



Minutes

Lakewood City Council

Adjourned Regular Meeting held
October 13, 2020

MEETING WAS CALLED TO ORDER at 6:04 p.m. by Mayor Rogers in the Maple Room at the Civic Center, 5000 Clark Avenue, Lakewood, California.

ROLL CALL: PRESENT: Mayor Todd Rogers
Vice Mayor Jeff Wood
Council Member Steve Croft
Council Member Ariel Pe
Council Member Vicki Stuckey

CONSIDERATION OF INTERIM CARETAKER FOR LAKEWOOD EQUESTRIAN CENTER

City Manager Thaddeus McCormack provided a brief history of the recent challenges at the Lakewood Equestrian Center (LEC) and outlined the consideration of an interim caretaker noting that such an agreement was not intended to be a long term solution; however, it was necessary to be able to continue the existing operations while staff continued to work on a master plan. He further explained that it was important to note that a long term solution might not be available and that a transition at some point to an exit strategy or a re-use plan, which would involve significant costs, would need to be considered. He added that given the numerous structures on the site that needed to be updated, demolished or removed as well as the uncertainty of the COVID-19 situation, the lack of a completed master plan and the issues of liability, it had been a challenge to engage in the process of attracting a long term concessionaire. He discussed the proposed timeline as it related to the proposed agreement and the process of identifying potential long-term concessionaires.

Valarie Frost, Director of Recreation and Community Services, reported that staff had been in discussions with Stephanie Field and Sonya Jahn to define the terms of a Caretaker Management Contract. Ms. Frost explained the concessionaire's monthly rent paid to the City would be 6% of gross receipts received for the first six months of the term and 8% for the last six months. She noted that the rent would yield approximately \$43,000, which would cover the cost of the Southern California Edison license agreement. She stated that the caretaker would provide the appropriate California Joint Powers Insurance Authority (JPIA) recommended coverages, which included general liability, commercial general liability as well as equine liability. She added that Ms. Jahn had agreed to re-engage in contract extension discussions after six months, on or around June 1, 2021. Due to the short term nature of the contract, the proposed caretaker would not be able to make significant investments needed to manage the facility, mainly the purchase of a tractor and water truck. City staff recommended to the LEC Ad Hoc Committee that the City purchase or lease these pieces of equipment for use by the proposed caretaker. The purchase of a new tractor was estimated at \$50,000 and a used water truck at \$65,000. The best estimates received to rent both pieces of equipment was \$5,600 per month.

CONSIDERATION OF INTERIM CARETAKER FOR LAKEWOOD EQUESTRIAN CENTER - Continued

Ms. Frost explained that if purchased, the used water truck could later be resold, thus recouping some of the City's investment and the tractor could later be reassigned to serve the City's own use. She concluded by stating that staff recommended that the City Council authorize the Mayor and the City Clerk to execute the City of Lakewood Interim Caretaker Management Contract for Lakewood Equestrian Center subject to approval of the City Attorney as to the form; appropriate funds from the General Fund, not to exceed \$120,000, for the purchase of a used water truck, a tractor and two tractor implements and authorize staff to purchase said items; and provide staff direction in securing a long-term concessionaire to manage facility operations and maintenance and fund capital improvements at the Lakewood Equestrian Center beginning November 2021.

Ms. Frost introduced Ron Hagan, Integrated Consultant Group, the City's equestrian center consultant, who discussed the process of securing a long term concessionaire.

Vice Mayor Wood inquired whether a minimum rent amount could be imposed. Mr. McCormack responded by stating that staff had essentially created a structure that gave the proposed caretakers some assurance that the venture would not leave them in a financial bind. He added that of the last few weeks, more boarders had been acquired and that the number of horses would translate to more rent and an increase in terms of gross amount.

Vice Mayor Wood stressed the importance that proper training be conducted on the truck and tractor as they would be identified as City owned equipment. He further stated that with regards to an exit strategy that all options be explored.

Responding to Council Member Croft's comments, Ms. Frost noted that some of the new boarders were possibly from an equestrian facility in Anaheim that would be closing in two years. She added that eight of the 112 horses on the property were owned by Lakewood residents.

Mr. Hagan replied to Council Member Croft's question regarding the replacement of the aging population already accommodated at the equestrian center by stating that there was market demand for boarding facilities and that while Lakewood residents may not have a horse to board, the horses that were boarded could be used in programming and allow for recreational activities that could be offered. He added that the completed master plan would show the center's primary function should be boarding and training with competitions and shows as secondary purposes.

Ms. Frost noted that nearby equestrian facilities in Cerritos and Long Beach were almost at capacity and stated that there was definitely a market for boarding horses.

In response to Council Member Croft's inquiry regarding liability coverage, Ms. Frost explained that the caretakers would provide commercial general liability, auto liability, workers compensation and equine liability through an outside insurance company and that the City had the responsibility of providing the property insurance for coverage on the structures on the site through JPIA.

CONSIDERATION OF INTERIM CARETAKER FOR LAKEWOOD EQUESTRIAN CENTER - Continued

In response to Council Member Croft's question regarding the grant funds, Ms. Frost stated that there was no liability for not implementing the master plan.

Ms. Frost clarified for Council Member Pe that a long term lease ran at least 25 to 30 years in order for someone to be able to recoup their investment over time. She explained that Edison at present was only doing five year license agreements throughout their properties for which they provide a use license and that as long as an equestrian center was maintained, they would continue to provide use of the property that runs through the equestrian center for equestrian activities.

Replying to Council Member Pe's inquiry regarding the timeline, Mr. McCormack explained that the intent was to examine the status every six months from this point forward. He stated that there was a possibility that in six months' time, the terms of interest might be such that it would trigger having to move to a more regrettable phase should a long term operator not be secured.

Mayor Rogers advocated that it would be a good business practice to perform an audit or accounting review to ensure the appropriate rent percentages. He inquired about the liability on the part of the interim caretakers. Ms. Frost stated that according to the contract, the caretakers would be required to exercise due care and maintenance of the facility as well as the equipment and that a quarterly safety inspection would be conducted.

Ms. Frost responded to Mayor Rogers' questions by stating that the interim caretakers were not looking at becoming a long term concessionaire and that neither party had the start-up funds for such an undertaking. She added that in discussions with Mr. Hagan, it was determined that at least \$200,000 in capital would be needed with the ability to borrow in excess of \$1,000,000. She reiterated that the caretakers were taking this on as a labor of love with the intent of making the property more aesthetically pleasing, to work with the boarders to provide more harmony on the site, to increase special events that engaged the community and then hand it over to the City.

Council Member Croft commented that an exit strategy was one of the reasons to bring the item back for consideration as well as to provide a meaningful discussion on the master plan and the viability of the equestrian center along with the costs of the City keeping it going.

Mayor Rogers commended the ad hoc committee for their efforts and suggested noting in the master plan that maintaining the status quo indefinitely was not a viable option.

COUNCIL MEMBER CROFT MOVED AND MAYOR ROGERS SECONDED TO APPROVE STAFF'S RECOMMENDATIONS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Croft, Wood, Pe, Stuckey and Rogers

NAYS: COUNCIL MEMBERS: None

FRONT YARD LANDSCAPE ORDINANCE

Abel Avalos, Director of Community Development, displayed slides reflecting the variety of housing styles, configurations and lot sizes and made a presentation based on the memo in the agenda. He stated that the City Council had held a study session on September 22nd to discuss possible regulations related to front yard landscaping and standards for the installation of permeable and impermeable materials in the front yard. Staff believed that an ordinance was necessary to establish minimum landscape standards for front yards, but also to help with the continued control and enforcement of the City's parking regulations in these areas. He explained that comments from the Council Members and the City Manager were received and considered in redrafting the proposed policies. He reported that currently there were no regulations prohibiting Lakewood property owners from paving or placing impermeable materials to cover 100% of the required front yard area and building permits were not required to do "flat work;" therefore, a property owner had no requirement to seek City approval for paving any or all portions of their required front yard. He provided suggested policies which were revised in response to comments received at the study session, which included requiring that the front yard hardscape area be limited to no more than 60% of the front yard area; that the permeable area would be no less than 40% of the required front yard area; and defining the driveway step out area as a front yard hardscape area no more than two feet wide. He concluded by stating that staff recommended that the City Council discuss the proposed ordinance amendment and options for regulations regarding front yard landscaping and permeable surfaces, then establish some preferred policy directions; direct staff to prepare and present an ordinance in accordance with those policy directions to the Planning and Environmental Commission for review; and the Planning and Environment Commission would conduct a hearing and provide a recommendation to the City Council regarding the proposed ordinance.

Mayor Rogers suggested that standards for non-regular lots be developed for consideration and that a variance process be formalized where possible. He also proposed that his Council colleagues provide input to staff prior to the next meeting.

ADJOURNMENT

There being no further business to be brought before the City Council, Mayor Rogers adjourned the meeting at 7:28 p.m.

Respectfully submitted,

Jo Mayberry, CMC
City Clerk