



CITY COUNCIL AGENDA STATEMENT



November 17, 2020

File ID: 20-0370

TITLE

- A. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE TERMINATION OF AN EXISTING LEASE AND EXECUTION OF A NEW LEASE AGREEMENT WITH CHULA VISTA AMERICAN LEGION POST NO. 434 FOR THE CITY-OWNED BUILDING AND APPURTENANCES LOCATED AT 47 FIFTH AVENUE

- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA RENAMING THE AMERICAN LEGION HALL LOCATED AT 47 FIFTH AVENUE TO THE CHULA VISTA VETERANS MEMORIAL BUILDING

RECOMMENDED ACTION

Council adopt the resolutions.

SUMMARY

The Chula Vista American Legion Post No. 434 has been a tenant of the City in its present location for many years. The current lease for the building, out areas and parking lot expires July 31, 2022. This expiring lease had a sunset clause with no provision for renewal. Because of the long-term relationship between the Post and the City and because of the need for meeting space for other veterans' groups this action would grant a new non-exclusive lease to the American Legion for the use of all established veterans support groups in Chula Vista. By executing this new Lease Council will be terminating the existing Lease effective October 31, 2020. Council is also being asked to rename the American Legion Hall to "The Chula Vista Veterans Memorial Building" to acknowledge the contributions of all Veterans organizations.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities) and Section 15061(b)(3), because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Thus, no further environmental review is required.

DISCUSSION

The Chula Vista American Legion Post No. 434 has been a tenant of the City in its present location for many years. The Post was chartered in 1931 and has been located at its present location in Eucalyptus Park since

about 1941. Over the years the lease has been renewed at least four times. The current lease, entered into in October 2012, provided for the continuing occupancy by the Post in exchange for rent in the amount of \$1,700 per month and all site maintenance responsibilities. It also included a sunset clause precluding future renewals beyond its termination in July 2022. The land area of the lease is approximately 1.35 acres for the building and out areas together with the non-exclusive use of the adjacent parking area. The building itself is about 5,400 square feet. The City has now been approached by the Post about reconsidering the termination of their occupancy in 2022 indicating that they had had no success in locating an alternative facility that they could afford while also stating that the current rent was straining the organization's finances. They are asking to remain in tenancy for as long as possible with the rent either greatly reduced or eliminated.

The American Legion has done a very good job of maintaining the facility over the years and though the building was constructed in 1941 it is still functional. This factor when combined with the shortage of available and affordable facilities for the various veteran's support groups in the City has led staff to reconsider the permanent termination of the American Legion occupancy, with conditions. Staff believes that if this lease is to continue for a longer term with little or no revenue to the City it must serve a broader group of Chula Vista veterans. Fortunately, the American Legion was cognizant of this reality and together we have negotiated a new Lease that addresses the City's concerns and provides for the needs of the Post.

The essential points of the new lease (a copy is attached for reference) are as follows:

Instead of the Post paying the City monthly rental in the amount of \$1,700 per month the City will waive all rent. In exchange the Post will make the facility available to all Chula Vista Veterans groups for functions and activities. The Post would still administer and maintain the facility at the same standards as they do currently. Further, the facility would be renamed from "American Legion Hall" to "The Chula Vista Veterans Memorial Building" to acknowledge the contributions of all Veterans organizations. The new Lease will have a term of ten years with an option for an additional ten years upon mutual consent.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found that Council Member McCann has real property holdings within 500 feet of the boundaries of the property which is the subject of this action. Pursuant to Government Code section 1091.5(a)(7), Councilmember McCann also discloses his lifetime membership in American Legion Post 434. Based on the above, the City submitted a "request for advice" to the Fair Political Practices Commission (FPPC) as to whether Councilmember McCann had a disqualifying conflict-of-interest for this decision. The FFPC concluded, via File No. A-20-123, that Councilmember McCann did not have a disqualifying conflict-of-interest under the Political Reform Act or Government Code section 1090. Consequently, this item does not present a disqualifying conflict-of-interest under the Political Reform Act or Government Code section 1090 and Councilmember McCann may participate in this decision.

Staff is not independently aware, and has not been informed by any Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

In the current year the City will forgo nine (9) months of rent under the current lease. That amounts to a decrease in revenue of \$15,300 for the current fiscal year.

ONGOING FISCAL IMPACT

In Fiscal 2021-2022 The City will forgo a one month lease payment of \$1,558 for the final month of the existing lease.

ATTACHMENTS

1. Lease Agreement

Staff Contact: Rick Ryals, Real Property Manager