

STAFF REPORT*CITY OF OCEANSIDE*

DATE: May 3, 2023

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **AMENDMENT 3 TO THE PROPERTY LEASE AGREEMENT WITH THE YMCA OF SAN DIEGO COUNTY AT JIM WOOD PARK AT RANCHO DEL ORO**

SYNOPSIS

Staff recommends that City Council approve Amendment 3 to the Property Lease Agreement with the YMCA of San Diego County at Jim Wood Park at Rancho Del Oro, which extends the term for twenty-five years, commencing on May 6, 2023 and expiring on May 5, 2048; and authorize the City Manager to execute the Amendment.

BACKGROUND

On December 17, 1997, the City Council awarded \$450,000 to the YMCA – Santa Margarita Branch ("YMCA"), for the construction of recreational facilities at Jim Wood Park at Rancho Del Oro ("Jim Wood Park at RDO"). The City and YMCA entered into a Property Lease Agreement, dated May 6, 1998 ("Agreement"), which outlined the details of the construction, operations, and maintenance of the recreational facilities and programs to be offered by the YMCA at Jim Wood Park at RDO.

On November 15, 2000, the City Council approved Amendment 1 to the Property Lease Agreement that changed the construction performance timeline and the performance obligations.

On June 20, 2001, the City Council approved Amendment 2 to the Property Lease Agreement, which provided for an extension of time to Phase 1 of the Master Plan, to complete the development and construction of a 52,671 square foot building and recreation facilities located at 4701 Mesa Drive, Oceanside, California ("Premises").

At this time, the YMCA has requested to exercise the existing option in the Agreement to extend the term for twenty-five years, pursuant to approval by City Council. The YMCA is also considering the expansion of additional facilities within their leasehold area but such a request is a separate matter and likely subject to future discretionary action by the City.

ANALYSIS

As a leading nonprofit organization, the YMCA offers programs that foster youth development, promote healthy living and advance social responsibility.

It is mutually beneficial to extend the term of the Agreement with the YMCA, so the YMCA can continue to serve Oceanside by providing beneficial programs to enhance the well-being of the community. As previously noted, the YMCA is evaluating options for an expansion to improve the property within the Premises, which will be evaluated at a later date and likely brought to the City Council for approval.

FISCAL IMPACT

There is no change in the fiscal impact.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be provided.

COMMISSION OR COMMITTEE REPORT

Does not apply.

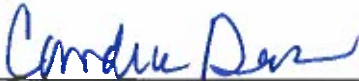
CITY ATTORNEY ANALYSIS

The City Attorney reviewed and approved the Third Amendment as to form.

RECOMMENDATION


Staff recommends that City Council approve Amendment 3 to the Property Lease Agreement with the YMCA of San Diego County at Jim Wood Park at Rancho Del Oro, which extends the term for twenty-five years, commencing on May 6, 2023 and expiring on May 5, 2048; and authorize the City Manager to execute the Amendment.

PREPARED BY:



Candice Diaz
Property Agent I

SUBMITTED BY:



Jonathan Borrego
City Manager

REVIEWED BY:

Rob O'Brien, Deputy City Manager

Hamid Bahadori, Public Works Director

Manuel Gonzalez, Parks and Recreation Director

Jill Moya, Financial Services Director

Vicki L. Gutierrez, Real Estate Manager











ATTACHMENTS:

1. Amendment 3

THIRD AMENDMENT TO PROPERTY LEASE AGREEMENT

This Third Amendment to Property Lease Agreement ("Third Amendment") is entered into on this ____ day of _____, 2023 by and between The City of Oceanside, a municipal corporation, hereinafter called "City", and the YMCA of San Diego County, a California non-profit public benefit corporation, hereinafter called "Lessee".

RECITALS

WHEREAS, City and Lessee are the parties to that certain Property Lease Agreement dated May 6, 1998, hereinafter referred to as the "Master Lease" and at times the "Lease" as amended from time to time, under the terms of which Lessee leases a portion of City owned real property commonly referred to as Rancho Del Oro Park, hereinafter referred to as the "Demised Premises";

WHEREAS, City and Lessee entered into a First Amendment to Property Lease Agreement dated November 15, 2000, and a Second Amendment to Property Lease Agreement dated June 20, 2001; and

WHEREAS, City and Lessee mutually desire to further amend the Lease under the terms and conditions set forth in this Third Amendment.

NOW THEREFORE, in consideration of the above recitals and other valuable consideration, receipt of which is hereby acknowledged, City and Lessee do mutually agree as follows:

AGREEMENT

1. **SECTION 2: TERM.** Subsection 2.01 **Commencement** is hereby deleted in its entirety and replaced with the following language:

2.01 Commencement. The term of this Agreement is extended for a period of twenty-five (25) years, effective **May 6, 2023** and terminating on **May 5, 2048**.

2. Nothing herein is intended to constitute City approval under the Lease of any proposed or future uses or improvements at the Premises, nor to pre-commit or waive the City's discretion with respect to any regulatory approvals required for such uses or improvements.

3. All other terms, conditions, covenants and provisions of the Lease shall remain unchanged and in full force and effect. In the event of any conflict between the terms of the Lease and this Amendment, the terms of this Amendment shall control.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do herein agree to the full performance of this Third Amendment to the Property Lease Agreement.

CITY

THE CITY OF OCEANSIDE,
a municipal corporation

By _____
Jonathan Borrego,
City Manager

APPROVED AS TO FORM:

By 
City Attorney

Date _____

LESSEE

YMCA OF SAN DIEGO COUNTY,
a California non-profit public benefit corporation

By 
Todd Tibbits,
Chief Executive Officer

Date 4/24/2023

**A NOTARY ACKNOWLEDGEMENT OF LESSEE'S SIGNATURE MUST BE
ATTACHED**

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Diego

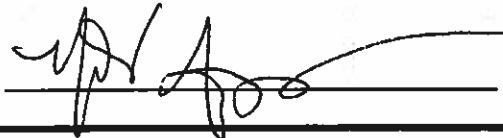
On April 24, 2023 before me, Norma V. Amezcua, Notary Public
(insert name and title of the officer)

personally appeared Todd Tibbits
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

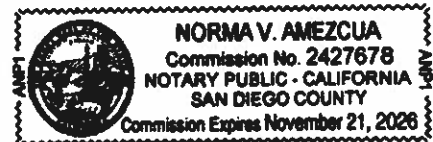
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



**MINUTES
YMCA OF SAN DIEGO COUNTY
BOARD OF DIRECTORS
SEPTEMBER 22, 2021
BILL GEPPERT, PRESIDING**

PRESENT: Jim Benedict, Bob Bolinger, Jason Bowser, Arnie Campbell, Amy Chang, Fred Close, Javier Correa, Jr., Larry Edwards, Brian Enge, Bill Geppert, Karla Hertzog, Carlton Hill, Mike Hood, Gordon Johns, Alex Kim, David Lang, Rod Lanthorne, John Maguire, Derek McMahon, Susan Mercure, Trindl Reeves, Tony Russell, Rachelle Schmursal, Phil Schneider, Toby Schramm, Kathy Scott, Josh Sherman, Fred Sotelo, Eugenia Welch, Jennifer Winward. Guests: Margie Newman, Intesa Communications Group; Justin Lipford; Sarah Reese; Kari Logan; Lauren Hall; Stephanie Chapel Yoo. Association staff: Charmaine Carter, Jonathan Hall, Shelly McTighe-Rippengale, Stephanie Alexander, Shannel Halbo, John Merritt, Linda Long.

ABSENT: Robert Bruning, Ed Bryant, Leon Clark, Jay Hill, Ron Ferrari, Chris Pannacciulli, Brian Scott.

CALL TO ORDER:

The Board Meeting was called to order at 12:05 PM by Chair Bill Geppert at YMCA Team Headquarters and was also held utilizing Zoom Video Communications. Justin Lipford, Director of Community Engagement, YMCA Youth & Family Services, shared the opening thought.

OPENING REMARKS:

Chair Bill Geppert shared the following:

- Welcome to new Board Members, Arnie Campbell, representing South Bay Family YMCA; Larry Edwards, representing Rancho Family YMCA, attending with Executive Director Kari Logan; Carlton Hill, representing Copley-Price Family YMCA; Rachelle Schmursal, representing East County Ys, attending with Executive Director Stephanie Chapel Yoo; and Eugenia Welch, representing Magdalena Ecke Family YMCA, attending with Executive Director Lauren Hall.
- During the summer, the Executive Committee took actions that need ratification by the Board.
 - The Executive Committee approved the nomination of Tony Russell to the Board of Directors.
 - The Executive Committee approved delegation of President & CEO duties to Todd Tibbits and to add Todd Tibbits and Shannel Halbo, Vice President, Legal & Risk, as signatories on all YMCA of San Diego County accounts.

**ROD LANTHORNE MOVED RATIFICATION OF THE ACTION OF THE
EXECUTIVE COMMITTEE TO APPROVE THE NOMINATION AND
ELECTION OF TONY RUSSELL TO THE BOARD OF DIRECTORS.
SECONDED BY KATHY SCOTT AND CARRIED.**

FRED CLOSE MOVED RATIFICATION OF THE ACTION OF THE EXECUTIVE COMMITTEE TO APPROVE DELEGATION OF PRESIDENT & CEO DUTIES TO TODD TIBBITS AND TO ADD TODD TIBBITS AND SHANNEL HALBO, VICE PRESIDENT, LEGAL & RISK AS SIGNATORIES ON ALL YMCA OF SAN DIEGO COUNTY ACCOUNTS. SECONDED BY GORDON JOHNS AND CARRIED.

- Kudos to new President & CEO for quickly and successfully becoming engaged and acclimated to new position, new Association and new community.

PRESIDENT'S COMMENTS:

President & CEO Todd Tibbits shared his appreciation for the opportunity to become the President & CEO of the YMCA of San Diego County. He shared that his family is very happy to be in San Diego and part of the San Diego Y family.

CEO Tibbits provided comments on the 2021 Focus and Strategic Vision of the Association. CEO Tibbits introduced the Board Meeting Placemat distributed to all Board Members at their tables. He stated the placement would be provided at each meeting and would include updates on financials, programs, memberships, etc.

CEO Tibbits announced there will be several strategic meetings planned for attendance by senior leadership staff. He stated meetings are planned for volunteers and the Association team, sharing that a half-day Board retreat would take place on November 17, 2021, at a location to be announced. CEO Tibbits stated an Association Summit to include Board of Directors, Boards of Advisors and YMCA team members is scheduled for January 2022.

CEO Tibbits encouraged comments from Board Members. Dialogue included:

- The Association needs to be purposeful, agile and move forward.
- The pandemic emphasized the Association membership model and prompted discussion of options.
- Partnerships with community organizations are essential. The benefits of partnering was discussed.
- Health equity.
- Community Hubs.

FINANCIAL UPATE:

Jonathan Hall, EVP & CFO, discussed the FY22 August financials which had been provided to Board Members via e-mail prior to the meeting. Mr. Hall provided the revised FY22 Budget and stated the Board would be asked to approve the FY22 Budget at the October Board Meeting.

Mr. Hall reported on the work being done by Executive Directors in connection with the business justification process for branches to review relevant and sustainable programs.

Mr. Hall referred to an outside party conducting an analysis of the wages of all Association positions. He stated a report on that work would be provided at a future Board Meeting.

PALOMAR AND 4 GEE UPDATES:

Shannel Halbo, Vice President, Legal & Risk, provided information on the sale of the 4 Gee Road property. Attorney Halbo provided information regarding the potential sale of the Palomar facility and the unforeseen challenges that have been posed, primarily by the State of California. She stated there was a possibility that the California State Department of Parks and Recreation and the Association would align to provide a solution to the challenges.

CONSENT AGENDA:

Board Chair Bill Geppert reported that consent items were distributed in the Board materials packet sent to Board Members prior to the meeting, those items being (1) July 2021 Financials, (2) Minutes of the Board Meeting of June 30, 2021, and (3) YMCA Youth & Family Services request to submit for a grant from the County of San Diego Neighborhood Reinvestment Program. Copies of these consent items are attached to, and made a part of, the original of these Minutes. After a brief review of the Consent Agenda items and receiving no objections to the items, Chair Geppert asked for a motion to approve the Consent Agenda items, including the following resolution:

YMCA Youth & Family Services Site Renovation**RESOLUTION OF THE BOARD OF DIRECTORS OF YMCA OF SAN DIEGO COUNTY.****WHEREAS, THE COUNTY OF SAN DIEGO NEIGHBORHOOD REINVESTMENT PROGRAM PROVIDES FUNDING FOR NONPROFIT CORPORATIONS FOR CERTAIN SPECIFIED PURPOSES; AND****WHEREAS, THE YMCA OF SAN DIEGO COUNTY WANTS TO FILE AN APPLICATION WITH COUNTY OF SAN DIEGO FOR NEIGHBORHOOD REINVESTMENT PROGRAM FUNDING.****NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF YMCA OF SAN DIEGO COUNTY:**

1. CONFIRMS THAT YMCA OF SAN DIEGO COUNTY IS A NONPROFIT CALIFORNIA CORPORATION OR A PUBLIC AGENCY UNDER THE LAWS OF THE STATE OF CALIFORNIA;

2. APPROVES THE FILING OF AN APPLICATION WITH THE COUNTY OF SAN DIEGO FOR NEIGHBORHOOD REINVESTMENT PROGRAM FUNDING DURING THE COUNTY'S 20202021 FISCAL YEAR; AND

3. AUTHORIZES THE PEOPLE LISTED BELOW TO SIGN A GRANT AGREEMENT WITH THE COUNTY OF SAN DIEGO FOR NEIGHBORHOOD REINVESTMENT FUNDS FOR THE CURRENT FISCAL YEAR.

TODD TIBBITS, PRESIDENT & CEO

**ROD LANTHORNE MOVED APPROVAL OF THE CONSENT
AGENDA ITEMS. SECONDED BY BOB BOLINGER AND
CARRIED.**

ADJOURNMENT:

There being no further business, the meeting adjourned at 1:27 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Hood", with a long horizontal flourish extending to the right.

Mike Hood
Secretary