY Director of
16 Public Works annually. The list shall state the organization's name,
17 type of event and date of use and fee charged, if any. If HORSEMEN
18 refuses access to the Adobe to any organization on any basis other than
19 the proposed event conflicts with a HORSEMEN's scheduled event, HORSEMEN
20 shall be obligated to inform the organization that its decision to deny
21 use of the Adobe to that organization may be appealed to the CITY Director
22 of Public Works. In such cases, the CITY Director of Public Works will
23 arbitrate and may choose to authorize such use. Whenever the Adobe is
24 used by an organization, HORSEMEN shall provide two members to be present
25 during said use and to unlock and lock the Adobe. HORSEMEN and the CITY
26 shall be the sole keyholders of the Adobe keys and the Adobe shall not be
27 used by any other organization as a mailing address or a repository for
28 property and effects.

1 11. City Access. The CITY shall have reasonable access to Parcels
2 A and B, at all times, to make inspections and repairs. In the event the CITY
3 undertakes major renovation of the Adobe located on Parcel A, HORSEMEN's
4 right to use said Adobe may temporarily cease. Displacement shall be for that
5 period of time necessary to complete renovation. HORSEMEN's rent and other
6 obligations to be performed under this agreement shall remain in full force
7 and effect.

8 12. Improvements. HORSEMEN shall not erect or remove or substantially
9 alter any improvements to either parcel without the prior written approval of
10 the CITY. Improvements constructed by HORSEMEN shall become and remain the
11 property of the CITY.

12 13. Personal Property. Personal property purchased and stored on said
13 property by HORSEMEN shall remain its personal property.

14 14. Indemnification. HORSEMEN will hold harmless, indemnify and defend
15 the CITY from and against all costs, claims and causes of action of the CITY
16 or others relating to HORSEMEN's lease of said parcels. HORSEMEN shall secure
17 public liability insurance for not less than \$100,000 for injury to each
18 person, \$300,000 for each occurrence, and \$50,000 for property damage for each
19 occurrence. HORSEMEN shall provide the CITY with an Insurance Certificate
20 indicating said coverage which states that the Insurer will give the CITY ten
21 (10) days' written notice prior to cancellation of said insurance.

22 14. Notice. Any and all notices required to be given under this agree-
23 ment shall be to the parties as follows:

24 (a) CITY OF CONCORD
25 City Hall
26 1950 Parkside Drive
27 Concord, California 94519
28 Attention: City Manager

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(b) CONTRA COSTA COUNTY HORSEMEN'S ASSOCIATION
3119 Grant Street
Concord, California 94520

Notices are deemed sufficiently served upon deposit in the United States Mail with first class postage affixed thereto, or by personal delivery.

16. Assignment. HORSEMEN shall not assign any of the duties, responsibilities, or obligations of this agreement to any other firm, company, entity, association, or individual, except with the express written consent of CITY.

17. Possessory Tax. HORSEMEN are solely responsible for any possessory interest tax which may be imposed pursuant to HORSEMEN's lease of said parcels.

18. Entire Agreement. This agreement constitutes the entire lease between the parties and may only be amended in a writing signed by both parties.

19. Attorney's Fees. In the event either party is required to litigate any provision of this lease, the prevailing party shall be entitled to attorney's fees and costs to be paid by the other party.

DATE: March 26, 1979 CITY OF CONCORD, a municipal corporation

By: *William H. Dejo*
Mayor

APPROVED AS TO FORM:
Kenneth Silbert
City Attorney

ATTEST:
By: *Bernadette Canoe*
City Clerk

DATE: June 26-1979 CONTRA COSTA COUNTY HORSEMEN'S ASSOCIATION

By: *Fred B. Gilman*

Note: Attach a certified copy of (a) the By-Laws, or (b) the Resolution of the Board of Directors, authorizing execution of this contract.



DON FERNANDO PACHECO ADOBE
ERECTED 1848

RECONSTRUCTED UNDER THE AUSPICES OF CONTRA COSTA COUNTY
HORSEMEN'S ASSOCIATION 1940-41

Contra Costa County Horsemen's Association

3119 GRANT STREET
CONCORD, CALIFORNIA

June 22, 1979

City of Concord:

We, the Contra Costa County Horsemen's Association authorize Fred B. Nilsson to sign the lease for the club.

Pres. Frank Gibbons

Sec. Lois Gibbons

MISCELLANEOUS RECEIPT

City of Concord

1950 PARKSIDE DRIVE • CIVIC CENTER • 671-3177

DATE 26 June 79

NAME CCC Horsemen's Assoc. c/o F. Dilsaver

STREET ADDRESS 188 Brown Drive
CITY Pacheco, CA STATE ZIP 94553

NOT AN OFFICIAL RECEIPT UNLESS
VALIDATED BY FINANCE DEPARTMENT

AMOUNT RECEIVED	CODE	INVOICE	PARCEL
\$ 25.00	067	CHECK	110-550-1120
	067	CASH	25.00-
	067	CASH	110-550-0130-
	067	CASH	3136 .00
TOTAL RECEIVED			
\$ 25.00			

DESCRIPTION

Received for rental of above
listed parcels for the period of
25 years for use by the C.C.C.
Horsemen's Association

RECEIPT NO. 132152

PREPARED BY: *[Signature]*

CUSTOMER:

FIN-2-1 MAR 76

AMENDMENT

to
 Lease dated March 26, 1979
 between
 the City of Concord, a Municipal Corporation, as Landlord
 and
 the Contra Costa County Horsemen's Association, as Tenant

The above lease covering the premises commonly known as 3119 Grant Street, Parcel A and B, Don Fernando Pacheco Adobe, Concord, California, is hereby amended as follows:

1. The term of this lease shall be extended for an additional ten (10) years, with the new expiration date of March 26, 2014.
2. The tenant is given the option to extend the term on all the provisions contained in this lease for a ten (10) year period ("extended term") following the expiration of the extension described in paragraph No. 1 of this amendment, by giving notice of exercise of the option ("option notice") to the Landlord at least 90 days before the expiration of the term. Provided that, if Tenant is in default on the date of giving the option notice, the option notice shall be totally ineffective, or if Tenant is in default on the date the extended term is to commence, the extended term shall not commence and this lease shall expire on March 26, 2014.

Tenant shall have no other right to extend the term beyond the extended term.

3. The occurrence of any of the following shall constitute a default by Tenant:
 1. Failure to pay rent when due, if the failure continues for 30 days after notice has been given to Tenant.
 2. Abandonment and vacation of the premises (failure to occupy the premises for 5 consecutive days shall be deemed an abandonment and vacation).
 3. Failure to perform any other provision of this lease if the failure to perform is not cured within 30 days after notice has been given to Tenant. If the default cannot reasonably be cured within 30 days, Tenant shall not be in default of this lease if Tenant commences to cure the default within the 30-day period and diligently and in good faith continues to cure the default.

Notices given under this paragraph shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this lease within the applicable period of time, or quit the premises. No such notice shall be deemed a forfeiture or a termination of this lease unless Landlord so elects in the notice.

4. Indemnification. Tenant will hold harmless, indemnify, and defend the Landlord from and against all costs, claims, and causes of action of the Landlord or others relating to Tenant's lease of

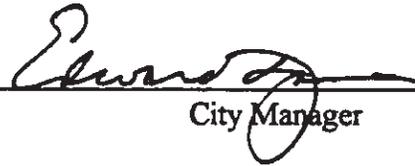
*Amendment to Lease with the Contra Costa County Horsemen's Association
November 18, 1997*

said parcels. Tenant shall secure public liability insurance for not less than \$500,000 for injury to each person, \$1,000,000 for each occurrence, and \$300,000 for property damage for each occurrence. Tenant shall provide the Landlord with an Insurance Certificate indicating said coverage which states that the Insurer will give the Landlord ten (10) days' written notice prior to cancellation of said insurance. *Tenant shall name Landlord as Additional Insured.*

5. All other terms and conditions of the above Lease shall remain in full force and effect.

DATE: 11/20/97

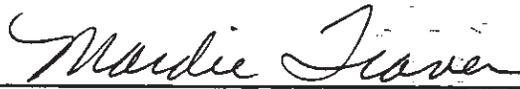
CITY OF CONCORD, a municipal corporation

By: 
City Manager

APPROVED AS TO FORM:

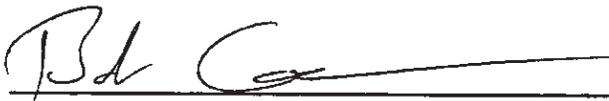
ATTEST:


City Attorney


Deputy City Clerk

DATE: 11-19-97

CONTRA COSTA COUNTY HORSEMEN'S
ASSOCIATION

BY: 

Extension of Contract Term – November 20, 1997 Contra Costa County Horsemen’s Association Agreement

On or about November 20, 1997, the City of Concord (“City”) and the Contra Costa County Horsemen’s Association (CCCHA) entered an agreement relating to the lease of two parcels of real property located on Grant Street in Concord, California. That Agreement is attached hereto (Attachment A), and is hereinafter referred to as the Horsemen’s Association Agreement.

CCCHA wishes to extend the term of the Horsemen’s Association Agreement through September 30, 2015. City hereby agrees to the proposed extension, as memorialized in this document. With the exception of the term extension formalized herein, all other terms of the Horsemen’s Association Agreement shall remain unchanged, in full force and effect.

Contra Costa Horsemen’s Association

By: Beverly Snead - Beverly Sneadlen
(Sign name and print title) President: Contra Costa County Horsemen’s Assoc.

City of Concord

Justin Ezell
Justin Ezell, Public Works Director

Attest Joelle Fockler
Mary Rae Lehman, City Clerk
Joelle Fockler

Approved as to Form

Mark S. Coon
Mark S. Coon, City Attorney

COPY

Extension of Contract Term – November 20, 1997 Contra Costa County Horsemen’s Association Agreement

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CCCHA wishes to extend the term of the Horsemen’s Association Agreement through September 30, 2016. City hereby agrees to the proposed extension, as memorialized in this document. With the exception of the term extension formalized herein, all other terms of the Horsemen’s Association Agreement shall remain unchanged, in full force and effect.

Contra Costa Horsemen’s Association

By: Jill Hernandez
(Sign name and print title)

City of Concord

Justin Ezell
Justin Ezell, Public Works Director

Attest Joelle Fockler
Joelle Fockler, City Clerk

Approved as to Form
Mark S. Coon
Mark S. Coon, City Attorney