

“We are a welcoming, active, and business-friendly rural foothill community built on California's rich gold rush history.”



City Manager's Report

February 11, 2025, City Council Meeting

Prepared by: Dave Warren, Assistant City Manager/Director of Finance

Item #: 7.6

Subject: Consider authorizing the City Manager or designee to negotiate and execute the third amendment to the lease agreement with R. Thomas Relles, Ross W. Relles, James C Relles, JoaAnn Bradley, and Ronald S. Relles for the property adjacent to 681 Main Street and providing four additional five-year optional extensions through July 31, 2061.

Recommendation:

Adopt a resolution authorizing the City Manager or designee to negotiate and execute the third amendment to the lease agreement with R. Thomas Relles, Ross W. Relles, James C Relles, JoaAnn Bradley, and Ronald S. Relles for the property adjacent to 681 Main Street and providing four additional five-year optional extensions through July 31, 2061.

Purpose:

To provide additional options to extend the lease agreement for the property adjacent to 681 Main Street through 2061.

Strategic Plan Strategy:

Fiscal Stability/Sustainability: Strategy-Increase Revenues a. Complete update of the Master Fee Schedule and maintain it going forward.

Background:

In 2014, the California Department of Transportation (DOT) relinquished properties associated with the Highway 50 Operations Project to the City. Most of the relinquished property was associated with vacant lands and the bike/walking trail through the City. However other areas including developed areas that had been leased to private property owners for parking. One of these areas is the property located adjacent to the trail at 681 Main Street. When this property was developed additional parking was required. At that time the property owner, Mall Corp., entered into a lease agreement with DOT for leased parking adjacent to the trail. Total leased parking is 62 Stalls. The total parking required for the facility is 122 stalls. The total number provided is 126 stalls.

The current agreement is an extension of the original agreement between DOT and Mall Corp which the City took over in 2014. The lease runs through July 31, 2031 and the cost for the lease is currently \$327.00 per month. In 2016 Mall Corp sold the property to R. Thomas Relles, Ross W. Relles, James C Relles, JoaAnn Bradley, and Ronald S. Relles. The current lease agreement has a term that ends on July 31, 2031. The agreement has two additional five-year options allowing the Lessee to extend the agreement through July 31, 2041. Staff recommends that the City Council approve the third amendment to the lease agreement providing four additional five-year options that could extend the agreement through July 31, 2061.

Discussion:

The current owners of 681 Main Street are currently marketing the property for sale and are actively working with a prospective buyer. In order to sell the property, the current owners have asked if the City would be willing to amend the agreement with four additional five-year options through July 1, 2061. Staff has determined that the City does not have any other uses for the said property at this time, and therefore recommends the proposed amendment allowing for the optional extension of the lease through July 1, 2061. However, staff recommends that the following sentence be added to the third amendment:

All parking spaces located on the said property shall remain unsolicited public parking.

This language will help ensure that the existing parking spaces remain available to the public for the duration of the lease period.

Options:

1. Adopt a resolution authorizing the City Manager or designee to negotiate and execute the third Amendment to the lease agreement and providing four additional five-year extensions through July 31, 2061 as recommended by staff.
2. Adopt a resolution authorizing the City Manager or designee to negotiate and execute the third Amendment to the lease agreement and providing two additional five-year extensions through July 31, 2051.
3. Take no action.

Environmental:

Tonight's actions are not applicable.

Cost:

There is no material cost associated with tonight's action.

Budget Impact:

There is no budget impact associated with tonight's action.



M. Cleve Morris, City Manager



Dave Warren, Assistant City Manager/
Director Finance

Attachments:

- A. Resolution
- B. Original Agreement
- C. Third Amendment