



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 12/4/2018

Agenda Placement: 6G

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Steven Lederer - Director of Public Works  
Public Works

**REPORT BY:** Julie Kirk, Staff Services Analyst II - 259-8603

**SUBJECT:** Ground Lease Agreement and Access and Utilities Easement Agreement with Napa County Office of Education

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### **RECOMMENDATION**

Director of Public Works requests the following actions:

1. Approval of and authorization for the Chair to sign the following agreements effective January 1, 2019 with the Napa County Office of Education (NCOE), to facilitate NCOE's placement of modular units and utilities for the operation of a State Preschool and Day Care Center on a portion of Napa County Fairgrounds:
  - a. Ground Lease Agreement to facilitate NCOE's use and occupancy of the Lease Area; and
  - b. Access and Utility Easement Agreement for NCOE's purposes of installation, maintenance, repair and use of utilities and for purposes of access to and from the Lease Area.
2. Determination that in accordance with Government Code section 26227, NCOE's intended use of the property covered by the Ground Lease Agreement and the Access and Utility Easement Agreement for the operation of a preschool and day care center will serve important public purposes and that the property is not and, during the time of possession by NCOE, will not be needed for County purposes.

### **EXECUTIVE SUMMARY**

The County of Napa owns that certain real property consisting of approximately .57 acres, located at 1407 N Oak Street, Calistoga, CA 94515, which is a portion of a larger parcel of real property owned by the County and designated as Assessor's Parcel No. 011-140-055-000 ("Lease Area"). The Napa County Office of Education (NCOE) has requested of the County use of the Lease Area to install, place and use modular units and related equipment solely for the operation of a Preschool and Day Care Center. Today's action will allow NCOE the use of the Lease Area through a Ground Lease with an annual rental rate of One Dollar and No Cents (\$1.00) for

the term beginning on January 1, 2019 and terminating on December 31, 2038 with the option to extend the term for two (2) consecutive five-year periods. Concurrently, staff requests Board approval of an Access and Utility Easement Agreement ("AUE Agreement") to facilitate NCOE's use and occupancy of the Lease Area pursuant to the Ground Lease. The term of the AUE Agreement shall be coextensive with the Ground Lease.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

**Consideration and possible adoption of a Categorical Exemption Class 3:** It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. The project will not impact an environmental resource of hazardous or critical concern, has no cumulative impact, there is no reasonable possibility that the activity may have a significant effect on the environment due to unusual circumstances, will not result in damage to scenic resources, is not located on a list of hazardous waste sites, cause substantial adverse change in the significance of a historical resource or extract groundwater in excess of the Phase 1 groundwater extraction standards as set by the Department of Public Works. [See Class 3 ("New Construction or Conversion of Small Structures") which may be found in the guidelines for the implementation of the California Environmental Quality Act at 14 CCR §15303; see also Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B.]

### **BACKGROUND AND DISCUSSION**

The County is the owner of the parcel of real property consisting of approximately 70.6 acres (commonly referred to as the "Napa County Fairgrounds") made up of three parcels which is managed, operated and maintained on behalf of the County by the Napa County Fair Association, a California Nonprofit Public Benefit Corporation. On March 22, 2017, the City of Calistoga sent a letter to the County requesting the County's assistance in relocating the preschool to the Napa County Fairgrounds property from City owned property at 1432 Eddy Street in Calistoga. Based on this request, staff engaged NCOE representatives in discussions on requirements for the relocation of the preschool to the Napa County Fairgrounds and completed appropriate California Environmental Quality Act reviews. NCOE has requested the County consider granting a ground lease for approximately 1/2 of an acre on the western portion of the Calistoga Fairgrounds property to locate modular buildings/classrooms and playground area to operate the NCOE - Calistoga Preschool and California Day Care Center.

The preschool currently serves one morning and one afternoon session of 24 students each. NCOE anticipates that the program may expand slightly but would be able to fit within the 1/2 acre parcel. The proximity to the new Boys & Girls Club, City recreation facilities and housing developments that serve their clients makes the County owned property ideal to relocate the preschool. NCOE proposes to install two modular buildings consisting of 1,440 sq. ft. each, a playground and a 1,200 sq. ft. shade structure between the two buildings, and a parking area in front of the building. The proposed improvements conforms with the adopted Napa County General Plan (June 2008). Improvements proposed for County owned, operated or occupied buildings and facilities are consistent with General Plan Policy AG/LU-29 which allows governmental organizations to operate and use existing structures/facilities, and to expand in size and/or volume, in order to upgrade or modernize facilities to meet public needs.

Napa County is in the process of negotiating a Purchase and Sale Agreement with the City of Calistoga for a portion of the Napa County Fairgrounds. The Ground Lease stipulates the County's right to continue to market for sale and to sell the Lease Area and/or the Larger Parcel during the term of the lease. The Ground Lease allows the County to assign or transfer the Lease to any person or entity without any requirement for prior approval by NCOE. The City of Calistoga, having first requested the relocation of the preschool to the Napa County Fairgrounds, is supportive of the development of the lease agreement an Access and Utility Easement that will allow NCOE to extend required utilities to the lease area and have continued access to the area via a driveway.

Staff requests Board approval of a Ground Lease providing NCOE the use of approximately .57 acres of a County owned real property consisting of approximately 14.8 acres, commonly known as Napa County Assessor's Parcel Number 011-140-055 located at 1407 N. Oak Street, Calistoga, California, to relocate the Calistoga Preschool and California Day Care Center for an annual rental fee of One Dollar and No Cents (\$1.00) for the term beginning on January 1, 2019 and terminating on December 31, 2038 with the option to extend the term for two (2) consecutive five-year periods. Staff also requests Board approval of an Access and Utility Easement Agreement to be coextensive with the Ground Lease giving NCOE the non-exclusive right to install utilities on, across, over, upon, and under the property as well as reasonable and customary ingress and egress to and from the Lease Area, to and from the public roadway known as North Oak Street, by NCOE, its employees, agents, members of the public and invitees. Finally, the Board is requested to make a determination that in accordance with Government Code section 26227, NCOE's intended use of the property covered by the Ground Lease Agreement and the Access and Utility Easement Agreement for the operation of a preschool and day care center will serve important public purposes and that the property is not and, during the time of possession by NCOE, will not be needed for County purposes.

#### **SUPPORTING DOCUMENTS**

- A . Lease Area
- B . Utility and Access Easement Area

CEO Recommendation: Approve

Reviewed By: Helene Franchi