

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE GROUND LEASE AND OPTION TO PURCHASE OF LAND FOR FUTURE PARKING AND RECREATION FACILITIES, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AND ADMINISTER, ALL DOCUMENTS, AGREEMENTS, INCLUDING THE AGREEMENT REGARDING CLEANUP OF PROPERTY, AND PAYMENTS NECESSARY THEREFOR**

WHEREAS, the Morgan Hill Outdoor Sports Center ("OSC") and Morgan Hill Aquatics Centers ("AC") are located adjacent to each other on Condit Road and are utilized for both local and regional sports and recreation events; and

WHEREAS, large events at both sites support both local economic development and cost recovery at the facilities and require significant parking and as both facilities have increased in use, an increased need for parking has been identified; and

WHEREAS, the FY 2105/16 Capital Improvement Plan included \$2 million in funding to purchase land for the purpose of parking and future parks and recreation uses; and

WHEREAS, in early 2015, City staff was approached by the owner of 10 acres of land adjacent to both the AC and OSC at 1250 Barrett Avenue, who expressed an interest in selling their property to the City of Morgan Hill (the "City"); and

WHEREAS, the property would provide more than enough space to meet current and future parking needs for both the AC and OSC with remaining space available for future park and recreation uses; and

WHEREAS, City staff has worked to negotiate the terms of the agreement; and

WHEREAS, the terms of the Ground Lease with Option to Purchase include 1) a 5 year term, 2) a \$100,000 per year lease amount with the City receiving a credit of \$50,000 (50%) of the lease amount toward the purchase price, 3) a \$2,000,000 purchase price, which is the fair market value and supported by an appraisal, and 4) the option for the City to purchase the property upon the death of the current owner, who will continue to live on the property in the interim; and

WHEREAS, the City will not enter into the Ground Lease with Option to Purchase until the property has been completely cleaned of the minor contamination of diesel fuel and pesticides in a few locations; and

WHEREAS, further reasons supporting the delegation to the City Manager to execute those certain documents, agreements, and payments that are described in, and that are the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "Lease

with Option to Purchase of Land for Future Parking and Recreation Facilities” submitted for City Council consideration at its meeting of June 1, 2016, submitted to the City Council by the City Manager (the “Staff Report”), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970 and future CEQA analysis will be required for the use of the property for parking or development of a portion of the property as a recreational facility; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1.     Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2.     Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the Ground Lease with Option to Purchase and Agreement Regarding Cleanup of Property for the purchase of land for future parking and recreation facilities, substantially in the form attached hereto as Exhibit A and incorporated herein by this reference (the “Agreements”), are hereby approved.
- b. That the City Manager is hereby delegated authority to and is authorized and directed to execute, and subsequently administer including the authority to terminate as necessary or appropriate, the Agreements substantially in the form attached hereto as Exhibit A.
- c. That the City Manager is hereby delegated authority to and is authorized and directed to execute any other documents, agreements, and payments necessary for the purchase of land for future parking and recreation facilities and take all other ministerial actions that may be necessary or appropriate to implement the provisions of this Resolution.

Section 3.     This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** by the City Council of the City of Morgan Hill at its meeting held on this 1st day of June, 2016 by the following vote:

**AYES:**  
**NOES:**

**COUNCIL MEMBERS:**  
**COUNCIL MEMBERS:**

**ABSTAIN:  
ABSENT:**

**COUNCIL MEMBERS:  
COUNCIL MEMBERS:**

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
**Steve Tate, MAYOR**

**∞ CERTIFICATION ∞**

**I, Irma Torrez, City Clerk of the City of Morgan Hill, California,** do hereby certify that the foregoing is a true and correct copy of Resolution No. XXXX , adopted by the City Council at the meeting held on June 1, 2016.

**WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.**

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
**Irma Torrez, CITY CLERK**