



County of Santa Cruz

PARKS, OPEN SPACE & CULTURAL SERVICES

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BARRY C. SAMUEL, DIRECTOR

January 19, 1999

Agenda: January 26, 1999

BOARD OF SUPERVISORS

County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

LOUDEN NELSON CENTER CONTRACT

Dear Members of the Board:

During Budget Hearings your Board directed the Parks Department to negotiate an agreement with the City of Santa Cruz to phase out the County's financial involvement with the City with regard to the Loudon Nelson Center.

The contract between the City and County details the terms of buy out between the parties. The terms of the contract provide for the City to repay the County one-half of the original purchase price plus the County's share of capital improvements which were made at the Loudon Nelson Center during the term of joint ownership. Payments can be made over a five year period.

The County's share of:

one-half the original purchase price	\$165, 000
capital improvements	\$97,450
Total	\$262, 450

Earlier this month, the Steering Committee members, including Supervisor Beautz, Supervisor Wormhoudt, Mayor Beiers, and representatives from the City and County administration and City and County Parks Departments, met to develop an appropriate plan. It was agreed that the County and the City are still under contract and the County should pay a portion of the City's costs for the fiscal year 1998-99 operation of the Loudon Nelson Center. It was agreed that reduction of the buyout amount to \$200,000

BOARD OF SUPERVISORS

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AGENDA: JANUARY 26, 1999


LOUDEN NELSON CENTER CONTRACT

would be a fair and reasonable figure to satisfy the County's obligations to share in the costs of operation of the Louden Nelson Center prior to the termination of the contract.

Consistent with the terms of the contract the City would make payments to the County, interest free, over a five year period in five equal installments of \$40,000, payable beginning July 31, 1999. The City will be considering this proposal at their January 26, 1999 meeting.

It is therefore RECOMMENDED that your Board authorize the Chairperson to sign an agreement substantially in conformance with the attached agreement terminating the Joint Powers Agreement between the County of Santa Cruz and City of Santa Cruz for management of the Louden Nelson Community Center, and providing for the purchase of the County's interest in Louden Nelson Community Center by the City of Santa Cruz for the amount of \$200,000 in five annual installments.

Sincerely,


BARRY C. SAMUEL
Director

RECOMMENDED:


for SUSAN A. MAURIELLO
County Administrative Officer

cc: County Administrative Office
Auditor-Controller
County Counsel
City of Santa Cruz

**AGREEMENT TERMINATING JOINT EXERCISE OF POWER
AGREEMENT BETWEEN COUNTY OF SANTA CRUZ AND CITY
OF SANTA CRUZ FOR MANAGEMENT OF LOUDEN NELSON
COMMUNITY CENTER**

This Agreement is made and entered into this _____ day of _____, 1999, by and between the County of Santa Cruz, a political subdivision of the State of California,, hereinafter referred to as "County" and the City of Santa Cruz, a municipal corporation, hereinafter referred to as 'City':

WITNESSETH:

WHEREAS, City and County in 1976 entered into a joint powers agreement for acquisition and development of the Laurel School property, currently known as the Loudon Nelson Community Center;

WHEREAS, City and County entered into an agreement on July 1, 1990, for management of the Loudon Nelson Community Center and said agreement was amended on February 25, 1993, the parties executed an amendment to agreement amending paragraph 8 of the agreement regarding the sharing of the expenses for the maintenance and operation of the Loudon Nelson Community Center;

WHEREAS, paragraph 11 of the agreement for management of the Loudon Nelson Community Center provides that either party shall have the right to withdraw from the agreement at any time upon 90 days written notice and the other party shall have the option to purchase the interest of the withdrawing party for a price equal to one-half of the original purchase of the property plus the amount expended by the withdrawing party on improvements to the property, which price may be paid without interest over a 5 year period in 5 equal annual installments;

WHEREAS, County has given notice to the City of its desire to withdraw from the Agreement; and

WHEREAS, the City desires to exercise the option to purchase the interest of the County in accordance with the provisions of paragraph 11.

NOW, THEREFORE, it is agreed by and between City and County as follows:

1. In consideration of the payments to be made by the City as hereinafter provided and in consideration of the other agreements contained herein, County agrees to convey to City, by grant deed within 30 days after the date of execution of this Agreement, its undivided one-half interest as tenant in common with City, in that certain real property situated in the City of Santa Cruz, County of Santa Cruz, State of California, known as the Louden Nelson Community Center, and 'more particularly described in Exhibit "A" attached hereto and by this reference incorporated herein.

2. City shall pay to County the total sum of \$200,000 payable in five equal annual installments of \$40,000. The first installment shall be payable on or before July 3 1, 1999, and the four subsequent payments shall be payable on or before July 3 1 of each of the four succeeding years.

3. Except as specifically provided otherwise in this Agreement, City and County agree that said payments shall be in full satisfaction of the obligations of the City to purchase the interest of the County, shall be in full satisfaction of any obligations of the County to contribute funds towards the maintenance and operation of the Louden Nelson Community Center, and in full satisfaction of any other obligations by and between the City and County with regard to the Louden Nelson Community Center.

4. It is understood and agreed that upon the execution of this Agreement, the City may in its discretion exercise its legal authority to establish differential fees for use of the Louden Nelson Community Center by residents outside the City.

5. It is agreed that upon the execution of this Agreement the City shall be solely responsible for maintaining any property damage insurance on the Community Center structure and contents, for maintaining any comprehensive automobile, general liability insurance for the Community Center, and for defending and paying any claims for damages for actions arising out of Community Center operations which took place on or after the execution of this Agreement. In the event that liability claims are submitted for actions arising out of Community Center operations which took place prior to the execution of this Agreement, the City shall administer and be responsible for defense of all such claims for damages, provided that the County shall be responsible for paying 25 percent of the costs of defense and of any damages for such liability claims. The City shall give prompt notice to County of any claims or legal actions which are filed based on Community Center operations which took place prior to the execution of this Agreement,

and City shall not settle any such claims or legal actions without prior consultation with County. Any obligations of County under this paragraph shall be deducted from the annual payments payable to the County by City under paragraph 2.

6. Except as otherwise specifically provided in this Agreement, the joint exercise of power agreement between the County and City for management of the Loudon Nelson Community Center executed on July 1, 1990, as amended by amendment to agreement dated February 25, 1993, is terminated for all purposes effective on the date of the signing of this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement the day and year first hereinabove written.

COUNTY OF SANTA CRUZ

By _____
Chairperson, Board of Supervisors

APPROVED AS TO FORM:


DWIGHT L. HERR, County Counsel

CITY OF SANTA CRUZ

BY _____
City Manager

APPROVED AS TO FORM:

JOHN G. BARISONE, City Attorney

cc: County Administrative Office
POSCS
Auditor-Controller
City of Santa Cruz
County Counsel