

Capitola City Council

Agenda Report



Meeting: November 22, 2022

From: City Manager Department

Subject: Long Term Use Agreement Between City of Capitola and Soquel Union Elementary School District for Jade Street Property

Recommended Action: Authorize the City Manager to sign a Long-Term Use Agreement between the City of Capitola and Soquel Union Elementary School District for the Jade Street Park Property including the Capitola Community Center in substantially similar form, as approved by the City Attorney, as the attached Agreement.

Background: In 1982 the City of Capitola entered a 50-year lease with Soquel Union Elementary School District (District) for the Jade Street Park property. Following execution of the lease the City built the Capitola Community Center on the property. Now with the Community Center nearing 40 years old, the facility needs reinvestment to continue to serve the community.

Over the last decade, the City and District have engaged in a number of collaborative projects including establishing the after-school program at New Brighton Middle School and the transfer of the New Brighton gymnasium property from the City to the District.

In an effort to continue to grow the positive working relationship between the City and District and ensure that the City maintains a long-term interest in the property prior to making investments in significant maintenance efforts, the parties recently began negotiating a new Long Term Use Agreement for the property.

Discussion: The proposed Long Term Use Agreement establishes the City, and public's, right to continue to use the park and community center through 2052. The proposed agreement requires the City to complete certain specific infrastructure improvements to the Community Center within four years. Should the District require the property for school purposes prior the 2052, the agreement provides that the District must provide the City at least two years notice, and reimburse the City for the depreciated amount of those specific infrastructure improvements.

Completion of this agreement would help ensure that the community of Capitola and District residents will be able to continue to use and enjoy Jade Street Park and the Capitola Community Center for another 30 years.

Fiscal Impact: The agreement obligates the City to continue to maintain Jade Street Park; those costs have been incorporated into the City's annual budget since the 1980s. The agreement also obligates the City to complete certain specific infrastructure projects at the Community Center over the next four years; staff estimates the cost for those improvements will likely total \$720,000. Staff will propose options to fund those improvements at future budget hearings.

Attachments:

1. Long Term Use Agreement

Report Prepared By: Report Prepared By: Jamie Goldstein, City Manager

Reviewed By: Julia Moss, City Clerk, Sam Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager