

TO: Andrew P. Powers, City Manager

FROM: Jaime Boscarino, Finance Director

DATE: May 21, 2024

SUBJECT: Conejo Recreation and Park District License Agreement to Use City Facility – 401 West Hillcrest Drive

RECOMMENDATION:

1. Approve the execution of a license agreement with Conejo Recreation and Park District (Thousand Oaks, CA), for use of 4,800 square feet of the City-owned 401 West Hillcrest Drive building from May 22 to November 18, 2024.
2. Find that this action is not a project as defined under the California Environmental Quality Act.

LEVINE ACT ITEM: No

FINANCIAL IMPACT:

No Additional Funding Requested. Conejo Recreation and Park District (CRPD) will reimburse the City for all utility costs during occupancy for the duration of the agreement. A fee of \$1 will be charged for the use of this space for the term of this agreement. Minimal staff time to prepare the agreement and report is included in the Adopted FY 2023-24 General Fund Budget.

BACKGROUND:

The 401 & 403 West Hillcrest Drive buildings served as the site of the City's former City Hall. The City still owns and maintains the buildings. The 401 building is approximately 21,220 square feet and the 403 building is approximately 34,649 square feet. The City has used the Hillcrest properties as tenant rental spaces since 1996.

On May 22, 2001, CRPD entered into a lease agreement (Contract No. 4972-2001) with the City for use of the 403 West Hillcrest Drive building. CRPD operates and manages recreational programming and the Hillcrest Center for the Arts from the building. CRPD pays a rental fee for the use of the building and premises based on 36 percent of the maintenance and operating costs. Currently, the fee is \$8,720 per month.

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On May 11, 1998, National Park Service (NPS) entered into a lease agreement (Contract No. 3540-2008F) with the City for use of the 401 West Hillcrest Drive building. NPS utilized the building for its headquarters and visitor center. On February 20, 2024, NPS submitted a 60-day Notice to Terminate Lease and officially vacated the premises on April 26, 2024. NPS paid \$47,932 per month for its lease of the building.

DISCUSSION/ANALYSIS:

CRPD provides summer camp courses and therapeutic programming to the community. CRPD was searching for a suitable location for this programming and discussed with City staff the possibility of utilizing the vacated 401 building. City and CRPD staff discussed a short-term license agreement whereby CRPD would be responsible for paying utilities and the City would continue to maintain the building and grounds. The license agreement (Attachment #1) would span 180 days extending from May 22, 2024, to November 18, 2024.

The 401 West Hillcrest Drive building is not currently being rented and there are no immediate plans to have a tenant begin a lease agreement with the City, nor has the City identified potential tenants at this time. Allowing CRPD to use the space on a short-term basis would not inhibit the City or interrupt any plans or operations, and would continue to foster the City's strong commitment to providing residents access to recreational and community programs.

CRPD, as an existing tenant at the 403 West Hillcrest Drive building, Senior and Teen Centers, and other sites, has been a responsible tenant. They have partnered with the City for over 30 years in a mutually beneficial relationship to provide recreational services to the community. Approval of the license agreement would allow CRPD to provide additional recreational services at a location that is sufficiently suitable.

City and CRPD staff will meet during the term of the license to evaluate the agreement. The following terms are included in this proposed agreement:

1. CRPD will occupy only the space designated;
2. The building will be used in an "as-is" condition and CRPD is responsible for supplying, installing, and maintaining temporary air conditioning units;
3. CRPD will operate and manage the program uses;
4. City will continue to maintain the building and grounds;
5. CRPD will pay for the utilities associated with the building through monthly reimbursement to the City;
6. CRPD will supply and install all furnishings and equipment required for use during occupancy, and removal of the same at the conclusion of this agreement;

7. Rental revenues generated by CRPD activities that are above the operating expenses of the facility shall be redirected to maintenance and operation of the facilities.

Staff recommends that City Council authorize the execution of the license agreement for the 4,800 square-foot space in the 401 West Hillcrest Drive building.

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goals:

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

G. Continue City's commitment to community and cultural programs and services (such as Performing Arts/Theatres, Libraries, TOTV, Visual Arts, Youth and Senior Programs).

H. Participate in public-private and multi-jurisdictional opportunities to ensure residents have access to high levels of parks, recreation, education and leisure programs and services.

PREPARED BY: Joshua Koenig-Brown, Facilities Manager
Alexander Wallsten, Assistant Analyst

Attachments:

Attachment #1 – License Agreement with CRPD